

LUTHER KING CAPITAL MANAGEMENT
LKCM SMALL CAP CORE COMPOSITE
First Quarter, 2020 Update



Performance **	1st QTR 2019	One Year	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception Annualized*
LKCM Small Cap Core Composite (gross)	(30.51%)	(25.23%)	(2.83%)	(0.57%)	6.81%	9.44%
LKCM Small Cap Core Composite (net)	(30.63%)	(25.74%)	(3.50%)	(1.29%)	6.01%	8.64%
Russell 2000 Index	(30.61%)	(23.99%)	(4.64%)	(0.25%)	6.90%	7.53%

Small companies, as measured by the Russell 2000, declined 30.6% in 1Q20. The global pandemic of the coronavirus led to a significant meltdown in the stock market with much of the damage occurring in March. The increased uncertainty about the pandemic's potential negative impact with stay at home orders and many parts of the economy shuttered has resulted in one of the worst quarters in the stock markets history.

The U.S. economy was on solid footing through February but that all changed in March as the coronavirus took hold in earnest. The country is still working to flatten the contagion curve, but the social distancing has begun to slow its growth. We anticipate an unprecedented decline in the economy for as long as it remains closed. When and at what rate of improvement the economy begins to rebuild is now the focus of the market. Many of the key indicators that we watch, the Index of Leading Indicators, consumer confidence, employment growth and capital spending, will temporarily lose their importance as the market will likely begin to look over the valley and anticipate an economic recovery. The market, like always, is expected to anticipate economic improvement and begin its recovery before the economy does. The Government is aggressively trying to front-end load the economy with rate cuts and various monetary and fiscal stimulus plans. This will help limit the negative impact of the coronavirus. The damage to companies, both public and private, will be devastating. Very few business models are built to withstand the dramatic decline and, in many cases, zero revenues for an extended period. Cost cutting is rampant and recent unemployment claims would suggest that we could experience record unemployment levels. While the near term economic conditions are gloomy, we will recover and, based on history, market declines like we just experienced typically result in very rewarding market returns going forward. Small caps, which significantly underperformed in this period of heightened uncertainty, tend to outperform coming out of recessions and out of bear markets and we expect that to be the case again.

The benchmark's massive decline resulted in all sectors declining during the quarter. The Health Care and Utilities sectors, two of the least cyclical sectors, declined the least while Energy was off the most. Energy not only suffered from demand destruction but also additional supply from OPEC. The Consumer Discretionary sector was also a major detractor as many of its companies were directly impacted by the coronavirus. Larger market cap companies and those with better balance sheets outperformed while higher beta, lower stock price and dividend paying companies underperformed. None of this surprises us except we would have expected the dividend paying stocks to perform better in the time of uncertainty. Growth stocks significantly outperformed Value stocks during the quarter and have done so for quite some time.

The LKCM Small Cap Equity Composite declined roughly in line with the benchmark in 1Q20. Given the speed of the market sell off, especially in March, we did not reposition the portfolio for a recession but rather held relatively stable in our investments and sector allocation decisions. The top three positive contributors to our relative performance vs. the benchmark were our stock selection in the Financials sector, our overweight position in the Technology sector, and stock selection in the Consumer Staples sector. The three biggest detractors were our underweight position and stock selection in the Communication Services and stock selection in the Technology sectors. We believe we are well positioned for the eventual rebound and are actively managing the strategy to position it opportunistically.

Our investment strategy is to maximize our internal, research-intensive process and to identify competitively advantaged companies that generate strong financial returns with good reinvestment opportunities and purchase these stocks at attractive prices. We believe this strategy of investing in higher quality, competitively advantaged companies with viable strategies to increase the value of their businesses will continue to be beneficial for our investors. Our goal is to generate superior returns over time relative to our benchmark by consistently executing our strategy and to minimize the risk (volatility) of the portfolio with a focus on achieving long term capital appreciation.

* 10/1/94 – 3/31/20

** This presentation is supplemental to the attached full disclosure presentation. Past performance is not indicative of future results.

LKCM SMALL CAP CORE COMPOSITE

March 31, 2020

CO-MANAGERS: STEVEN R. PURVIS, CFA
J. LUTHER KING, JR., CFA

INCEPTION: October 1, 1994

INVESTMENT STRATEGY: Provide superior performance with lower volatility relative to our benchmark with a focus on achieving long-term capital appreciation through long-term investment in competitively-advantaged small-cap companies.

