

**LKCM FUNDS**  
**301 Commerce Street, Suite 1600**  
**Fort Worth, Texas 76102**

September 24, 2018

Dear Shareholder:

We write to inform you that the Board of Trustees of the LKCM Funds has approved the liquidation and termination of the Adviser Class shares of the LKCM Small Cap Equity Fund (the "Fund") on or about October 31, 2018. Please note that this liquidation will not impact the Institutional Class shares of the Fund, which commenced operations on July 14, 1994 and will continue to be available for investment following the liquidation of the Adviser Class shares of the Fund. Both the Adviser Class and Institutional Class shares represent interests in the Fund and, therefore, offer the same investment program and exposure, but the Institutional Class shares of the Fund do not charge any Rule 12b-1 distribution expenses. This letter contains important information regarding the pending liquidation of the Adviser Class shares of the Fund and your investment therein. Additional information regarding the pending liquidation is contained in the accompanying supplement.

You may redeem your Adviser Class shares of the Fund or exchange such shares into Institutional Class shares of the Fund, which generally would not be a taxable transaction, or into shares of another series of the LKCM Funds, prior to the close of business on October 31, 2018. If you do not redeem or exchange your Adviser Class shares of the Fund by October 31, 2018, then your shares will be liquidated on or about the close of business on such date and the proceeds will be remitted to you by check mailed to your address of record. We intend to waive redemption fees and exchange fees related to the Adviser Class shares of the Fund in order to accommodate the liquidation. If you hold your Adviser Class shares of the Fund through a broker-dealer or other financial intermediary, please contact them for information on how to sell and exchange your shares. Your broker-dealer or other financial intermediary may charge fees that are in addition to those described in the supplement and in the prospectus.

Please note that we will withhold taxes from any proceeds distributed to you unless directed otherwise on your request. Please be aware that we do not provide tax advice, and you should consult with your tax advisor regarding the tax implications of your investment and any sale or exchange.

The liquidation only affects investment and exchange privileges in Adviser Class shares of the Fund and does not affect investment or exchange privileges in the other LKCM Funds, including Institutional Class shares of the Fund. Please contact us at 1-800-688-LKCM if you have any questions regarding the liquidation process.

Sincerely,

Jacob D. Smith  
Chief Financial Officer and Chief Compliance Officer  
LKCM Funds