



**LKCM AQUINAS
CATHOLIC EQUITY FUND**

LKCM AQUINAS CATHOLIC EQUITY FUND

Annual Financial Statements and Other Information
December 31, 2024

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LKCM AQUINAS CATHOLIC EQUITY FUND
SCHEDULE OF INVESTMENTS
December 31, 2024

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
COMMON STOCKS - 99.6%			Machinery - 3.8%		
Aerospace & Defense - 2.2%			Chart Industries, Inc. ^(a)		
L3Harris Technologies, Inc.	6,300	\$ 1,324,764		2,700	\$ 515,268
				5,300	1,109,237
				2,500	633,900
Banks - 0.9%					<u>2,258,405</u>
Cullen/Frost Bankers, Inc.	4,000	537,000	Marine Transportation - 2.5%		
			Kirby Corp. ^(a)		
Beverages - 3.9%				14,000	1,481,200
Keurig Dr Pepper, Inc.	25,000	803,000	Oil, Gas & Consumable Fuels - 8.6%		
PepsiCo, Inc.	10,000	1,520,600	Chevron Corp.		
		<u>2,323,600</u>		6,500	941,460
				28,000	916,440
Broadline Retail - 2.9%				5,000	819,150
Amazon.com, Inc. ^(a)	8,000	1,755,120		8,500	846,175
				27,500	753,500
Capital Markets - 1.7%				60,000	862,800
Intercontinental Exchange, Inc.	7,000	1,043,070			<u>5,139,525</u>
			Pharmaceuticals - 2.7%		
Chemicals - 10.3%			Zoetis, Inc.		
Corteva, Inc.	22,500	1,281,600		10,000	1,629,300
DuPont de Nemours, Inc.	10,000	762,500	Professional Services - 4.8%		
Ecolab, Inc.	5,000	1,171,600	Broadridge Financial Solutions, Inc.		
Linde PLC	3,000	1,256,010		5,500	1,243,495
Sherwin-Williams Co.	5,000	1,699,650		6,000	1,652,580
		<u>6,171,360</u>			<u>2,896,075</u>
Construction Materials - 1.7%			Semiconductors & Semiconductor Equipment - 5.1%		
Martin Marietta Materials, Inc.	2,000	1,033,000	NVIDIA Corp.		
				23,000	3,088,670
Electronic Equipment, Instruments & Components - 5.3%			Software - 14.9%		
Teledyne Technologies, Inc. ^(a)	3,000	1,392,390	Adobe, Inc. ^(a)		
Trimble, Inc. ^(a)	25,000	1,766,500		3,700	1,645,316
		<u>3,158,890</u>		6,500	2,739,750
				15,000	2,499,600
Financial Services - 1.7%				4,000	2,079,400
Fiserv, Inc. ^(a)	5,000	1,027,100			<u>8,964,066</u>
			Specialty Retail - 5.2%		
Food Products - 1.7%			Academy Sports & Outdoors, Inc.		
Kraft Heinz Co.	32,500	998,075		27,500	1,582,075
				4,000	1,555,960
					<u>3,138,035</u>
Health Care Equipment & Supplies - 5.2%			Technology Hardware, Storage & Peripherals - 3.7%		
Alcon AG	13,500	1,146,015	Apple Inc.		
Stryker Corp.	5,500	1,980,275		9,000	2,253,780
		<u>3,126,290</u>	Textiles, Apparel & Luxury Goods - 2.2%		
Independent Power and Renewable Electricity Producers - 1.7%			Ralph Lauren Corp.		
Clearway Energy, Inc. - Class C	40,000	1,040,000		5,800	1,339,684
			TOTAL COMMON STOCKS		
Interactive Media & Services - 4.9%			(Cost \$29,045,169).		
Alphabet, Inc. - Class A.	15,500	2,934,150			<u>59,856,784</u>
IT Services - 2.0%					
Akamai Technologies, Inc. ^(a)	12,500	1,195,625			

