

LUTHER KING CAPITAL MANAGEMENT
LKCM SMID CAP EQUITY COMPOSITE
Second Quarter, 2022 Update



Performance **	2nd QTR 2022	YTD 2022	One Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Since Inception Annualized*
LKCM SMID Cap Equity Composite gross)	(14.67%)	(23.61%)	(21.56%)	7.46%	10.15%	9.54%	9.30%
LKCM SMID Cap Equity Composite (net)	(14.79%)	(23.82%)	(22.00%)	6.90%	9.59%	8.79%	8.41%
Russell 2500 Index	(16.98%)	(21.81%)	(21.00%)	5.91%	7.04%	10.49%	8.45%

The Russell 2500 Index, a common benchmark for small to mid-sized companies, declined 17.0% in 2Q22. The small to mid-capitalization market exhibited increased volatility throughout the quarter, as demand for consumer goods battled with elevated inflation, despite some easing in supply chains. Pressure on discretionary income from increased prices drove Michigan consumer sentiment numbers to 50.0 in June, the lowest on record since the series was established in 1978. Though nominal retail sales have generally held up, the *real* growth has shown some signs of deceleration over the last six months, and consumer spending patterns appear to be shifting away from more discretionary consumer goods. With more restrictive Fed policy and recessionary fears rising in 2022, the Russell 2500 Index has seen the greatest drawdown during the first six months of any year since the inception of the index. Market price declines over this period have been broad with all sectors negative with the exception of Energy. Valuation multiples have compressed as risk free rates have increased, and we expect that volatility will persist as market participants continue to weigh the prospects of a potential recession and its impact on underlying company fundamentals. While probabilities of a recession have increased during this period, consumer and corporate balance sheets remain strong, providing some cushion to mitigate the full impact of a potential “hard landing”.

During 2Q22, the strongest performing sector was Utilities, followed by Consumer Staples and Energy. The worst performing sectors in the benchmark were Communication Services, Information Technology, and Materials. Every sector within the benchmark experienced negative returns during the second quarter. Energy gave up some of the gains experienced during the first quarter but remained the only sector with positive returns year-to-date. Though visibility for 2022 remains murky, consensus estimates for Russell 2500 EPS growth is 12% for 2022 versus 43% for 2021. There is risk of negative revisions if the economy slips into recession, making estimates for continued growth during 2023 particularly vulnerable. During the quarter, Value again outperformed Growth by 4%, representing a deceleration from the 10% differential in the first quarter.

The LKCM SMID Cap Equity Composite outperformed the benchmark in 2Q22. During the quarter, our stock selection was a positive contributor to relative outperformance while sector allocations detracted slightly. The top positive contributors were stock selection in the Information Technology sector and an overweight allocation to the Energy sector. Our biggest detractors were an underweight allocation to Utilities and stock selection in the Real Estate sector. Our bias towards growth weighed on securities’ attribution, though the importance of maintaining value in the portfolio supported a continued outperformance over the Russell 2500 Growth Index during this persistent Growth to Value rotation. We remain confident that our focus on higher quality companies remains prudent during this period of market volatility and for the long term.

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

* 4/1/05 – 6/30/22

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

LKCM SMID CAP EQUITY COMPOSITE

June 30, 2022

LEAD MANAGER: DANIEL C. DOWNES, CFA, CPA
CO-MANAGERS: J. LUTHER KING, JR., CFA
 MASON D. KING, CFA

INCEPTION: April 1, 2005

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 and mid-cap companies.

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TEN LARGEST HOLDINGS 06/30/22 *	
LPL FINANCIAL HOLDINGS INC	3.2 %
CULLEN FROST BANKERS INC	2.3 %
BLACK KNIGHT FINL SVCS INC	2.3 %
DRIVEN BRANDS HOLDINGS INC	2.3 %
PALOMAR HOLDINGS INC	2.2 %
BROADRIDGE FINL SOLUTIONS INC	2.2 %
CNX RESOURCES CORP	2.2 %
HF SINCLAIR CORPORATION	2.1 %
POOL CORPORATION	2.0 %
ZIONS BANCORPORATION NA	2.0 %
	22.7 %

PORTFOLIO RESULTS	
(Benchmark - Russell 2500) (Since Inception)	
	<u>Net</u>
ALPHA	0.61%
BETA	0.92
R ²	90%

