



LKCM Aquinas Value Fund
(now known as LKCM Aquinas Catholic Equity Fund)
LKCM Aquinas Growth Fund
LKCM Aquinas Small Cap Fund

Semi-Annual Report
June 30, 2016

Dear Fellow Shareholders:

We report the following performance information for the LKCM Aquinas Funds for indicated periods ended June 30, 2016:

Funds ⁽¹⁾	Inception Dates	NAV @ 6/30/16	Net Expense Ratio*, **	Gross Expense Ratio**	Six Month Total Return Ended 6/30/16	One Year Total Return Ended 6/30/16	Five Year Average Annualized Return Ended 6/30/16	Ten Year Average Annualized Return Ended 6/30/16	Avg. Annualized Total Return Since Incept.***
LKCM Aquinas Value Fund	7/11/05	\$15.38	1.50%	1.55%	1.38%	-4.82%	7.54%	5.98%	6.07%
Russell 1000 Value [®] Index ⁽²⁾					6.30%	2.86%	11.35%	6.13%	6.51%
LKCM Aquinas Growth Fund	7/11/05	\$16.79	1.50%	1.66%	1.63%	0.76%	6.96%	6.14%	5.23%
Russell 1000 Growth [®] Index ⁽³⁾					1.36%	3.02%	12.35%	8.78%	8.35%
LKCM Aquinas Small Cap Fund	7/11/05	\$ 6.09	1.50%	2.59%	-0.33%	-11.63%	3.17%	4.52%	5.14%
Russell 2000 [®] Index ⁽⁴⁾					2.22%	-6.73%	8.35%	6.20%	6.61%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-423-6369. The Funds impose a 1.00% redemption fee on shares held less than 30 days. If reflected, the fee would reduce performance shown.

* Luther King Capital Management Corporation, the Funds' investment adviser, has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of each Fund to maintain designated expense ratios through April 30, 2017. This expense limitation excludes interest, taxes, brokerage commissions, indirect fees and expenses relating to investments in other investment companies, including money market funds, and extraordinary expenses. Investment performance reflects fee waivers, if any, in effect during the relevant period. In the absence of such waivers, total return would be reduced. Investment performance is based upon the net expense ratio. LKCM waived management fees and/or reimbursed expenses for each Fund during the six months ended June 30, 2016.

** Expense ratios above are as of December 31, 2015, the Funds' prior fiscal year end, as reported in the Funds' current prospectus. Expense ratios reported for other periods in the financial highlights of this report for the Funds' six months ended June 30, 2016 may differ due to the inclusion of acquired fund fees and expenses.

*** On July 11, 2005, the Aquinas Funds merged into the LKCM Aquinas Funds. Due to the change in adviser and investment technique, performance is being quoted for the period after the merger.

(1) On July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund reorganized into the LKCM Aquinas Value Fund (the "Reorganizations"). At the time the Reorganizations were completed, the LKCM Aquinas Value Fund changed its name to the LKCM Aquinas Catholic Equity Fund ("Equity Fund") and its investment strategies and expenses, including the expense limitation agreement, changed to the investment strategies and expenses, including the expense limitation agreement, of the Equity Fund.

(2) The Russell 1000 Value[®] Index is an unmanaged index which measures the performance of those Russell 1000[®] companies with lower price-to-book ratios and lower forecasted growth values.

(3) The Russell 1000 Growth[®] Index is an unmanaged index which measures the performance of those Russell 1000[®] companies with higher price-to-book ratios and higher forecasted growth values.

(4) The Russell 2000[®] Index is an unmanaged index which measures the performance of the 2000 smallest companies in the Russell 3000[®] Index.

Note: The indices defined above are not available for direct investment and the index performance therefore does not include fees, expenses or taxes.

1H2016 Review and Outlook

Domestically, economic data, including real personal income, initial jobless claims, and housing prices, improved during the first half of 2016. Business investment remained somewhat muted during the first half of 2016 as a result of lower levels of investment in the oil and gas industry and the continued impact of a stronger U.S. dollar. We believe that capital investment is likely to rise as these twin headwinds abate. While corporate profit growth generally has been challenging, we anticipate that year-over-year growth in corporate profits will resume in the second half of 2016.

With nearly all negative-yield debt concentrated in the Eurozone and Japan, we believe that it should come as no surprise that there has been record demand at U.S. government debt auctions this year. In May, demand for two-, five-, and seven-year U.S. Treasury notes soared to all-time highs. Relative to equities, we believe U.S. Treasury bonds are overvalued. The yield on the ten-year Treasury note closed the second quarter of 2016 at 1.47%, the lowest level since August 2012. Put into context, the dividend yield on the S&P 500[®] Index was 2.18% at the close of the second quarter of 2016. We believe U.S. Treasury notes have only been more expensive during two other time periods – 2008 and 2012. Following each of these years, U.S. Treasuries went on to post their worst annual returns on record, losing approximately 3.7% in 2009 and 3.4% in 2013.

In our view, the corrosive effect of negative interest rates will become more apparent over time. Negative interest rates generally hurt savers while at the same time compelling them to set aside even greater sums. We believe this will have negative repercussions for economic growth over time, contrary to the stated intent of the exercise. Even low interest rates domestically are unsettling in our view. The yield curve, which represents the anticipated rate of interest for successive years, is traditionally upward-sloping. This is because the interest rate on the ten-year U.S. Treasury note should be the same, in theory, as the rate of a one-year U.S. Treasury note rolled ten times plus a slight premium for the uncertainty of owning a longer-dated asset and its potential erosion in value due to inflation. Therefore, we believe that what longer-term domestic interest rates are implying is that not only is economic growth tepid now, but domestic economic growth is expected to be lackluster for the next ten years. However, we do not believe that interest rates are a definitive indicator of future domestic economic growth due to various factors.

While future economic growth expectations are imbedded in the level of U.S. Treasury rates, we believe there are additional forces pulling interest rates lower. For example, negative interest rates in parts of Europe and Japan appear to be exerting a gravitational pull on U.S. interest rates. While an interest rate of around 1.50% for a ten-year maturity U.S. Treasury note is not exciting in our view from a historical context, we think it is downright exhilarating compared to the negative interest rates of approximately -0.13% in Germany, -0.22% in Japan, and -0.58% in Switzerland. We believe these forces have resulted in record demand for U.S. Treasuries at recent auctions.

We expect the year-over-year change in corporate profits for the S&P 500® Index will be negative for the second quarter of 2016, which would mark the fifth consecutive quarter of negative growth. The level of the S&P 500® Index has essentially moved sideways since the beginning of 2015 with episodic drawdowns primarily related to economic growth concerns. Over the past eighteen months, corporate profits appear to have been hindered by negative earnings in the energy sector as well as the negative impact of a stronger U.S. dollar. We believe both of these headwinds are fading and will eventually result in the resumption of corporate earnings growth as we enter 2017. We believe this has the potential to boost equity markets in the second half of 2016 as investors focus on future earnings expectations, particularly once we get beyond the fall elections.

LKCM Aquinas Value Fund

The LKCM Aquinas Value Fund underperformed its benchmark, the Russell 1000® Value Index, during the six months ended June 30, 2016, advancing 1.38% against the 6.30% return for the benchmark. The Fund's performance relative to the benchmark benefited from stock selection in the Materials sector, but stock selection in the Information Technology, Financials and Industrials sectors detracted from performance relative to the benchmark. The Fund's underweight position in the Utilities and Financials sectors and overweight position in the Consumer Discretionary sector also detracted from the Fund's relative performance during the period. Upon the completion of the reorganizations of the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund into the Fund on July 29, 2016, the Fund changed its name to the LKCM Aquinas Catholic Equity Fund and its investment strategies and expenses, including the expense limitation agreement, changed to the investment strategies and expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund, as discussed below. We believe that, as the LKCM Aquinas Catholic Equity Fund, the Fund is well positioned for an anticipated improvement in consumer spending based on our expectations for improving employment and wages and lower energy costs.

LKCM Aquinas Small Cap Fund

The LKCM Aquinas Small Cap Fund underperformed its benchmark, the Russell 2000 Index, during the six months ended June 30, 2016, declining 0.33% versus the 2.22% advance for the benchmark. During the first half of 2016, stock selection in the Healthcare and Consumer Staples sectors benefited the Fund's relative performance, while stock selection in the Financials sector, which suffered from an unexpected decline in interest rates during the first half of 2016, detracted from the Fund's relative performance. The Fund's underweight position in the Utilities sector, in which the Fund had no holdings, as well as the Fund's tilt toward growth stocks, also contributed to the Fund's relative underperformance during the first half of 2016.

LKCM Aquinas Growth Fund

The LKCM Aquinas Growth Fund returned 1.63% for the six months ended June 30, 2016, as compared to the 1.36% return for its benchmark, the Russell 1000® Growth Index, during the same period. During the first half of 2016, stock selection in the Consumer Discretionary, Healthcare and Information Technology sectors benefited the Fund's relative performance, while stock selection in the Industrials and Financials sectors detracted from the Fund's relative performance. The Fund also benefited from its underweight position in the Healthcare sector, which was primarily the result of the Fund's Catholic-values investing mandate that limits the Fund's ability to invest in a number of companies in this sector.