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

LKCM AQUINAS CATHOLIC EQUITY FUND
SCHEDULE OF INVESTMENTS
December 31, 2024 (Continued)

	<u>Shares</u>	<u>Value</u>
SHORT-TERM INVESTMENTS - 0.6%		
Money Market Funds - 0.6%		
Invesco Short-Term Investments Trust - Government & Agency Portfolio - Institutional Shares, 4.43% ^(b)	344,011	<u>\$ 344,011</u>
TOTAL SHORT-TERM INVESTMENTS (Cost \$344,011).		<u>344,011</u>
TOTAL INVESTMENTS - 100.2% (Cost \$29,389,180).		\$60,200,795
Liabilities in Excess of Other Assets - (0.2)%		<u>(91,500)</u>
TOTAL NET ASSETS - 100.0%		<u><u>\$60,109,295</u></u>

Percentages are stated as a percent of net assets.

AG - Aktiengesellschaft

PLC - Public Limited Company

^(a) Non-income producing security.

^(b) The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

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

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

LKCM AQUINAS CATHOLIC EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2024

ASSETS

Investments, at value*	\$60,200,795
Dividends and interest receivable	40,899
Receivable for Fund shares sold	3,476
Prepaid expenses and other assets	<u>10,253</u>
Total assets	<u><u>60,255,423</u></u>

LIABILITIES

Payable for investment advisory fees	82,190
Payable for distribution expense	28,835
Payable for administrative fees	6,324
Payable for accounting and transfer agent fees and expenses	7,989
Payable for trustees' fees and officer compensation (Note B)	1,011
Payable for professional fees	17,714
Payable for custody fees and expenses	1,169
Payable for reports to shareholders	871
Payable for Fund shares redeemed	12
Accrued expenses and other liabilities	<u>13</u>
Total liabilities	<u>146,128</u>

Commitments and Contingencies (Note A)

NET ASSETS \$60,109,295

Net assets consist of:

Paid-in capital	\$29,262,626
Total distributable earnings	<u>30,846,669</u>
Net assets	<u><u>\$60,109,295</u></u>

Shares of beneficial interest outstanding (unlimited shares of no par value authorized) 3,417,390

Net asset value per share(offering and redemption price) \$ 17.59

* Cost of Investments \$29,389,180

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

LKCM AQUINAS CATHOLIC EQUITY FUND
STATEMENT OF OPERATIONS
December 31, 2024

INVESTMENT INCOME:

Dividends*	\$ 727,767
Interest	46,124
Total investment income	<u>773,891</u>

EXPENSES:

Investment advisory fees (Note B)	535,838
Administrative fees	75,114
Accounting and transfer agent fees and expenses	89,741
Distribution expense (Note B)	59,538
Professional fees	35,886
Trustees' fees and officer compensation (Note B)	30,886
Federal and state registration	28,973
Custody fees and expenses	8,140
Reports to shareholders	6,060
Other	2,262
Total expenses	<u>872,438</u>
Less, expense waiver and/or reimbursement (Note B)	(277,064)
Net expenses	<u>595,374</u>
Net investment income (loss)	<u>178,517</u>

REALIZED AND UNREALIZED GAIN (LOSS):

Net realized gain (loss) on:	
Investments	\$4,380,108
Net change in unrealized appreciation (depreciation) on:	
Investments	<u>2,743,520</u>
Net Realized and Unrealized Gain (Loss)	<u>7,123,628</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$7,302,145</u>