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TEN LARGEST HOLDINGS 03/31/20*	
MERCURY SYSTEMS INC	2.2 %
PALOMAR HOLDINGS INC	2.1 %
STAAR SURGICAL	2.1 %
HORIZON THERAPEUTICS PLC	2.0 %
NEOGENOMICS INC	2.0 %
OMNICELL	2.0 %
WINGSTOP INC	1.9 %
KINSALE CAPITAL GROUP	1.8 %
FRESHPET	1.7 %
MEDPACE HOLDINGS INC	1.7 %
	19.4 %

PORTFOLIO RESULTS	
(Benchmark - Russell 2000) □ (Since Inception)	
	<u>Net</u>
ALPHA	2.09%
BETA	0.85
R ²	89%

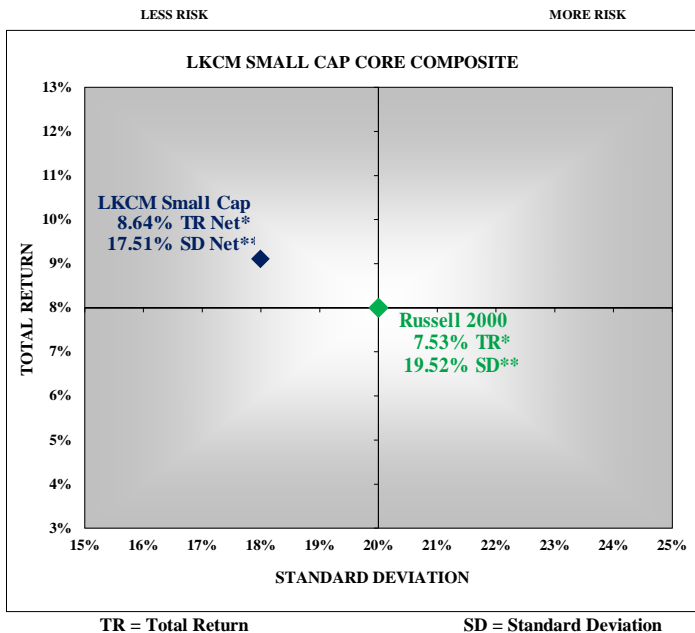
UP CAPTURE	94%
DOWN CAPTURE	86%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	9.9%
LONG TERM DEBT TO TOTAL CAPITAL	40%
P/E FWD 4 Quarters (ex Neg-earnings)	17x

WTD AVG. MARKET CAPITALIZATION	\$2,2995Million
TOTAL SMALL-CAP EQUITY COMPOSITE ASSETS	\$ 143 Million
#HOLDINGS	92
PORTFOLIO TURNOVER*	47%
ACTIVE SHARE	92%

*The largest ten holdings are at 03/31/20 and may not reflect current holdings.

*Turnover rate is based on a representative portfolio for a rolling one year period ending 03/31/20



ATTRIBUTION (1Q 2020)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
FINANCIALS	15.1%	-4.8	18.0%	-6.3
HEALTH CARE	19.6%	-3.3	15.8%	-3.2
INDUSTRIALS	21.5%	-7.2	14.9%	-5.3
INFORMATION TECHNOLOGY	17.0%	-3.4	13.8%	-2.9
CONSUMER DISCRETIONARY	9.5%	-4.8	12.2%	-5.0
REAL ESTATE	4.0%	-1.4	7.2%	-2.8
ENERGY	2.3%	-2.1	4.3%	-1.8
MATERIALS	3.9%	-1.7	3.9%	-1.5
UTILITIES	0.0%	0.0	3.6%	-0.5
COMMUNICATION SERVICES	2.3%	-1.4	3.4%	-0.7
CONSUMER STAPLES	2.6%	-0.2	2.8%	-0.6
CASH & EQUIVALENTS	2.3%	0.0	0.0%	0.0
TOTAL PORTFOLIO	100.0%	-30.4	100.0%	-30.6

*Source: Thomson Reuters (Refinitiv).