Fund Reorganizations

We are pleased to report that shareholders of the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund approved the Plan of Reorganization and Dissolution with respect to the reorganization of the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund into the LKCM Aquinas Value Fund (the "Reorganizations") at a special meeting of shareholders held on July 20, 2016. Accordingly, effective July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund were reorganized into the LKCM Aquinas Value Fund in accordance with the Plan of Reorganization and Dissolution. At the time the Reorganizations were completed, the LKCM Aquinas Value Fund changed its name to the LKCM Aquinas Catholic Equity Fund and its investment strategies and expenses, including the expense limitation agreement, changed to the investment strategies and expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund. Upon consummation of the Reorganizations, the cap on the net expense ratio of the LKCM Aquinas Catholic Equity Fund under an expense limitation agreement with Luther King Capital Management Corporation was lowered from 1.50% per annum to 1.00% per annum through at least December 31, 2017 and the Rule 12b-1 distribution fee rate payable by the LKCM Aquinas Catholic Equity Fund was reduced from 0.25% per annum to 0.10% per annum. Additional information about the Reorganizations and the LKCM Aquinas Catholic Equity Fund can be obtained by visiting www.aquinasfunds.com.



J. Luther King, Jr., CFA, CIC
August 1, 2016

The information provided herein represents the opinion of J. Luther King, Jr., CFA, CIC and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Please refer to the Schedule of Investments found on pages 7-11 of the report for more information on Fund holdings. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

Mutual fund investing involves risk. Principal loss is possible. Past performance is not a guarantee of future results. Small and medium capitalization funds typically carry additional risks, since smaller companies generally have a higher risk of failure, and, historically, their stocks have experienced a greater degree of market volatility than stocks on average. These risks are discussed in the Funds' summary and statutory prospectuses. Since the Funds practice socially responsible investing within the framework provided by the United States Conference of Catholic Bishop's Socially Responsible Investing Guidelines, the Funds may forego a profitable investment opportunity or sell a security when it may be disadvantageous to do so.

Earnings growth is not a measure of future performance.

Stocks are generally perceived to have more financial risk than bonds in that bond holders have a claim on firm operations or assets that is senior to that of equity holders. In addition, stock prices are generally more volatile than bond prices. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. A stock may trade with more or less liquidity than a bond depending on the number of shares and bonds outstanding, the size of the company, and the demand for the securities. Similarly, the transaction costs involved in trading a stock may be more or less than a particular bond depending on the factors mentioned above and whether the stock or bond trades upon an exchange. Depending on the entity issuing the bond, it may or may not afford additional protections to the investor, such as a guarantee of return of principal by a government or bond insurance company. There is typically no guarantee of any kind associated with the purchase of an individual stock. Bonds are often owned by individuals interested in current income while stocks are generally owned by individuals seeking price appreciation with income a secondary concern. The tax treatment of returns of bonds and stocks also differs given differential tax treatment of income versus capital gain.

Dividend yield is a dividend expressed as a percentage of a current share price.

The Standard & Poor's 500[®] Index is an unmanaged capitalization-weighted index of 500 selected stocks that is generally representative of the performance of large capitalization companies in the U.S. stock market. One cannot invest directly in an index.

Must be preceded or accompanied by a prospectus.

Quasar Distributors, LLC, distributor.

LKCM Aquinas Funds Expense Example — June 30, 2016 (Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including redemption fees; and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (1/1/16 - 6/30/16).

ACTUAL EXPENSES

The first line of the tables below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. Although the Funds charge no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds’ transfer agent. If you request that a redemption be made by wire transfer, currently a \$15 fee is charged by the Funds’ transfer agent. You will be charged a redemption fee equal to 1.00% of the net amount of the redemption if you redeem your shares of the LKCM Aquinas Value, Aquinas Growth and Aquinas Small Cap Funds within 30 days of purchase, unless otherwise determined by the Funds in their discretion. To the extent the Funds invest in shares of other investment companies as part of their investment strategies, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Funds invest in addition to the expenses of the Funds. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example below. The example below includes management fees, registration fees and other expenses. However, the example below does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles.

HYPOTHETICAL EXAMPLES FOR COMPARISON PURPOSES

The second line of the tables below provides information about hypothetical account values and hypothetical expenses based on the Funds’ actual expense ratios and an assumed rate of return of 5% per year before expenses, which are not the Funds’ actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactions costs were included, your costs would have been higher.

	LKCM Aquinas Value Fund		
	Beginning Account Value 1/1/16	Ending Account Value 6/30/16	Expenses Paid During Period* 1/1/16 – 6/30/16
Actual	\$1,000.00	\$1,013.80	\$7.51
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.40	\$7.52

* Expenses are equal to the Fund’s annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 182/366 to reflect the one-half year period.

	LKCM Aquinas Growth Fund		
	Beginning Account Value 1/1/16	Ending Account Value 6/30/16	Expenses Paid During Period* 1/1/16 – 6/30/16
Actual	\$1,000.00	\$1,016.30	\$7.52
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.40	\$7.52

* Expenses are equal to the Fund’s annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 182/366 to reflect the one-half year period.

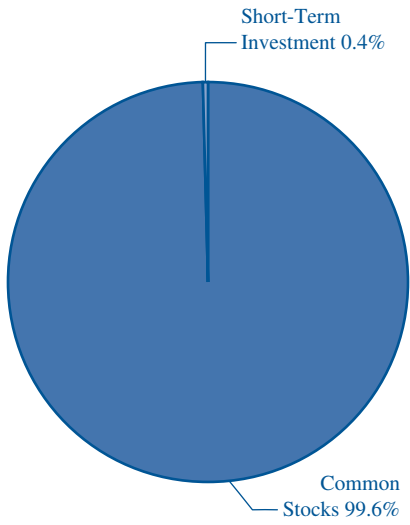
	LKCM Aquinas Small Cap Fund		
	Beginning Account Value 1/1/16	Ending Account Value 6/30/16	Expenses Paid During Period* 1/1/16 – 6/30/16
Actual	\$1,000.00	\$ 996.70	\$7.45
Hypothetical (5% return before expense)	\$1,000.00	\$1,017.40	\$7.52

* Expenses are equal to the Fund’s annualized net expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 182/366 to reflect the one-half year period.

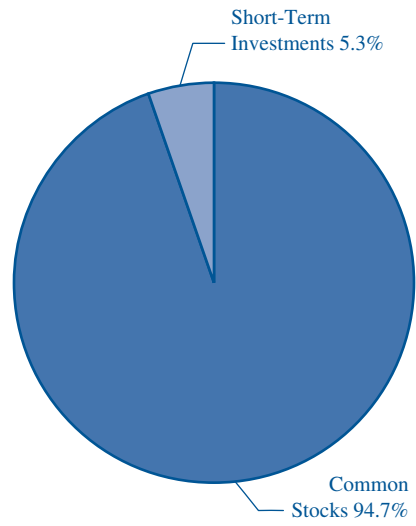
ALLOCATION OF PORTFOLIO HOLDINGS — LKCM Aquinas Funds — June 30, 2016 (Unaudited)

Percentages represent market value as a percentage of total investments.

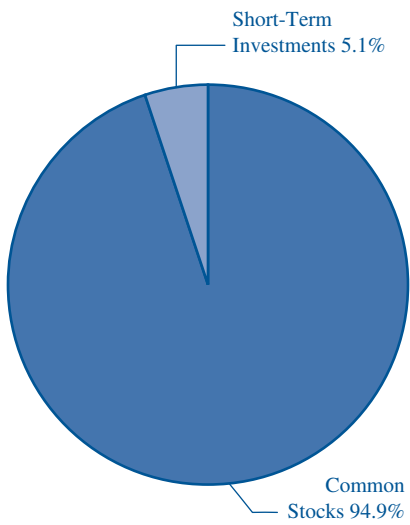
LKCM Aquinas Value Fund



LKCM Aquinas Growth Fund



LKCM Aquinas Small Cap Fund



LKCM AQUINAS VALUE FUND

SCHEDULE OF INVESTMENTS

June 30, 2016 (Unaudited)