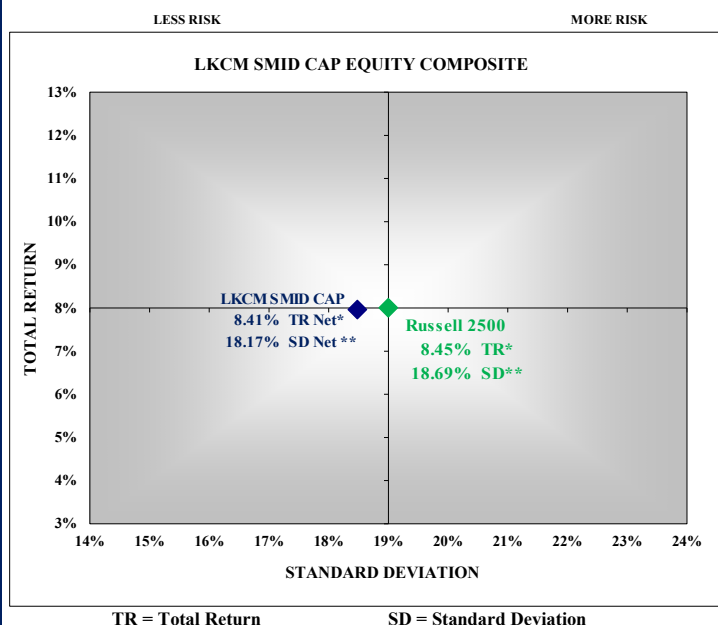
UP CAPTURE	94%
DOWN CAPTURE	93%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	17.6%
LONG TERM DEBT TO TOTAL CAPITAL	48%
P/E FWD 4 Quarters (ex Neg-earnings)	14 x

WTD AVG. MARKET CAPITALIZATION	\$7,469 Million
TOTAL SMID CAP EQUITY COMPOSITE ASSETS	\$42 Million
#HOLDINGS	100
PORTFOLIO TURNOVER*	49%
ACTIVE SHARE	94%

*The largest ten holdings are at 06/30/22 and may not reflect current holdings.

*Turnover rate is based on a representative portfolio for a rolling one year period ending 06/30/22



ATTRIBUTION (2Q 2022)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
INDUSTRIALS	17.3%	-3.05%	16.38%	-2.74%
INFORMATION TECHNOLOGY	13.7%	-1.72%	15.05%	-3.38%
FINANCIALS	13.1%	-1.38%	14.88%	-1.89%
HEALTH CARE	10.6%	-2.25%	12.33%	-2.08%
CONSUMER DISCRETIONARY	10.2%	-2.29%	10.91%	-2.23%
REAL ESTATE	5.6%	-1.54%	8.94%	-1.61%
MATERIALS	6.1%	-1.07%	6.32%	-1.27%
ENERGY	9.6%	-0.74%	6.39%	-0.76%
CONSUMER STAPLES	3.1%	0.09%	3.35%	-0.25%
COMMUNICATION SERVICES	4.0%	-0.64%	2.51%	-0.66%
UTILITIES	0.0%	0.00%	2.94%	-0.11%
CASH & EQUIVALENTS	6.6%	0.02%	0.00%	0.00%
TOTAL PORTFOLIO	100.0%	-14.7%	100.0%	-17.0%

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 (4/01/05 to 06/30/22) Annualized