Performance results calculated by Refinitiv may differ significantly from those calculated by LKCM due to differences in methodology for transaction pricing and accounting for capital transactions.

*Total Net Return Since Inception (10/01/94 to 03/31/2020) Annualized

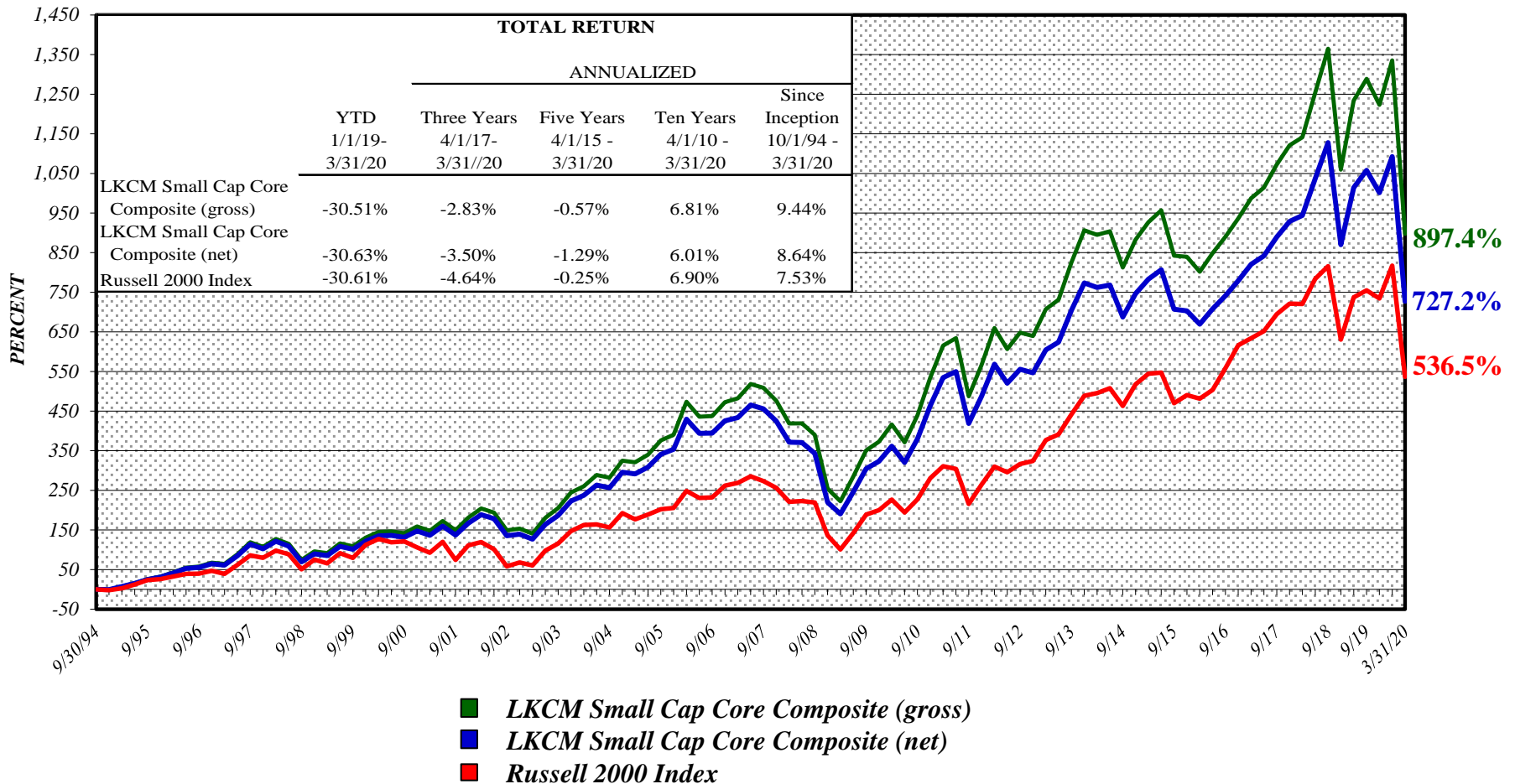
**Standard deviation and performance characteristics reporting period (10/01/94 to 03/31/2020)

This presentation is supplemental to the attached full disclosure presentation. Past performance is not indicative of future results.