COMMON STOCKS - 99.9%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 3.7%			Machinery - 2.7%		
Honeywell International Inc.	11,500	\$ 1,337,680	Barnes Group Inc.	30,000	\$ 993,600
Auto Components - 2.8%			Media - 2.8%		
The Goodyear Tire & Rubber Company	40,000	1,026,400	Viacom Inc. - Class B	25,000	1,036,750
Banks - 10.0%			Multiline Retail - 4.1%		
Cullen/Frost Bankers, Inc.	15,000	955,950	Dollar Tree, Inc. (a)	10,000	942,400
SunTrust Banks, Inc.	35,500	1,458,340	Kohl's Corporation	15,000	568,800
Zions Bancorporation	50,000	1,256,500			1,511,200
		3,670,790	Oil & Gas & Consumable Fuels - 4.1%		
Beverages - 3.6%			Cabot Oil & Gas Corporation	25,000	643,500
PepsiCo, Inc.	12,500	1,324,250	Exxon Mobil Corporation	4,000	374,960
Commercial Services & Supplies - 2.4%			Gulfport Energy Corporation (a)	15,000	468,900
Copart, Inc. (a)	17,500	857,675			1,487,360
Construction Materials - 3.9%			Professional Services - 2.4%		
Martin Marietta Materials, Inc.	7,500	1,440,000	Verisk Analytics, Inc. (a)	11,000	891,880
Diversified Financials - 1.4%			Software - 6.4%		
JPMorgan Chase & Co.	8,200	509,548	Adobe Systems Incorporated (a)	15,000	1,436,850
Electrical Equipment & Instruments - 3.7%			Oracle Corporation	22,000	900,460
Roper Technologies, Inc.	8,000	1,364,480			2,337,310
Electronic Equipment & Instruments - 0.3%			Specialty Retail - 7.0%		
Trimble Navigation Limited (a)	5,000	121,800	The Home Depot, Inc.	8,500	1,085,365
Energy Equipment & Services - 1.8%			Party City Holdco Inc. (a)	55,000	765,050
Schlumberger Limited (b)	8,400	664,272	Tiffany & Co.	12,000	727,680
Food & Drug Retailing - 2.6%					2,578,095
CVS Health Corporation	10,000	957,400	TOTAL COMMON STOCKS		
Food Products - 5.8%			(Cost \$23,873,169)		36,642,400
The Kraft Heinz Company	9,700	858,256	SHORT-TERM INVESTMENT - 0.4%		
Mondelez International Inc. - Class A	27,500	1,251,525	Money Market Fund (c) - 0.4%		
		2,109,781	Federated Government Obligations		
Health Care Equipment & Supplies - 6.8%			Fund - Institutional Shares, 0.25%	138,115	138,115
DENTSPLY SIRONA Inc.	20,000	1,240,800	TOTAL SHORT-TERM INVESTMENT		
Medtronic, PLC (b)	14,200	1,232,134	(Cost \$138,115)		138,115
		2,472,934	Total Investments - 100.3%		
Household Durables - 3.4%			(Cost \$24,011,284)		36,780,515
Whirlpool Corporation	7,500	1,249,800	Liabilities in Excess of Other Assets - (0.3)%		(105,405)
Insurance - 6.5%			TOTAL NET ASSETS - 100.0%		<u>\$36,675,110</u>
MetLife, Inc.	30,000	1,194,900			
Prudential Financial, Inc.	16,700	1,191,378			
		2,386,278			
Internet Software & Services - 9.0%					
Akamai Technologies, Inc. (a)	20,000	1,118,600			
Alphabet, Inc. - Class A (a)	1,400	984,942			
Sabre Corporation	45,000	1,205,550			
		3,309,092			
IT Consulting & Services - 2.7%					
PayPal Holdings, Inc. (a)	27,500	1,004,025			

- (a) Non-income producing security.
- (b) Security issued by non-U.S. incorporated company.
- (c) The rate quoted is the annualized seven-day yield of the fund at period end.

Investments are classified by asset class and industry pursuant to the Global Industry Classification Standard (GICS®) which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS GROWTH FUND

SCHEDULE OF INVESTMENTS

June 30, 2016 (Unaudited)

COMMON STOCKS - 95.1%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 3.5%			IT Consulting & Services - 4.2%		
Honeywell International Inc.	7,675	\$ 892,756	PayPal Holdings, Inc. (a)	20,000	\$ 730,200
Beverages - 4.0%			Visa Inc. - Class A	4,500	333,765
The Coca-Cola Company	10,000	453,300			1,063,965
National Beverage Corp. (a)	9,000	565,290	Machinery - 1.0%		
		1,018,590	Illinois Tool Works Inc.	2,500	260,400
Biotechnology - 2.0%			Media - 4.0%		
Amgen Inc.	3,275	498,291	Comcast Corporation - Class A	5,000	325,950
Building Products - 2.4%			Time Warner Inc.	3,500	257,390
Masco Corporation	20,000	618,800	The Walt Disney Company	4,500	440,190
Chemicals - 2.1%					1,023,530
Ecolab Inc.	2,225	263,885	Multiline Retail - 1.2%		
FMC Corporation	6,000	277,860	Macy's, Inc.	9,000	302,490
		541,745	Oil & Gas & Consumable Fuels - 1.5%		
Computers & Peripherals - 4.0%			Cabot Oil & Gas Corporation	15,000	386,100
Apple Inc.	10,500	1,003,800	Personal Products - 1.4%		
Containers & Packaging - 1.2%			The Estee Lauder Companies Inc. - Class A	4,000	364,080
Ball Corporation	4,250	307,233	Pharmaceuticals - 1.9%		
Diversified Telecommunication Services - 2.8%			Zoetis Inc	10,000	474,600
AT&T Inc.	8,250	356,482	Real Estate Investment Trusts - 2.2%		
Verizon Communications Inc.	6,500	362,960	American Tower Corporation	5,000	568,050
		719,442	Road & Rail - 1.0%		
Electrical Equipment & Instruments - 4.0%			Union Pacific Corporation	3,000	261,750
Roper Technologies, Inc.	6,000	1,023,360	Software - 6.6%		
Electronic Equipment & Instruments - 4.0%			ACI Worldwide, Inc. (a)	30,000	585,300
National Instruments Corporation	18,000	493,200	Microsoft Corporation	13,625	697,191
Trimble Navigation Limited (a)	22,000	535,920	Salesforce.com, Inc. (a)	5,000	397,050
		1,029,120			1,679,541
Energy Equipment & Services - 1.3%			Specialty Retail - 9.3%		
Schlumberger Limited (b)	4,000	316,320	The Home Depot, Inc.	6,000	766,140
Food & Drug Retailing - 3.0%			O'Reilly Automotive, Inc. (a)	1,500	406,650
CVS Health Corporation	8,000	765,920	Tractor Supply Company	5,000	455,900
Health Care Equipment & Supplies - 3.4%			Ulta Salon, Cosmetics & Fragrance, Inc. (a)	3,000	730,920
Medtronic, PLC (b)	10,000	867,700			2,359,610
Household Products - 3.5%			Textiles, Apparel & Luxury Goods - 2.6%		
Colgate-Palmolive Company	12,000	878,400	NIKE, Inc. - Class B	12,000	662,400
Insurance - 1.6%			TOTAL COMMON STOCKS		
Berkshire Hathaway Inc. - Class B (a)	2,825	409,032	(Cost \$16,136,720)		24,212,690
Internet Catalog & Retail - 3.7%					
Amazon.com, Inc. (a)	1,300	930,306			
Internet Software & Services - 11.7%					
Akamai Technologies, Inc. (a)	15,000	838,950			
Alphabet, Inc. - Class A (a)	800	562,824			
Alphabet, Inc. - Class C (a)	802	555,065			
Facebook, Inc. - Class A (a)	9,000	1,028,520			
		2,985,359			

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS GROWTH FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2016 (Unaudited)

SHORT-TERM INVESTMENTS - 5.3%	Shares	Value
Money Market Funds (c) - 5.3%		
Dreyfus Government Cash Management		
Fund - Institutional Shares, 0.25%	617,655	\$ 617,655
Federated Government Obligations		
Fund - Institutional Shares, 0.25%	743,595	743,595
TOTAL SHORT-TERM INVESTMENTS		<u>1,361,250</u>
(Cost \$1,361,250)		
Total Investments - 100.4%		25,573,940
(Cost \$17,497,970)		
Liabilities in Excess of Other Assets - (0.4)%		(111,105)
TOTAL NET ASSETS - 100.0%		<u>\$25,462,835</u>

- (a) Non-income producing security.
- (b) Security issued by non-U.S. incorporated company.
- (c) The rate quoted is the annualized seven-day yield of the fund at period end.

Investments are classified by asset class and industry pursuant to the Global Industry Classification Standard (GICS®) which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS SMALL CAP FUND

SCHEDULE OF INVESTMENTS

June 30, 2016 (Unaudited)

COMMON STOCKS - 94.9%	Shares	Value	COMMON STOCKS	Shares	Value
Aerospace & Defense - 1.3%			Food & Drug Retailing - 1.1%		
Hexcel Corporation	745	\$ 31,022	Sprouts Farmers Market, Inc. (a)	3,065	\$ 70,188
Mercury Systems, Inc. (a)	2,225	55,313	Food Products - 4.2%		
		86,335	Post Holdings Inc. (a)	1,690	139,746
Banks - 7.3%			TreeHouse Foods, Inc. (a)	1,295	132,932
BancorpSouth, Inc.	4,183	94,912			272,678
Bank of the Ozarks, Inc.	1,710	64,159	Health Care Equipment & Supplies - 6.2%		
Capital Bank Financial Corporation	1,785	51,408	Cantel Medical Corp.	1,230	84,538
Columbia Banking System, Inc.	1,115	31,287	Cynosure, Inc. - Class A (a)	1,665	80,994
Hanmi Financial Corporation	3,160	74,229	PRA Health Sciences, Inc. (a)	1,945	81,223
PrivateBancorp, Inc.	2,405	105,892	VWR Corporation (a)	5,405	156,204
SVB Financial Group (a)	540	51,386			402,959
		473,273	Health Care Providers & Services - 4.0%		
Beverages - 0.7%			Aceto Corporation	3,295	72,128
National Beverage Corp. (a)	700	43,967	HealthEquity, Inc. (a)	2,790	84,774
Biotechnology - 3.5%			Omnicell, Inc. (a)	2,940	100,636
Charles River Laboratories International, Inc. (a)	1,475	121,599			257,538
Neogen Corporation (a)	1,840	103,500	Hotels, Restaurants & Leisure - 0.8%		
		225,099	Zoe's Kitchen Inc (a)	1,430	51,866
Building Products - 2.3%			Internet Software & Services - 5.9%		
American Woodmark Corporation (a)	590	39,164	Criteo SA - ADR (a) (b)	2,570	118,014
Apogee Enterprises, Inc.	775	35,921	Euronet Worldwide, Inc. (a)	1,555	107,590
PGT, Inc. (a)	6,879	70,854	LogMeIn, Inc. (a)	860	54,550
		145,939	SPS Commerce, Inc. (a)	1,650	99,990
Capital Markets - 1.4%					380,144
BGC Partners Inc - Class A	5,835	50,823	IT Consulting & Services - 0.9%		
NorthStar Asset Management Group Inc.	3,745	38,236	Axiom Corporation (a)	2,729	60,011
		89,059	Leisure Equipment & Products - 2.0%		
Commercial Services & Supplies - 4.3%			Pool Corporation	1,380	129,761
Copart, Inc. (a)	770	37,738	Machinery - 1.2%		
Healthcare Services Group, Inc.	4,150	171,727	John Bean Technologies Corporation	460	28,161
Ritchie Bros. Auctioneers Incorporated (b)	1,940	65,533	The Toro Company	595	52,479
		274,998			80,640
Communications Equipment - 1.7%			Marine - 0.8%		
Ciena Corporation (a)	2,165	40,594	Kirby Corporation (a)	795	49,600
Infinera Corporation (a)	5,975	67,398	Media - 1.2%		
		107,992	The E.W. Scripps Company - Class A (a)	4,970	78,725
Construction & Engineering - 2.3%			Metals & Mining - 0.9%		
EMCOR Group, Inc.	1,910	94,087	Carpenter Technology Corporation	1,750	57,628
MasTec Inc. (a)	2,460	54,907	Multiline Retail - 1.9%		
		148,994	Burlington Stores, Inc. (a)	1,820	121,412
Construction Materials - 1.6%			Oil & Gas & Consumable Fuels - 4.5%		
Headwaters Incorporated (a)	2,546	45,675	Gulfport Energy Corporation (a)	3,050	95,343
Summit Materials, Inc. - Class A (a)	2,820	57,697	Parsley Energy, Inc. - Class A (a)	1,645	44,514
		103,372	PDC Energy, Inc. (a)	1,560	89,871
Consumer Finance - 1.6%			WPX Energy Inc. (a)	6,560	61,074
First Cash Financial Services, Inc.	1,980	101,634			290,802