* Net of foreign taxes withheld and/or issuance fees \$ 1,249

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

**LKCM AQUINAS CATHOLIC EQUITY FUND
STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
OPERATIONS:		
Net investment income	\$ 178,517	\$ 420,759
Net realized gain.	4,380,108	1,138,747
Net change in unrealized appreciation	<u>2,743,520</u>	<u>5,515,457</u>
Net increase in net assets resulting from operations	<u>7,302,145</u>	<u>7,074,963</u>
NET DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:		
Investment income	<u>(153,095)</u>	<u>(416,560)</u>
Capital Gain Distribution	<u>(4,272,939)</u>	<u>(1,078,666)</u>
Net Dividends and Distributions to Shareholders	<u>(4,426,034)</u>	<u>(1,495,226)</u>
Net increase (decrease) in net assets from fund share transactions	<u>(989,966)</u>	<u>2,560,047</u>
Total increase in net assets	<u>1,886,145</u>	<u>8,139,784</u>
NET ASSETS:		
Beginning of period	<u>58,223,150</u>	<u>50,083,366</u>
End of period	<u>\$60,109,295</u>	<u>\$58,223,150</u>

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

LKCM AQUINAS CATHOLIC EQUITY FUND
FINANCIAL HIGHLIGHTS

Selected data for each share of Capital stock outstanding

	Year Ended December 31				
	2024	2023	2022	2021	2020
Net asset value, beginning of period	\$ 16.73	\$ 15.05	\$ 19.52	\$ 17.53	\$ 15.06
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income (loss)	0.05 ⁽¹⁾	0.12 ⁽¹⁾	0.17 ⁽¹⁾	0.05 ⁽¹⁾	0.06 ⁽¹⁾
Net realized and unrealized gains (losses).	2.20	2.00	(3.72)	4.40	3.59
Total from investment operations	<u>2.25</u>	<u>2.12</u>	<u>(3.55)</u>	<u>4.45</u>	<u>3.65</u>
LESS DISTRIBUTIONS:					
From net investment income	(0.05)	(0.12)	(0.18)	(0.05)	(0.06)
From realized capital gains	(1.34)	(0.32)	(0.74)	(2.41)	(1.12)
Total distributions	<u>(1.39)</u>	<u>(0.44)</u>	<u>(0.92)</u>	<u>(2.46)</u>	<u>(1.18)</u>
Redemption fees	0.00 ⁽²⁾	0.00 ⁽²⁾	—	—	—
Net asset value, end of period	<u>\$ 17.59</u>	<u>\$ 16.73</u>	<u>\$ 15.05</u>	<u>\$ 19.52</u>	<u>\$ 17.53</u>
Total return	13.37%	14.07%	-18.17%	25.34%	24.28%
RATIOS AND SUPPLEMENTAL DATA:					
Net assets, end of period (\$000's)	\$60,109	\$58,223	\$50,083	\$63,916	\$53,862
Ratio of expenses to average net assets:					
Before expense waiver and/or reimbursement . . .	1.47%	1.53%	1.45%	1.40%	1.48%
After expense waiver and/or reimbursement. . . .	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income (loss) to average net assets:					
Before expense waiver and/or reimbursement . . .	(0.17)%	0.24%	0.57%	(0.15)%	(0.12)%
After expense waiver and/or reimbursement. . . .	0.30%	0.77%	1.02%	0.25%	0.36%
Portfolio turnover rate	11%	16%	23%	18%	17%

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

⁽²⁾ Amount rounds to less than \$0.005 per share.

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

LKCM AQUINAS CATHOLIC EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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 consists of seven diversified series as of December 31, 2024, one of which is presented herein: the LKCM Aquinas Catholic Equity Fund (the “Fund”). The Fund is subject to expenses pursuant to the Rule 12b-1 plan described in Note B. The Fund charges a 1% redemption fee for redemptions of Fund shares held for less than 30 days, unless otherwise determined by the Fund in its discretion.

The LKCM Aquinas Catholic Equity Fund seeks to maximize long-term capital appreciation, while incorporating Catholic values investing principles in the investment process. The LKCM Aquinas Catholic Equity 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 companies that Luther King Capital Management Corporation (the “Adviser”) believes are likely to have above-average growth in revenue and/or earnings, above-average returns on shareholders’ equity, potential for above-average capital appreciation, and/or companies the Adviser believes have attractive relative valuations.