Sources: LKCM Small Cap Core Composite, Zephyr Associates, Inc., Thomson Reuters (Refinitiv)

LKCM Small Cap Core Composite

Cumulative Returns Since Inception (10/1/94 – 3/31/20)



*The performance results should be reviewed along with the attached full disclosure presentation.
Past performance is not indicative of future results.*

LUTHER KING CAPITAL MANAGEMENT
SMALL CAP CORE COMPOSITE
FULL DISCLOSURE PRESENTATION AS OF MARCH 31, 2020

Year	Total Return		Russell 2000 Index	Small Cap Core Comp	3-Year Annualized Gross Standard Deviation		Number of Accounts	Small Cap Core Composite Assets (millions)	Total Firm Assets (billions)
	Gross of Fees	Net of Fees		Annual Standard Deviation	Russell 2000 Index	Small Cap Core Comp		Small Cap Core Assets (millions)	
		%	%	%	%	%			
2020 (1/1-3/31)	-30.51	-30.63	-30.61	NA	NA	NA	8	143	15.3
2019	23.81	22.93	25.52	0.7	16.64	15.71	8	220	18.2
2018	-5.05	-5.70	-11.01	NA	16.01	15.79	7	193	14.5
2017	17.83	17.03	14.65	0.3	13.45	13.91	5	259	15.3
2016	10.32	9.45	21.31	0.2	15.20	15.76	10	421	13.1
2015	-4.39	-5.11	-4.41	0.4	14.30	13.96	24	1,029	13.1
2014	-2.36	-3.09	4.89	0.4	13.68	13.12	39	1,925	15.0
2013	36.09	35.09	38.82	0.4	16.25	16.45	41	2,379	14.7
2012	10.92	10.05	16.35	0.3	19.27	20.20	44	1,852	11.4
2011	5.09	4.26	-4.18	0.5	22.12	24.99	41	1,673	8.8
2010	34.17	33.14	26.85	0.5	NA	NA	41	1,632	8.1

NA – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year and/or the period is a partial year and/or the information was not required.

Luther King Capital Management (LKCM) is a registered investment adviser under the Investment Advisers Act of 1940 and is defined as an independent investment management firm. LKCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. LKCM has been independently verified for the periods January 1, 1992 through December 31, 2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Small Cap Core Composite has been examined for the periods October 1, 1994 to December 31, 2018. The verification and performance examination reports are available upon request.

The Small Cap Core Composite contains all fully discretionary taxable and non-taxable, fee-paying small cap accounts under management, including applicable registered investment companies for which LKCM serves as investment adviser or subadviser. Our small-cap strategy seeks to achieve long-term capital appreciation and investment returns that exceed the applicable benchmark while attempting to manage portfolio risk and volatility. Our small-cap strategy seeks to achieve its investment objective through fundamental analysis of individual companies and seeks high quality companies based on various criteria, such as profitability levels, balance sheet quality, competitive advantages, market share positions, ability to generate excess cash flows, meaningful management ownership stakes, reinvestment opportunities, and relative valuation. The strategy typically purchases securities of companies with market capitalizations between \$600 million and \$5 billion at the initial time of purchase. For comparison purposes, the composite is measured against the Russell 2000 Index, which is a market capitalization weighted index that tracks the performance of 2000 small U.S. traded stocks.