The accompanying notes are an integral part of these financial statements.

LKCM AQUINAS SMALL CAP FUND
SCHEDULE OF INVESTMENTS, CONTINUED
June 30, 2016 (Unaudited)

COMMON STOCKS	Shares	Value	SHORT-TERM INVESTMENTS - 5.1%	Shares	Value
Pharmaceuticals - 2.9%			Money Market Funds (c) - 5.1%		
Akorn, Inc. (a)	3,756	\$ 106,990	Dreyfus Government Cash Management		
Cambrex Corp. (a)	1,517	78,474	Fund - Institutional Shares, 0.25%	147,250	\$ 147,250
		<u>185,464</u>	Federated Government Obligations		
			Fund - Institutional Shares, 0.25%	182,934	<u>182,934</u>
Professional Services - 1.6%			TOTAL SHORT-TERM INVESTMENTS		
FTI Consulting, Inc. (a)	2,495	<u>101,497</u>	(Cost \$330,184)		
Real Estate Investment Trusts - 8.2%			Total Investments - 100.0%		
CubeSmart	2,880	88,935	(Cost \$5,475,315)		
First Industrial Realty Trust, Inc.	3,300	91,806	Other Assets in Excess of Liabilities - 0.0%		
Kennedy-Wilson Holdings Inc.	2,495	47,305	<u>479</u>		
Outfront Media Inc.	2,730	65,984	TOTAL NET ASSETS - 100.0%		
Sovran Self Storage, Inc.	1,355	142,167	<u>\$6,451,481</u>		
Stag Industrial, Inc.	3,835	91,311			
		<u>527,508</u>	ADR American Depository Receipt.		
Road & Rail - 1.0%			(a) Non-income producing security.		
Genesee & Wyoming Inc. (a)	1,110	65,434	(b) Security issued by non-U.S. incorporated company.		
Semiconductor Equipment & Products - 1.0%			(c) The rate quoted is the annualized seven-day yield of the fund at period end.		
Rambus Inc. (a)	5,275	<u>63,722</u>	<i>Investments are classified by asset class and industry pursuant to the Global Industry Classification Standard (GICS®) which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P"). GICS is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.</i>		
Software - 8.7%					
ACI Worldwide, Inc. (a)	4,000	78,040			
Callidus Software, Inc. (a)	4,170	83,317			
Envestnet, Inc. (a)	365	12,158			
Fair Isaac Corporation	580	65,546			
Guidewire Software Inc. (a)	1,425	88,008			
Interactive Intelligence Group, Inc. (a)	1,710	70,093			
Manhattan Associates, Inc. (a)	1,460	93,630			
Proofpoint, Inc. (a)	1,105	69,714			
		<u>560,506</u>			
Specialty Retail - 1.4%					
Monro Muffler Brake, Inc.	1,390	88,349			
Textiles, Apparel & Luxury Goods - 2.0%					
Columbia Sportswear Company	1,640	94,366			
Oxford Industries, Inc.	625	35,387			
		<u>129,753</u>			
Thrifts & Mortgage Finance - 1.6%					
Home BancShares Inc.	5,390	106,668			
Trading Companies & Distributors - 2.9%					
MSC Industrial Direct Co., Inc.	860	60,682			
Watsco, Inc.	900	126,621			
		<u>187,303</u>			
TOTAL COMMON STOCKS					
(Cost \$5,145,131)		<u>6,120,818</u>			

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES
June 30, 2016 (Unaudited)

	LKCM Aquinas Value Fund	LKCM Aquinas Growth Fund	LKCM Aquinas Small Cap Fund
Assets:			
Investments, at value*	\$36,780,515	\$25,573,940	\$6,451,002
Receivable for Fund shares sold	47,649	5,626	3,270
Dividends and interest receivable	31,408	17,700	2,698
Receivable for investment advisory fees (Note B)	—	—	6,534
Other assets	17,170	13,420	11,749
Total assets	<u>36,876,742</u>	<u>25,610,686</u>	<u>6,475,253</u>
Liabilities:			
Payable for distribution expense (Note B)	69,231	47,521	5,218
Payable for investment advisory fees (Note B)	65,089	40,855	—
Payable for Fund shares redeemed	28,237	29,539	—
Payable for accounting and transfer agent fees and expenses	10,076	10,016	7,180
Payable for reports to shareholders	8,786	5,289	1,277
Payable for administrative fees	6,793	4,675	3,340
Payable for custody fees and expenses	916	863	1,337
Accrued expenses and other liabilities	12,504	9,093	5,420
Total liabilities	<u>201,632</u>	<u>147,851</u>	<u>23,772</u>
Net assets	<u>\$36,675,110</u>	<u>\$25,462,835</u>	<u>\$6,451,481</u>
Net assets consist of:			
Paid in capital	\$19,938,815	\$14,745,508	\$5,495,112
Accumulated net investment income (loss)	39,438	(31,094)	(15,595)
Accumulated net realized gain (loss) on securities	3,927,626	2,672,451	(3,723)
Net unrealized appreciation on investments	12,769,231	8,075,970	975,687
Net assets	<u>\$36,675,110</u>	<u>\$25,462,835</u>	<u>\$6,451,481</u>
Net assets	\$36,675,110	\$25,462,835	\$6,451,481
Shares of beneficial interest outstanding (unlimited shares of no par value authorized)	2,384,716	1,516,489	1,059,793
Net asset value per share (offering and redemption price)	<u>\$ 15.38</u>	<u>\$ 16.79</u>	<u>\$ 6.09</u>
* Cost of Investments	<u>\$24,011,284</u>	<u>\$17,497,970</u>	<u>\$5,475,315</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 2016 (Unaudited)