The Fund practices socially responsible investing within the framework provided by the United States Conference of Catholic Bishops’ Socially Responsible Investment Guidelines (the “Guidelines”). The 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 the 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 Fund for policies on various issues contemplated by the Guidelines. If the 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 Fund in preparation of the financial statements. The Fund is an investment company and, accordingly, follows 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. equity securities and listed U.S. equity 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. Futures contracts and options on futures contracts are valued at the settlement prices established each day on the principal exchange on which they are traded. Forward contracts are valued based on the forward rate using information provided by an independent pricing service. Other assets and securities for which no market or broker quotations or evaluated prices are readily available are valued by the Adviser in good faith at fair value. Rule 2a-5 under the Investment Company Act of 1940 (the “Valuation Rule”) establishes requirements for determining fair value in good faith for purposes of the 1940 Act, including related oversight and reporting requirements. The Valuation Rule also defines when market quotations are “readily available” for purposes of the 1940 Act, the threshold for determining whether a security must be fair valued. In many cases, fixed-income and foreign securities are not considered to have a “readily available market quotation” under the Valuation Rule. Accordingly, such securities typically are fair valued. The Valuation Rule permits the Fund’s board to designate the Fund’s primary investment adviser as “valuation designee” to perform the Fund’s fair value determinations subject to board oversight and certain reporting and other requirements intended to ensure that the registered investment company’s board receives the information it needs to oversee the investment adviser’s fair value determinations. The Board has designated the Adviser as valuation designee under the

LKCM AQUINAS CATHOLIC EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 (Continued)

Valuation Rule to perform fair value functions in accordance with the requirements of the Valuation Rule. The Adviser may value securities at fair value in good faith pursuant to the Adviser’s and the Fund’s procedures. The Adviser may use prices provided by independent pricing services to assist in the fair valuation of the Fund’s 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 December 31, 2024, the Fund’s assets carried at fair value were classified as follows:

LKCM Aquinas Catholic Equity Fund

Description	Level 1	Level 2	Level 3	Total
Common Stocks	\$59,856,784	\$ —	\$ —	\$59,856,784
Short-Term Investment	344,011	—	—	344,011
Total Investments*	<u>\$60,200,795</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$60,200,795</u>

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

2. *Federal Income Taxes:* The Fund has elected to be treated as a “regulated investment company” under Subchapter M of the Internal Revenue Code and the 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 Fund generally intends to declare and pay income dividends and distribute net capital gain, 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

LKCM AQUINAS CATHOLIC EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 (Continued)

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 in the Trust 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 Fund enters into contracts with service providers that contain general indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects 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 Fund’s understanding of the applicable jurisdiction’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 Fund 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:* Distributions from net investment income and realized capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the consolidated financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio securities held by the Fund and have no impact on net assets or NAV per share.

Accordingly, at December 31, 2024, reclassifications were recorded as follows for the Fund:

Paid-in capital	\$101,595
Total distributable earnings	(101,595)

10. *Restricted and Illiquid Securities:* The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale including investments considered by the Fund to be illiquid. Restricted securities generally may be resold in transactions exempt from registration. Illiquid investments are investments that the Fund reasonably expects cannot be sold or disposed of in current market conditions within seven calendar days or less in the ordinary course of business without the sale or disposition significantly changing the market value of the investment. 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.
11. *Segment Reporting:* During the reporting period, the Funds adopted FASB Accounting Standards Update 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures (“ASU 2023-07”). Adoption of the new standard impacted financial statement disclosures only and did not affect each Fund’s financial position or the results of its operations. An operating segment is defined in Topic 280 as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity’s chief