January 1, 2003 is the effective creation date of the Small Cap Core Composite. Quarterly performance from October 1, 1994 to March 31, 2020 is available upon request. The annual standard deviation presented is an asset-weighted calculation of performance dispersion for accounts in the composite the entire year. The Small Cap Core Composite included portfolio(s) that paid a bundled fee, which includes all charges for trading costs, portfolio management, custody, and other administrative fees. The year-end percent of composite assets is as follows: 2007, 0.49%; 2008, 0.41%. Gross returns for bundled fee portfolio(s) are presented as supplemental information as they do not reflect the deduction of any trading costs, fees, or expenses. Net returns for bundled fee portfolio(s) reflect the deduction of all charges for trading costs, portfolio management, custody, and other administrative fees. The current management fee schedule for this composite is as follows: 1% on the first \$5,000,000; .75 of 1% on the next \$5,000,000; .50 of 1% above \$10,000,000; minimum annual fee \$30,000. Fees for registered investment companies for which LKCM serves as adviser or subadviser are calculated and paid quarterly in arrears, at annualized rates up to 0.75% of such fund's average daily net assets. In some instances, LKCM voluntarily waives these fees and/or reimburses the applicable fund in order to maintain a designated expense ratio. LKCM may adjust or otherwise negotiate management fees in its discretion and, therefore, clients may have a different fee schedule. For a complete list of our management fees, please see our Form ADV, Part 2A.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Effective January 2010, this composite is to stay over 80% invested in stocks at all times. Effective January 1, 2005, new accounts are added quarterly when the account is at least 75% invested and fully representative of investment style. Prior to January 1, 2005, accounts were added soon after inception on a quarterly basis and/or when considered fully representative of investment style. A complete list and description of the firm's composites is available upon request. Results are presented before taxes, both gross of management fees (which is net of commissions and other transaction costs) and net of actual management fees, and includes the reinvestment of all income. The U.S. dollar is the currency used to express performance. Past performance is not indicative of future results.

LUTHER KING CAPITAL MANAGEMENT
SMALL CAP CORE COMPOSITE
PERFORMANCE RESULTS*
OCTOBER 1, 1994 – MARCH 31, 2020

	Total Return		Equities Only	Cash Only	Russell 2000 Index
	Gross of Fees	Net of Fees			
Annualized Returns Ending 03/31/20					
1 Year	(25.23) %	(25.74) %	(25.27) %	1.83 %	(23.99) %
2 Years	(10.35)	(10.97)	(10.14)	1.72	(11.93)
3 Years	(2.83)	(3.50)	(2.57)	1.18	(4.64)
4 Years	2.55	1.83	2.99	0.90	2.28
5 Years	(0.57)	(1.29)	(0.24)	0.75	(0.25)
6 Years	0.04	(0.68)	0.38	0.64	1.11
7 Years	3.07	2.32	3.47	0.57	4.21
8 Years	3.46	2.70	3.87	0.51	5.65
9 Years	3.76	2.99	4.14	0.47	4.99
10 Years	6.81	6.01	7.32	0.44	6.90
11 Years	10.81	9.99	11.50	0.45	11.07
12 Years	5.60	4.80	5.93	0.60	5.87
13 Years	4.23	3.43	4.48	0.91	4.28
14 Years	4.03	3.23	4.27	1.18	4.40
15 Years	5.92	5.11	6.23	1.30	5.71
16 Years	6.57	5.76	6.92	1.29	5.69
17 Years	8.72	7.91	9.24	1.27	8.45
18 Years	6.82	6.03	7.15	1.28	6.09
19 Years	7.60	6.81	8.05	1.39	6.50
20 Years	7.27	6.49	7.62	1.53	5.28
21 Years	8.18	7.39	8.71	1.66	6.62
22 Years	6.96	6.17	7.22	1.78	5.46
23 Years	8.16	7.37	8.52	1.91	6.83
24 Years	8.44	7.65	8.82	2.05	6.76
25 Years	9.32	8.52	9.85	2.19	7.57
25 1/2 Years	9.44	8.64	9.99	2.25	7.53

* The results shown above should be reviewed along with Luther King Capital Management's full disclosure presentation. If you have not received a copy of the full disclosure presentation, please contact Luther King Capital Management for a copy. Segment returns, equities only and cash only, are supplemental information to this composite. Past performance is not indicative of future results.

GLOSSARY OF TERMS

Alpha represents the excess return of the composite over the expected market return.

Beta measures the risk or volatility of the composite relative to the market as a whole.

R² measures the correlation of composite returns to the benchmark.

Up Capture measures the percentage of benchmark performance captured by the composite during up quarters.

Down Capture measures the percentage of benchmark performance captured by the composite during down quarters.

Growth investing is an investment style and investment strategy that is focused on the growth of an investor's capital. Those who follow the growth investing style - growth investors - typically invest in growth stocks or companies whose earnings are expected to grow at an above-average rate compared to its industry or the overall market.

Value investing is an investment strategy where stocks are selected that trade for less than their intrinsic values. Value investors actively seek stocks they believe the market has undervalued. Investors who use this strategy believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with a company's long-term fundamentals, giving an opportunity to profit when the price is deflated.