	LKCM Aquinas Value Fund	LKCM Aquinas Growth Fund	LKCM Aquinas Small Cap Fund
Investment Income:			
Dividends*	\$ 328,978	\$ 156,724	\$ 28,958
Interest	1,006	1,191	337
Total income	<u>329,984</u>	<u>157,915</u>	<u>29,295</u>
Expenses:			
Investment advisory fees (Note B)	178,090	113,405	29,927
Distribution expense (Note B)	49,469	31,502	7,481
Accounting and transfer agent fees and expenses	34,756	31,097	21,760
Administrative fees	20,057	14,064	10,010
Federal and state registration	13,680	11,089	10,117
Reports to shareholders	9,692	5,807	1,531
Professional fees	7,594	5,534	3,029
Trustees' fees	4,011	2,503	623
Custody fees and expenses	2,774	2,624	4,212
Other	6,976	4,067	1,026
Total expenses	<u>327,099</u>	<u>221,692</u>	<u>89,716</u>
Less, expense waiver and/or reimbursement (Note B)	<u>(30,283)</u>	<u>(32,683)</u>	<u>(44,826)</u>
Net expenses	<u>296,816</u>	<u>189,009</u>	<u>44,890</u>
Net investment income (loss)	<u>33,168</u>	<u>(31,094)</u>	<u>(15,595)</u>
Realized and Unrealized Gain (Loss) on Investments:			
Net realized gain on investments	4,127,222	2,531,277	20,208
Net change in unrealized appreciation/depreciation on investments	<u>(3,674,125)</u>	<u>(2,082,887)</u>	<u>(18,286)</u>
Net realized and unrealized gain on investments	<u>453,097</u>	<u>448,390</u>	<u>1,922</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$ 486,265</u>	<u>\$ 417,296</u>	<u>\$(13,673)</u>
* Net of foreign taxes withheld	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 164</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Aquinas Value Fund		LKCM Aquinas Growth Fund	
	<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>	<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>
Operations:				
Net investment income (loss)	\$ 33,168	\$ 95,913	\$ (31,094)	\$ (82,329)
Net realized gain on investments	4,127,222	2,840,203	2,531,277	1,882,599
Net change in unrealized appreciation/depreciation on investments	(3,674,125)	(4,331,225)	(2,082,887)	(1,010,548)
Net increase (decrease) in net assets resulting from operations	<u>486,265</u>	<u>(1,395,109)</u>	<u>417,296</u>	<u>789,722</u>
Dividends and Distributions to Shareholders:				
Net investment income	—	(100,679)	—	—
Net realized gain on investments	—	(3,123,858)	—	(1,641,652)
	<u>—</u>	<u>(3,224,537)</u>	<u>—</u>	<u>(1,641,652)</u>
Net decrease in net assets resulting from				
Fund share transactions (Note C)	<u>(8,679,145)</u>	<u>(3,164,344)</u>	<u>(1,290,264)</u>	<u>(3,895,863)</u>
Total decrease in net assets	(8,192,880)	(7,783,990)	(872,968)	(4,747,793)
Net Assets:				
Beginning of period	44,867,990	52,651,980	26,335,803	31,083,596
End of period*	<u>\$36,675,110</u>	<u>\$44,867,990</u>	<u>\$25,462,835</u>	<u>\$26,335,803</u>
* Including accumulated net investment income (loss) of	<u>\$ 39,438</u>	<u>\$ 6,270</u>	<u>\$ (31,094)</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	LKCM Aquinas Small Cap Fund	
	<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>
Operations:		
Net investment loss	\$ (15,595)	\$ (34,164)
Net realized gain on investments	20,208	301,906
Net change in unrealized appreciation/depreciation on investments	(18,286)	(601,687)
Net decrease in net assets resulting from operations	<u>(13,673)</u>	<u>(333,945)</u>
Dividends and Distributions to Shareholders:		
Net realized gain on investments	—	(1,106,020)
Net increase in net assets resulting from		
Fund share transactions (Note C)	<u>100,552</u>	<u>375,658</u>
Total increase (decrease) in net assets	86,879	(1,064,307)
Net Assets:		
Beginning of period	<u>6,364,602</u>	<u>7,428,909</u>
End of period	<u>\$6,451,481</u>	<u>\$ 6,364,602</u>
* Including accumulated net investment loss of	<u>\$ (15,595)</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS
SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

LKCM Aquinas Value Fund					
<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>	<i>Year Ended December 31, 2012</i>	<i>Year Ended December 31, 2011</i>
Net Asset Value – Beginning of Period	\$ 15.17	\$ 16.87	\$ 17.99	\$ 14.18	\$ 12.72
Net investment income	0.01	0.03	0.17 ⁽¹⁾	0.04 ⁽²⁾	0.07 ⁽²⁾
Net realized and unrealized gain (loss) on investments	0.20	(0.56)	0.34	4.72	1.46
Total from investment operations	0.21	(0.53)	0.51	4.76	1.53
Dividends from net investment income	—	(0.04)	(0.19)	(0.04)	(0.07)
Distributions from net realized gains	—	(1.13)	(1.44)	(0.91)	—
Total dividends and distributions	—	(1.17)	(1.63)	(0.95)	(0.07)
Net Asset Value – End of Period	<u>\$ 15.38</u>	<u>\$ 15.17</u>	<u>\$ 16.87</u>	<u>\$ 17.99</u>	<u>\$ 14.18</u>
Total Return	1.38% ⁽³⁾	-3.28%	2.73%	33.60%	12.01%
Ratios and Supplemental Data:					
Net assets, end of period (thousands)	\$36,675	\$44,868	\$52,652	\$ 59,061	\$ 46,902
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement	1.65% ⁽⁴⁾	1.55%	1.49%	1.52%	1.54%
After expense waiver and/or reimbursement	1.50% ⁽⁴⁾	1.50%	1.49%	1.50%	1.50%
Ratio of net investment income to average net assets:					
Before expense waiver and/or reimbursement	0.02% ⁽⁴⁾	0.14%	0.95%	0.21%	0.44%
After expense waiver and/or reimbursement	0.17% ⁽⁴⁾	0.19%	0.95%	0.23%	0.48%
Portfolio turnover rate	7%	11%	23%	9%	28%

- (1) Net investment loss per share represents net investment income divided by the average shares outstanding throughout the period.
(2) Net investment income per share is calculated using the ending balance of accumulated net investment income prior to considerations of adjustments for permanent book and tax differences.
(3) Not annualized.
(4) Annualized.

LKCM Aquinas Growth Fund					
<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>	<i>Year Ended December 31, 2012</i>	<i>Year Ended December 31, 2011</i>
Net Asset Value – Beginning of Period	\$ 16.52	\$ 17.21	\$ 21.44	\$ 18.53	\$ 16.61
Net investment loss	(0.02)	(0.05) ⁽¹⁾	(0.09) ⁽¹⁾	(0.13) ⁽²⁾	(0.10) ⁽¹⁾
Net realized and unrealized gain on investments	0.29	0.45	0.43	5.07	1.84
Total from investment operations	0.27	0.40	0.34	4.94	1.77
Distributions from net realized gains	—	(1.09)	(4.57)	(2.03)	(0.10)
Net Asset Value – End of Period	<u>\$ 16.79</u>	<u>\$ 16.52</u>	<u>\$ 17.21</u>	<u>\$ 21.44</u>	<u>\$ 18.53</u>
Total Return	1.63% ⁽³⁾	2.19%	1.25%	26.74%	10.52%
Ratios and Supplemental Data:					
Net assets, end of period (thousands)	\$ 25,463	\$ 26,336	\$ 31,084	\$ 43,937	\$ 35,315
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement	1.76% ⁽⁴⁾	1.66%	1.60%	1.58%	1.60%
After expense waiver and/or reimbursement	1.50% ⁽⁴⁾	1.50%	1.50%	1.50%	1.50%
Ratio of net investment loss to average net assets:					
Before expense waiver and/or reimbursement	(0.51)% ⁽⁴⁾	(0.44)%	(0.51)%	(0.69)%	(0.44)%
After expense waiver and/or reimbursement	(0.25)% ⁽⁴⁾	(0.28)%	(0.41)%	(0.61)%	(0.36)%
Portfolio turnover rate	24%	21%	30%	44%	50%

- (1) Net investment loss per share is calculated using the ending balance of accumulated net investment loss prior to considerations of adjustments for permanent book and tax differences.
(2) Net investment loss per share represents net investment income divided by the average shares outstanding throughout the period.
(3) Not annualized.
(4) Annualized.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR EACH SHARE OF CAPITAL STOCK OUTSTANDING

	LKCM Aquinas Small Cap Fund					
	<i>Six Months Ended June 30, 2016 (Unaudited)</i>	<i>Year Ended December 31, 2015</i>	<i>Year Ended December 31, 2014</i>	<i>Year Ended December 31, 2013</i>	<i>Year Ended December 31, 2012</i>	<i>Year Ended December 31, 2011</i>
Net Asset Value – Beginning of Period	\$ 6.11	\$ 7.66	\$ 9.39	\$ 7.34	\$ 7.35	\$ 7.07
Net investment loss	(0.01)	(0.04) ⁽¹⁾	(0.07) ⁽¹⁾	(0.07) ⁽²⁾	(0.00) ⁽²⁾⁽³⁾	(0.06) ⁽²⁾
Net realized and unrealized gain (loss) on investments	(0.01) ⁽⁴⁾	(0.30)	(0.33)	2.45	0.59	0.34
Total from investment operations	(0.02)	(0.34)	(0.40)	2.38	0.59	0.28
Distributions from net realized gains	—	(1.21)	(1.33)	(0.33)	(0.60)	—
Net Asset Value – End of Period	<u>\$ 6.09</u>	<u>\$ 6.11</u>	<u>\$ 7.66</u>	<u>\$ 9.39</u>	<u>\$ 7.34</u>	<u>\$ 7.35</u>
Total Return	-0.33% ⁽⁵⁾	-4.74%	-4.54%	32.41%	8.16%	3.96%
Ratios and Supplemental Data:						
Net assets, end of period (thousands)	\$ 6,451	\$ 6,365	\$ 7,429	\$ 14,673	\$ 11,684	\$ 11,037
Ratio of expenses to average net assets:						
Before expense waiver and/or reimbursement	3.00% ⁽⁶⁾	2.59%	2.27%	2.25%	2.32%	2.44%
After expense waiver and/or reimbursement ..	1.50% ⁽⁶⁾	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment loss to average net assets:						
Before expense waiver and/or reimbursement	(2.02)% ⁽⁶⁾	(1.55)%	(1.55)%	(1.54)%	(0.84)%	(1.81)%
After expense waiver and/or reimbursement ..	(0.52)% ⁽⁶⁾	(0.46)%	(0.78)%	(0.79)%	(0.02)%	(0.87)%
Portfolio turnover rate	30%	72%	66%	60%	82%	70%

(1) Net investment loss per share represents net investment loss divided by the average shares outstanding throughout the period.

(2) Net investment loss per share is calculated using the ending balance of accumulated net investment loss prior to considerations of adjustments for permanent book and tax differences.

(3) Less than \$(0.005).