LKCM AQUINAS CATHOLIC EQUITY FUND
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December 31, 2024 (Continued)

operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available. The Trust’s principal executive officer and principal financial officer act as the CODM. Each Fund within the Trust represents a single operating segment, as the CODM monitors the operating results of each Fund as a whole and each Fund’s long-term strategic asset allocation is pre-determined in accordance with the terms of its prospectus, based on a defined investment strategy which is executed by each Fund’s portfolio managers as a team. The financial information in the form of a Fund’s total returns, expense ratios, changes in net assets resulting from operations, subscriptions and redemptions and profitability to the advisor, which are used by the CODM to assess the segment’s performance versus each Fund’s comparative benchmarks and peers to make resource allocation decisions for each Fund’s single segment, is consistent with that presented within each Fund’s financial statements. Segment assets are reflected on the accompanying statement of assets and liabilities as “total assets” and significant segment expenses are listed on the accompanying statement of operations.

B. INVESTMENT ADVISORY AND OTHER AGREEMENTS

The Adviser serves as the investment adviser to the Fund under an Investment Advisory Agreement (the “Agreement”). The Adviser receives a fee, computed daily and payable quarterly, at the annual rate presented below as applied to the 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 Fund through May 1, 2025 in order to limit the Fund’s operating expenses to the annual cap rate presented 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 year ended December 31, 2024, the Adviser waived the following management fees and/or reimbursed expenses to meet its expense cap obligations:

	LKCM Aquinas Catholic Equity Fund
Annual Management Fee Rate	0.90%
Annual Cap on Expenses	<u>1.00%</u>
Fees Waived and/or Expenses Reimbursed in 2024	<u>\$277,064</u>

The Trust reimburses the Adviser for a portion of compensation paid to the Trust’s Chief Compliance Officer. This compensation is reported as part of the “Trustees fees and officer compensation” expense on the Statement of Operations.

U.S. Bancorp Fund Services, LLC (“U.S. Bancorp”), doing business as U.S. Bank Global Fund Services, serves as transfer agent and administrator for the Fund and serves as accounting services agent for the Fund. U.S. Bank, N.A. serves as custodian for the Fund.

Distribution services are performed pursuant to a distribution contract with Quasar Distributors, LLC (“Quasar”), the Trust’s principal underwriter.

The Trust has adopted a Distribution Plan pursuant to Rule 12b-1 under the 1940 Act for the Fund, under which the Fund may pay an annualized fee of up to 1.00% of its average daily net assets for distribution and other services. However, the Board of Trustees has currently only authorized an annual fee of 0.10% of the average daily net assets for the Fund.

LKCM AQUINAS CATHOLIC EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 (Continued)

C. FUND SHARES

At December 31, 2024, there was an unlimited number of shares of beneficial interest, no par value, authorized for the Fund. The following table summarizes the activity in shares of the Fund:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	94,402	\$ 1,689,787	435,470	\$ 6,902,249
Shares issued to shareholders in reinvestment of distributions	233,056	4,136,741	81,975	1,375,552
Shares redeemed	(390,153)	(6,816,546)	(365,131)	(5,718,058)
Redemption fee		52		304
Net increase (decrease)	<u>(62,695)</u>	<u>\$ (989,966)</u>	<u>152,314</u>	<u>\$ 2,560,047</u>
Shares Outstanding:				
Beginning of period		3,480,085		3,327,771
End of period		<u>3,417,390</u>		<u>3,480,085</u>

D. SECURITY TRANSACTIONS

Purchases and sales of investment securities, other than short-term investments, for the Fund for the year ended December 31, 2024 were as follows:

Purchases		Sales	
U.S. Government	Other	U.S. Government	Other
\$ —	\$6,314,253	\$ —	\$10,667,705

E. TAX INFORMATION

At December 31, 2024, the components of accumulated earnings (losses) on a tax basis for the Fund were as follows:

Tax cost	<u>\$29,389,180</u>
Gross unrealized appreciation	\$31,215,615
Gross unrealized depreciation	<u>(404,000)</u>
Net unrealized appreciation	<u>\$30,811,615</u>
Undistributed ordinary income	35,054
Undistributed long-term capital gain	—
Distributable earnings	<u>\$ 35,054</u>
Other accumulated losses	—
Total distributable earnings	<u>\$30,846,669</u>

At December 31, 2024, the Fund deferred, on a tax basis, no post-October capital losses.