(4) Due to the timing of capital share transactions, the per share amount of net realized and unrealized loss on investments varies from the amounts shown in the statement of operations.

(5) Not annualized.

(6) Annualized.

The accompanying notes are an integral part of these financial statements.

A. Organization and Significant Accounting Policies: LKCM Funds (the “Trust”) is registered under the Investment Company Act of 1940 (“1940 Act”) as an open-end, management investment company. The Trust was organized as a Delaware statutory trust on February 10, 1994 and consisted of eight diversified series as of June 30, 2016, three of which are presented herein: the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund (collectively, the “Funds”). The assets of the Funds are invested in separate, independently managed portfolios. On July 11, 2005, the Funds acquired the assets and assumed the liabilities of the Aquinas Funds. As discussed in Note F below, on July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund reorganized into the LKCM Aquinas Value Fund, which changed its name immediately thereafter to the LKCM Aquinas Catholic Equity Fund and its investment strategies and expenses, including the expense limitation agreement, to the investment strategies and expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund. The Funds are subject to expenses pursuant to the Rule 12b-1 plan described in Note B. Each Fund charges a 1% redemption fee for redemptions on Fund shares held for less than 30 days, unless otherwise determined by the Funds in their discretion.

The LKCM Aquinas Value Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Value Fund seeks to achieve its investment objective by investing under normal circumstances in equity securities of companies that Luther King Capital Management Corporation (the “Adviser”) believes to be undervalued relative to a company’s earnings. The LKCM Aquinas Growth Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Growth Fund seeks to achieve its investment objective by investing under normal circumstances in securities that the Adviser believes generally have above-average growth in revenue and/or earnings, above-average returns on shareholders’ equity, and/or potential for above-average capital appreciation. The LKCM Aquinas Small Cap Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Small Cap Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of smaller companies (those with market capitalizations at the time of investment between \$600 million and \$4.5 billion) that the Adviser believes are likely to have above-average growth in revenue and/or earnings and potential for above-average capital appreciation.

The Funds practice socially responsible investing within the framework provided by the United States Conference of Catholic Bishops’ Socially Responsible Investing Guidelines (the “Guidelines”). Each Fund’s investment approach incorporates the Guidelines through a combination of screening portfolio companies based on criteria set forth in the Guidelines, dialogue with companies whose policies and practices may conflict with the Guidelines, and/or potentially excluding from each Fund’s portfolio the securities of those companies that are unwilling to alter their policies and practices over a reasonable period of time. The Adviser monitors companies selected for the Funds for policies on various issues contemplated by the Guidelines. If a Fund invests in a company whose policies and practices are inconsistent with the Guidelines, the Adviser may attempt to influence the company, sell the company’s securities or otherwise exclude future investments in such company.

The following is a summary of significant accounting policies followed by the Funds in preparation of the financial statements. The Funds are investment companies and, accordingly, follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Investment Companies*.

1. Security Valuation: Equity securities listed or traded on a U.S. securities exchange for which market quotations are readily available are valued at the last quoted sale price on the exchange on which the security is primarily traded. Nasdaq Global Market securities are valued at the Nasdaq Official Closing Price (“NOCP”). Unlisted U.S. securities and listed U.S. securities not traded on a particular valuation date are valued at the mean of the most recent quoted bid and ask price on the relevant exchanges or markets. Equity securities listed on a foreign exchange for which market quotations are readily available are valued at the last quoted sales price on the exchange on which the security is primarily traded. Debt securities are normally valued at the mean of the closing bid and ask price and/or by using a combination of broker quotations or evaluated prices provided by an independent pricing service. Other assets and securities for which no market or broker quotations or evaluated prices are readily available (including restricted securities) are valued in good faith at fair value using guidelines approved by the Board of Trustees. The Board has adopted specific guidelines and procedures for valuing portfolio securities and delegated their implementation to the Adviser. The guidelines and procedures authorize the Adviser to make determinations regarding the fair value of a portfolio security and to report such determinations to the Board of Trustees. The Funds may use prices provided by independent pricing services to assist in the fair valuation of the Funds’ portfolio securities.

The Trust has adopted accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period.

These standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability. These standards state that “observable inputs” reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources and “unobservable inputs” reflect an entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability. These inputs are summarized in the three broad levels listed below.

Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Trust has access at the date of measurement.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Trust’s own assumptions that market participants would use to price the asset or liability based on the best available information.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. As of June 30, 2016, the Funds’ assets carried at fair value were classified as follows:

LKCM Aquinas Value Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$36,642,400	\$ —	\$ —	\$36,642,400
Money Market Fund	138,115	—	—	138,115
Total Investments*	<u>\$36,780,515</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$36,780,515</u>

LKCM Aquinas Growth Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$24,212,690	\$ —	\$ —	\$24,212,690
Money Market Funds	1,361,250	—	—	1,361,250
Total Investments*	<u>\$25,573,940</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$25,573,940</u>

LKCM Aquinas Small Cap Fund

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 6,120,818	\$ —	\$ —	\$ 6,120,818
Money Market Funds	330,184	—	—	330,184
Total Investments*	<u>\$ 6,451,002</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,451,002</u>

* Additional information regarding the industry classifications of these investments is disclosed in the Schedule of Investments.

There were no transfers into or out of Level 1, Level 2 or Level 3 fair value measurements during the reporting period. Transfers between levels are recognized at the end of the reporting period.

2. Federal Income Taxes: The Funds have elected to be treated as “regulated investment companies” under Subchapter M of the Internal Revenue Code and each Fund intends to distribute all of its investment company net taxable income and net capital gains to shareholders. Therefore, no federal income tax provision is recorded.

3. Distributions to Shareholders: The LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund generally intend to pay dividends and distribute net capital, if any, at least on an annual basis.

4. Foreign Securities: Investing in securities of foreign companies and foreign governments involves special risks and considerations not typically associated with investing in securities of U.S. issuers. These risks include devaluation of currencies and future adverse political and economic developments. Moreover, securities of many foreign companies and foreign governments and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and securities of the U.S. government.

5. Expense Allocation: Expenses incurred by the Funds are allocated among the Funds based upon (i) relative average net assets, (ii) a specific identification basis as incurred, or (iii) evenly among the Funds, depending on the nature of the expense.

6. Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Guarantees and Indemnifications: In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims against the Funds that have not yet occurred. Based on experience, the Funds expect the risk of loss to be remote.

8. Security Transactions and Investment Income: Security and shareholder transactions are recorded on the trade date. Realized gains and losses on sales of investments are calculated on the identified cost basis. Dividend income and dividends and distributions to shareholders are recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Funds' understanding of the applicable country's tax rules and rates. Interest income is recognized on the accrual basis. All discounts and premiums are amortized based on the effective interest method for tax and financial reporting purposes. The Funds may hold the securities of real estate investment trusts ("REITs"). Distributions from such investments may include income, capital gains and return of capital.

9. Other: Generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share.

10. Restricted and Illiquid Securities: The Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale including investments considered by the Funds to be illiquid. Restricted securities generally may be resold in transactions exempt from registration. Illiquid investments are investments that cannot be sold or disposed of within seven days in the ordinary course of business at approximately the prices at which they are valued. A security may be considered illiquid if it lacks a readily available market or if its valuation has not changed for a certain period of time. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at the current valuation may be difficult.

B. Investment Advisory and Other Agreements: The Adviser serves as the investment adviser to the Funds under an Investment Advisory Agreement (the "Agreement"). The Adviser receives a fee, computed daily and payable quarterly, at the annual rates presented below as applied to each Fund's average daily net assets. The Adviser has contractually agreed to waive all or a portion of its management fee and/or reimburse expenses of the Funds through April 30, 2017 in order to limit each Fund's operating expenses to the annual cap rates identified below. This expense limitation excludes interest, taxes, brokerage commissions, indirect fees and expenses relating to investments in other investment companies, including money market funds, and extraordinary expenses. For the six months ended June 30, 2016, the Adviser waived the following management fees and/or reimbursed expenses to meet its expense cap obligations:

	<u>LKCM Aquinas Value Fund</u>	<u>LKCM Aquinas Growth Fund</u>	<u>LKCM Aquinas Small Cap Fund</u>
Annual Management Fee Rate	0.90%	0.90%	1.00%
Annual Cap on Expenses	1.50%	1.50%	1.50%
Fees Waived and/or Expenses Reimbursed in 2016	\$30,283	\$32,683	\$44,826

U.S. Bancorp Fund Services, LLC serves as transfer agent and administrator for the Funds and serves as accounting services agent for the Funds. U.S. Bank, N.A. serves as custodian for the Funds.

Distribution services are performed pursuant to a distribution contract with Quasar Distributors, LLC, the Trust's principal underwriter.

The LKCM Funds have adopted a Rule 12b-1 plan for the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund, under which each Fund may pay up to 1.00% of its average daily net assets for distribution and other services. However, the Board of Trustees has currently only authorized a fee of 0.25% of the average daily net assets for the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund. For the six months ended June 30, 2016, fees incurred by the LKCM Aquinas Value Fund, LKCM Aquinas Growth Fund and LKCM Aquinas Small Cap Fund pursuant to the 12b-1 Plan were \$49,469, \$31,502, and \$7,481, respectively.

C. Fund Shares: At June 30, 2016, there was an unlimited number of shares of beneficial interest, no par value, authorized. The following table summarizes the activity in shares of each Fund:

Aquinas Value Fund

	Six Months Ended June 30, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Shares sold	215,409	\$ 3,137,472	565,895	\$ 9,525,123
Shares issued to shareholders in reinvestment of distributions	—	—	191,725	2,958,315
Shares redeemed	(787,903)	(11,816,699)	(921,665)	(15,647,910)
Redemption fee		82		128
Net decrease	(572,494)	\$ (8,679,145)	(164,045)	\$ (3,164,344)
Shares Outstanding:				
Beginning of period	2,957,210		3,121,255	
End of period	<u>2,384,716</u>		<u>2,957,210</u>	

Aquinas Growth Fund

	Six Months Ended June 30, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Shares sold	51,302	\$ 825,752	161,029	\$ 2,800,797
Shares issued to shareholders in reinvestment of distributions	—	—	86,945	1,464,551
Shares redeemed	(128,762)	(2,116,016)	(460,277)	(8,161,230)
Redemption fee		—		19
Net decrease	(77,460)	\$ (1,290,264)	(212,303)	\$ (3,895,863)
Shares Outstanding:				
Beginning of period	1,593,949		1,806,252	
End of period	<u>1,516,489</u>		<u>1,593,949</u>	

Aquinas Small Cap Fund

	Six Months Ended June 30, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Shares sold	119,998	\$ 692,971	298,922	\$ 2,369,397
Shares issued to shareholders in reinvestment of distributions	—	—	167,677	1,046,300
Shares redeemed	(102,533)	(592,419)	(393,895)	(3,040,051)
Redemption fee		—		12
Net increase	17,465	\$ 100,552	72,704	\$ 375,658
Shares Outstanding:				
Beginning of period	1,042,328		969,624	
End of period	<u>1,059,793</u>		<u>1,042,328</u>	

D. Security Transactions: Purchases and sales of investment securities, other than short-term investments, for the six months ended June 30, 2016 were as follows:

	Purchases		Sales	
	U.S. Government	Other	U.S. Government	Other
LKCM Aquinas Value Fund	\$ —	\$2,596,330	\$ —	\$9,124,961
LKCM Aquinas Growth Fund	—	5,802,940	—	7,755,110
LKCM Aquinas Small Cap Fund	—	1,746,982	—	1,746,639

E. Tax Information: At December 31, 2015, the components of accumulated earnings (losses) on a tax basis were as follows:

	<u>LKCM Aquinas Value Fund</u>	<u>LKCM Aquinas Growth Fund</u>	<u>LKCM Aquinas Small Cap Fund</u>
Cost of Investments	<u>\$28,516,815</u>	<u>\$16,259,715</u>	<u>\$5,367,526</u>
Gross Unrealized Appreciation	\$16,845,859	\$10,221,144	\$1,137,124
Gross Unrealized Depreciation	<u>(402,503)</u>	<u>(63,186)</u>	<u>(143,151)</u>
Net Unrealized Appreciation	<u>\$16,443,356</u>	<u>\$10,157,958</u>	<u>\$ 993,973</u>
Undistributed Ordinary Income	\$ 6,270	\$ —	\$ —
Undistributed Long-Term Capital Gain	—	142,073	—
Total Distributable Earnings	<u>\$ 6,270</u>	<u>\$ 142,073</u>	<u>\$ —</u>
Other Accumulated Loss	<u>\$ (199,596)</u>	<u>\$ —</u>	<u>\$ (23,931)</u>
Total Accumulated Gains	<u>\$16,250,030</u>	<u>\$10,300,031</u>	<u>\$ 970,042</u>

The difference between book-basis and tax-basis unrealized appreciation, if any, is attributable primarily to the tax deferral of losses on wash sales.

To the extent the Funds realize future net capital gains, taxable distributions will be reduced by any unused capital loss carryforwards as permitted by the Internal Revenue Code. The Funds currently have no unused capital loss carryforwards.

At December 31, 2015, the LKCM Aquinas Value Fund and the LKCM Aquinas Small Cap Fund deferred, on a tax basis, post-October capital losses of \$199,596 and \$23,931, respectively.

The tax components of dividends paid during the periods shown below were as follows:

	<u>Six Months Ended June 30, 2016</u>		<u>Year Ended December 31, 2015</u>	
	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>
LKCM Aquinas Value Fund	\$ —	\$ —	\$100,679	\$3,123,858
LKCM Aquinas Growth Fund	—	—	—	1,641,652
LKCM Aquinas Small Cap Fund	—	—	—	1,106,020

The Funds designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended December 31, 2015. The Funds designated earnings and profits distributed to shareholders upon the redemption of shares during 2015 in determining undistributed net capital gains as of December 31, 2015.

The Trust has adopted financial reporting rules regarding recognition and measurement of tax positions taken or expected to be taken on a tax return. The Trust has reviewed all open tax years and major jurisdictions and concluded that there is no impact on the Funds' financial position or results of operations. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2012 through December 31, 2015. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on tax returns as of December 31, 2015. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. If applicable, the Funds would recognize interest accrued related to unrecognized tax benefits in "interest expense" and penalties in "other expense" on the statement of operations.

F. Subsequent Events: Effective July 29, 2016, the LKCM Aquinas Small Cap Fund and the LKCM Aquinas Growth Fund (collectively, the "Acquired Funds") were reorganized into the LKCM Aquinas Value Fund ("Acquiring Fund") pursuant to the Plan of Reorganization and Dissolution ("Plan") approved by the Board of Trustees and shareholders of the Acquired Funds the ("Reorganizations"). Pursuant to the Plan, each Acquired Fund transferred all of its respective assets to the Acquiring Fund in exchange solely for shares of the Acquiring Fund having a net asset value equal to such Acquired Fund's net asset value on the closing date of the Reorganizations and the Acquiring Fund's assumption of all the liabilities of such Acquired Fund, following which such Acquired Fund distributed such shares of the Acquiring Fund pro rata to its shareholders and dissolved. The Reorganizations were tax-free to each Acquired Fund and its shareholders. Upon consummation of the Reorganizations contemplated by the Plan, the Acquiring Fund changed its name to the LKCM Aquinas Catholic Equity Fund and the Acquiring Fund's investment strategies and operating expenses, including its expense limitation agreement, changed to the investment strategies and operating expenses, including the expense limitation agreement, of the LKCM Aquinas Catholic Equity Fund.

Availability of Proxy Voting Information: A description of the policies and procedures that the Funds use to determine how to vote proxies relating to their portfolio securities, as well as information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available without charge, upon request, by calling toll-free 1-800-688-LKCM or on the SEC website at <http://www.sec.gov>.

The actual voting records relating to portfolio securities during the twelve month period ended June 30 (as filed with the SEC on Form N-PX) are available without charge, upon request, by calling the Funds toll free at 1-800-688-LKCM or by accessing the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedule: The Funds are required to file complete schedules of portfolio holdings with the SEC for the first and third fiscal quarters on Form N-Q. Once filed, the Funds' Form N-Q is available without charge upon request on the SEC's website (<http://www.sec.gov>) and is also available by calling 1-800-688-LKCM. You can also review and copy the Funds' Form N-Q by visiting the SEC's Public Reference Room in Washington, DC (information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330).

RENEWAL OF INVESTMENT ADVISORY AGREEMENT WITH RESPECT TO LKCM AQUINAS FUNDS

Introduction. At a meeting held on February 23, 2016, the Board of Trustees of LKCM Funds, including the independent Trustees (the “Board”), approved the renewal of the Investment Advisory Agreement (the “Agreement”) between Luther King Capital Management Corporation (“LKCM”) and LKCM Funds (the “Trust”), on behalf of the LKCM Aquinas Small Cap Fund, LKCM Aquinas Value Fund, and LKCM Aquinas Growth Fund (each, an “Aquinas Fund” and collectively, the “Aquinas Funds”).

In voting to approve the renewal of the Agreement, the Board considered information furnished throughout the year at regularly scheduled Board meetings, as well as information prepared specifically in connection with the annual renewal process. The Board also considered the overall fairness of the Agreement and factors it deemed relevant with respect to each Aquinas Fund including, but not limited to: (1) the nature, extent and quality of the services provided to each Aquinas Fund; (2) the performance of each Aquinas Fund as compared to a relevant benchmark and peer group of funds; (3) the level of the fees and the overall expenses of each Aquinas Fund and how those compared to a peer group of funds and other institutional portfolios; (4) the costs of services provided to the Aquinas Funds and the profitability of LKCM; (5) whether the fee levels reflect economies of scale for the benefit of investors; and (6) any other benefits derived by LKCM from its relationship with the Aquinas Funds. The Board did not identify any single factor or item of information as all-important or controlling and each Board member may have accorded different weights to the various factors in reaching his conclusions with respect to the Agreement.

In considering the approval of the Agreement, the Board requested and considered a broad range of information provided by LKCM, including but not limited to, reports relating to the Aquinas Funds’ Catholic-values investing mandate, each Aquinas Fund’s performance and expenses, information regarding other clients, certain portfolio compliance policies and the background and experience of the portfolio managers. In addition, the Board considered a memorandum from its legal counsel regarding the Board’s legal duties in considering the renewal of the Agreement. The Board also meets each quarter to review various aspects of the Aquinas Funds. In considering the approval of the Agreement, the Board also noted that it would be considering, at the meeting, a plan of reorganization pursuant to which the Aquinas Small Cap Fund and Aquinas Growth Fund would reorganize into the Aquinas Value Fund, and the name, investment strategy and operating expenses of the Aquinas Value Fund would change.