To the extent the Fund realizes future net capital gains, taxable distributions will be reduced by any unused capital loss carryforwards as permitted by the Internal Revenue Code. At December 31, 2024, the Fund had no capital loss carryforwards.

LKCM AQUINAS CATHOLIC EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 (Continued)

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

	<u>Year Ended December 31, 2024</u>		<u>Year Ended December 31, 2023</u>	
	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>
LKCM Aquinas Catholic Equity Fund	\$153,095	\$4,272,939	\$416,560	\$1,078,666

The Fund designated earnings and profits distributed to shareholders upon the redemption of shares during 2024 and 2023 in determining undistributed net capital gains as of December 31, 2024 and 2023, respectively.

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 Fund’s financial position or results of operations. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2021 through December 31, 2024. 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, 2024. The Fund is 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 Fund would recognize interest accrued related to unrecognized tax benefits in “interest expense” and penalties in “other expense” on the statement of operations.

F. OTHER MATTERS

Investing in the Funds involves risks and the potential loss of all or a portion of your investment. Each Fund is subject to the risk that the securities markets will move down, sometimes rapidly and unpredictably, based on overall economic conditions and other factors, which may negatively affect the Fund’s performance. Factors that affect markets in general, including geopolitical, regulatory, market and economic developments and other developments that impact specific economic sectors, industries, companies, and segments of the market, could adversely impact the Fund’s investments and lead to a decline in the value of your investment in a Fund. Geopolitical and other events, including wars, such as between Russia and Ukraine and in the Middle East tensions and other conflicts between nations, terrorism, economic uncertainty, trade disputes, pandemics, public health crises, natural disasters and related events have led, and in the future may continue to lead, to instability in world economies and markets generally and reduced liquidity in equity, credit, and fixed income markets. In addition, policy changes by the U.S. Government, the U.S. Federal Reserve and/or foreign governments, such as changes in interest rates, and political events within the U.S. and abroad may cause increased volatility in financial markets, affect investor and consumer confidence, and adversely impact the broader financial markets and economy, perhaps suddenly and to a significant degree. Market disruptions have caused, and may continue to cause, broad changes in market value, negative public perceptions concerning these developments, and adverse investor sentiment or publicity. The foregoing may adversely affect, among other things, the value and liquidity of a Fund’s investments, a Fund’s ability to satisfy redemption requests, a Fund’s financial and operational performance, and/or the value of your investment in a Fund.

G. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated the Fund’s related events and transactions that occurred subsequent to December 31, 2024 through the date the financial statements were issued and has determined that there were no significant subsequent events requiring recognition or disclosure in the financial statements.

LKCM AQUINAS CATHOLIC EQUITY FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Trustees of LKCM Funds:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of LKCM Aquinas Catholic Equity Fund (the “Fund”), one of the funds constituting the LKCM Funds, as of December 31, 2024, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP

Milwaukee, Wisconsin
February 25, 2025

We have served as the auditor of one or more LKCM Funds since 2007.

LKCM AQUINAS CATHOLIC EQUITY FUND
OTHER INFORMATION (Unaudited)

Tax Information: For the fiscal year ended December 31, 2024, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs & Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was 100.00%. For corporate shareholders, the percentage of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended December 31, 2024 was 100.00%.

LKCM AQUINAS CATHOLIC EQUITY FUND
OTHER INFORMATION (Unaudited) (Continued)

The below information is required disclosure from Form N-CSR

Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies.

There were no changes in or disagreements with accountants during the period covered by this report.

Item 9. Proxy Disclosure for Open-End Investment Companies.

There were no matters submitted to a vote of shareholders during the period covered by this report.

Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.

Information regarding remuneration paid by the Trust to its directors, officers and affiliated persons is included in the accompanying financial statements.

Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.

Not applicable.