Nature, Extent and Quality of Services. The Board reviewed and considered the nature, extent and quality of the advisory services provided by LKCM to each Aquinas Fund under the Agreement. The Board considered that LKCM has provided investment management services to individuals, foundations, estates, employee benefit plans, endowments, corporations and other clients since 1979. The Board recognized that LKCM is responsible for managing the Aquinas Funds and monitoring their performance. The Board considered LKCM’s financial resources, insurance coverage, culture of compliance and compliance operations that support the Aquinas Funds. The Board also considered LKCM’s representation that it has invested considerable resources into the firm and its personnel to augment investment management and client service. The Board reviewed the portfolio managers and other key personnel who provide services to each Aquinas Fund, and considered LKCM’s representation that the firm historically has experienced very low personnel turnover. The Board also considered LKCM’s representation that the firm has implemented a compensation structure designed to attract and retain highly qualified investment professionals.

The Board also reviewed the compliance services provided to the Aquinas Funds by LKCM, including LKCM’s oversight of the Aquinas Funds’ day-to-day operations. The Trustees focused on the quality of LKCM’s compliance and support staff. In addition, the Board considered LKCM’s summary of its procedures for monitoring the Aquinas Funds’ key service providers. The Board also considered LKCM’s description of its best execution practices, and noted LKCM’s representation that its soft-dollar and commission sharing arrangements for client transactions (including those for the Aquinas Funds) comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Performance of the Aquinas Funds. The Board considered the performance of each Aquinas Fund compared to the Aquinas Fund’s benchmark index (“Benchmark”) and peer group funds compiled by Lipper, Inc. (“Lipper Index”) for various time periods ended December 31, 2015. In considering this comparative data, the Board noted that each Aquinas Fund is managed in accordance with its Catholic-values investing guidelines, which restricts their investments and generally are not applicable to the Benchmark or funds included in the respective Lipper Indexes. The Board also considered LKCM’s discussion of each Aquinas Fund’s performance.

In considering each Fund’s performance, the Board noted that it reviews, at its regularly scheduled meetings, information about each Fund’s performance. The Board also noted LKCM’s representation that its investment strategy for the Funds focuses on investments in higher quality companies that meet LKCM’s stringent investment criteria, which had encountered difficulty in overcoming the general market’s “reach for yield” and focus on lower quality companies that have driven performance in recent years, but that LKCM believes the Funds are well positioned for the future.

The Board noted that the Aquinas Small Cap Fund underperformed its Benchmark and its Lipper Index for the one-year, three-year, five-year, ten-year and since-inception periods.

The Board noted that the Aquinas Value Fund outperformed its Benchmark and its Lipper Index for the one-year, ten-year and since-inception periods, but underperformed its Benchmark and Lipper Index for the three-year and five-year periods.

The Board noted that the Aquinas Growth Fund underperformed its Benchmark and its Lipper Index for one-year, three-year, five-year, ten-year and since-inception periods.

Fees and Expenses. The Board considered the advisory fee rates and the net expense ratios (after fee waivers and/or expense reimbursements) of each Aquinas Fund relative to similar funds and LKCM's other clients. The Board also considered that LKCM had contractually agreed to continue the current fee waivers and expense caps in effect for each Aquinas Fund until April 30, 2017. The Board noted that the fee rates for the Aquinas Funds may be higher than other similar funds due to the additional services LKCM provides in managing the Aquinas Funds in accordance with the socially responsible investing guidelines provided by the United States Conference of Catholic Bishops. The Board compared the contractual advisory fee rate and the net expense ratio of each Aquinas Fund to a category of similar funds compiled by Lipper, Inc. ("Lipper Category"). The first quartile in a Lipper Category represents those funds with the lowest fees or expenses.

The Board noted that the contractual advisory fee rate and the net expense ratio for the Aquinas Small Cap Fund were in the fourth and third quartile of its Lipper Category, respectively. In this case, the Aquinas Small Cap Fund's advisory fee rate and the net expense ratio were higher than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and the net expense ratio for the Aquinas Value Fund were both in the fourth quartile of its Lipper Category. In this case, the Aquinas Value Fund's advisory fee rate and net expense ratio were higher than the average of its Lipper Category.

The Board noted that the contractual advisory fee rate and the net expense ratio for the Aquinas Growth Fund were in the fourth and third quartile of its Lipper Category, respectively. In this case, the Aquinas Growth Fund's advisory fee rate and net expense ratio were higher than the average of its Lipper Category.

The Board considered the advisory fee rates charged by LKCM to other accounts managed by LKCM with similar investment strategies. The Board noted LKCM's explanation that the fee rates charged by LKCM to the Funds and its similar accounts differ primarily as a result of differences in the regulatory, compliance and related expenses and level of services between the Funds and the other similar accounts.

Costs, Profitability and Economies of Scale. The Board considered LKCM's costs in rendering services to the Aquinas Funds and the profitability of LKCM. The Board reviewed the fees paid by each Aquinas Fund to LKCM for the last three calendar years. The Board also reviewed the estimated profit and loss statement provided by LKCM on a Fund-by-Fund basis, before and after any distribution-related payments made by LKCM. With respect to economies of scale, the Board considered that the asset levels in the Aquinas Funds are relatively low. Based on these asset levels, the Board noted that LKCM believes that economies of scale likely cannot be achieved until assets increase in the Aquinas Funds. The Board also considered that, while there are no breakpoints in the Funds' advisory fee rate schedules, LKCM waives fees and/or reimburses expenses to maintain the Funds' net expense ratios at competitive levels.

Benefits Derived by LKCM from its Relationship with the Aquinas Funds. The Board requested and considered information regarding the potential fall-out benefits to LKCM from its association with the Aquinas Funds. The Board noted that LKCM believes that both LKCM and the Aquinas Funds benefit from LKCM's soft-dollar and commission sharing arrangements for third party and proprietary research used by LKCM in connection with its investment process. The Board also noted that LKCM believes its relationship with the Aquinas Funds provides an indirect benefit to both parties in the form of enhanced recognition among institutional investors, consultants and other members of the financial community. The Board considered the indirect benefits to LKCM, in the form of additional clients with separately managed portfolios or subadvisory relationships with other mutual funds, which also may attract additional investors to the Aquinas Funds.

Conclusion. Based on its evaluation of these and other factors, the Board: (1) concluded that the fees paid to LKCM under the Agreement are fair and reasonable; (2) determined that shareholders would benefit from LKCM's continued management of the Aquinas Funds; and (3) approved the renewal of the Agreement.

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LKCM FUNDS PRIVACY NOTICE

Our Commitment to Your Privacy

At LKCM Funds, we are committed to safeguarding the confidentiality and privacy of nonpublic personal information about our current and former shareholders. This privacy notice describes the policies and procedures we have implemented to protect the privacy of your nonpublic personal information as well as the sources through which we may obtain nonpublic personal information about you.

How We Protect Your Nonpublic Personal Information

Protecting your nonpublic personal information is an important priority at LKCM Funds. Accordingly, we have implemented policies and procedures designed to safeguard your nonpublic personal information, such as your tax identification number, account and investment history, account numbers, account balances and nonpublic contact information, from unauthorized access. Pursuant to these policies and procedures, we maintain various physical, technological, and administrative safeguards to protect the security and confidentiality of your nonpublic personal information, and we adapt these safeguards to respond to evolving technological and other standards.

We do not disclose nonpublic personal information about you to outside firms, organizations or individuals except as authorized by you or your representatives or as required or permitted by law. We may disclose nonpublic personal information about you to nonaffiliated third parties, such as custodians, brokers, auditors, accountants, and systems and administrative service providers, in connection with the services we provide to you or on your behalf. When we provide nonpublic personal information about you to nonaffiliated third parties for these purposes, we expect them to safeguard your nonpublic personal information, use your nonpublic personal information only for the intended purposes and otherwise abide by applicable law.

How We Obtain Your Nonpublic Personal Information

We collect nonpublic personal information about you from various sources, including documents, new account applications and other information that you or your representatives, custodians, attorneys, accountants or similar parties provide to us, communications that we have with you or your representatives, custodians, attorneys, accountants or similar parties, and documents and other information related to your accounts or investment experience with us.

Please do not hesitate to contact Jacob D. Smith, our Chief Compliance Officer, if you have any questions regarding the measures we have implemented to protect the privacy of your nonpublic personal information.

U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

LKCM FUNDS
P.O. Box 701
Milwaukee, WI 53201-0701

Officers and Trustees

J. Luther King, Jr., CFA, CIC
Trustee, President and Chief Executive
Officer

H. Kirk Downey
Chairman of the Board

Larry J. Lockwood
Trustee

Paul W. Greenwell
Vice President

Richard J. Howell
Trustee

Richard Lenart
Secretary & Treasurer

Steven R. Purvis, CFA
Trustee, Vice President

Earle A. Shields, Jr.
Trustee

Jacob D. Smith
Chief Financial Officer
Chief Compliance Officer

Investment Adviser

Luther King Capital Management Corporation
301 Commerce Street, Suite 1600
Fort Worth, TX 76102

**Administrator, Transfer Agent, Dividend
Paying Agent & Shareholder Servicing Agent**

U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Custodian

U.S. Bank, N.A.
1555 N. River Center Drive, Suite 302
Milwaukee, WI 53212

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
555 E. Wells St., Suite 1400
Milwaukee, WI 53202

Distributor

Quasar Distributors, LLC
615 E. Michigan Street
Milwaukee, WI 53202