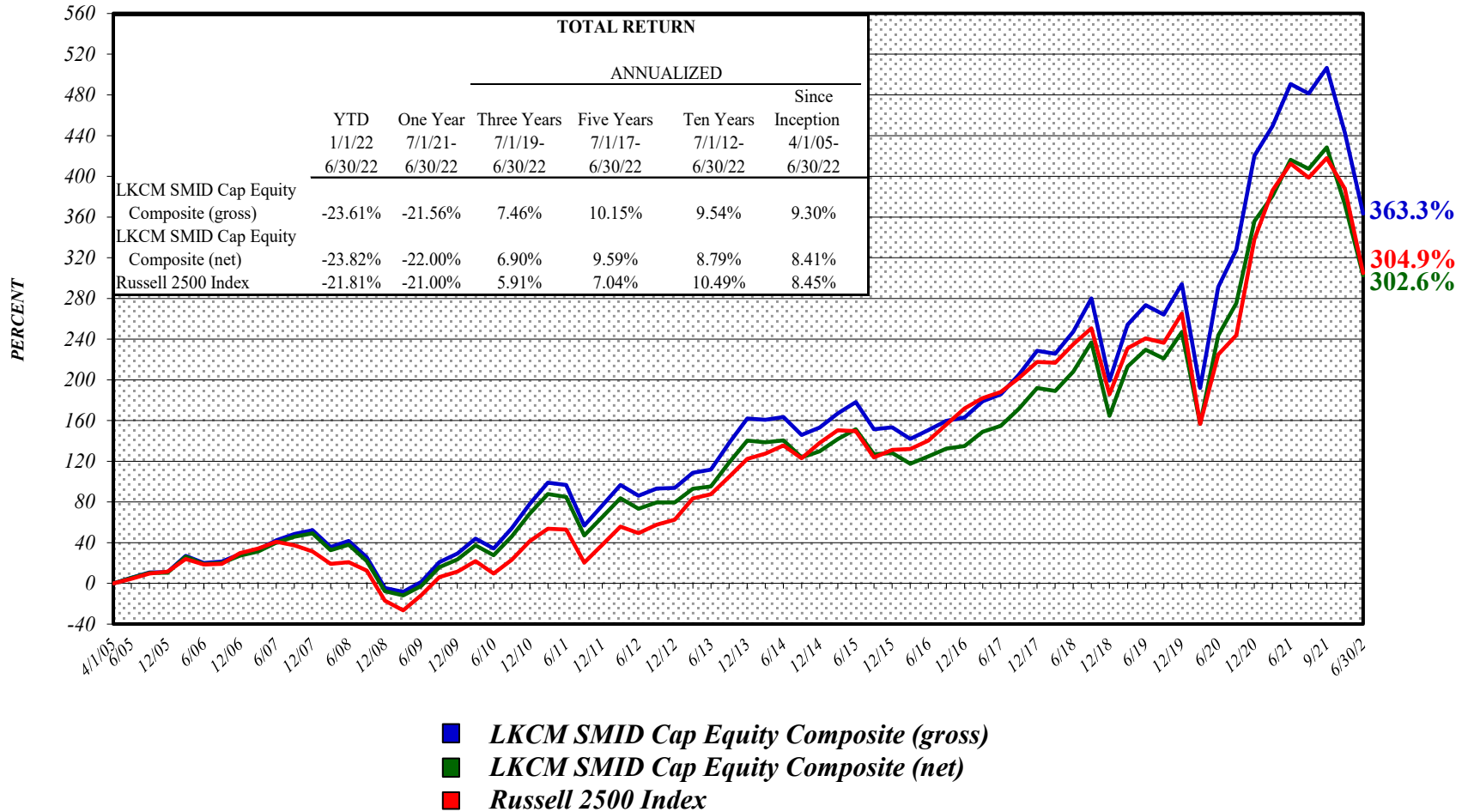
**Standard deviation and performance characteristics reporting period (4/01/05 to 06/30/22)

This presentation is supplemental to the attached GIPS Report. Past performance is not indicative of future results.

Sources: LKCM Smid Cap Equity Composite, Zephyr Informa Financial Intelligence. Thomson Reuters (Refinitiv)

LKCM SMID Cap Equity Composite

Cumulative Returns Since Inception (4/1/05 – 6/30/22)



The performance results should be reviewed along with the attached Luther King Capital Management SMID Cap Equity Composite GIPS Report. Past performance is not indicative of future results.

**LUTHER KING CAPITAL MANAGEMENT
SMID CAP EQUITY COMPOSITE
GIPS REPORT AS OF JUNE 30, 2022**

Year	Total Return		Russell 2500 Index	SMID Cap Eq Comp Annual Standard Deviation	3-Year Annualized Gross Standard Deviation		Number of Accounts	SMID Cap Eq Composite Assets (millions)	Total Firm Assets (billions)
	Gross of Fees	Net of Fees			Russell	Russell			
	%	%			2500 Index	2500 Index			
2022 (1/1 - 6/30)	-23.61 %	-23.82 %	-21.81 %	NA %	NA %	NA %	11	42	23.1
2021	16.60	15.93	18.18	0.8	22.47	22.48	6	48	27.0
2020	32.03	31.37	19.99	1.2	24.44	24.21	6	45	21.6
2019	31.64	31.03	27.77	0.7	15.93	14.58	5	33	18.2
2018	-8.89	-9.33	-10.00	0.1	14.48	14.10	5	28	14.5
2017	24.92	24.29	16.81	0.7	11.82	12.13	6	40	15.3
2016	3.81	2.97	17.59	1.2	13.24	13.67	9	66	13.1
2015	0.10	-0.68	-2.90	0.8	13.13	12.42	16	453	13.1
2014	-3.41	-4.40	7.07	0.3	12.04	11.67	23	557	15.0
2013	35.15	33.88	36.80	0.3	15.87	15.63	29	704	14.7
2012	9.77	8.68	17.88	0.5	19.47	18.97	24	511	11.4

	Annualized Returns		
	Total Return		Russell
	Gross of Fees	Net of Fees	2500 Index
1 year ending 06/30/22	-21.56 %	-22.00 %	-21.00 %
5 years ending 06/30/22	10.15	9.59	7.04
10 years ending 06/30/22	9.54	8.79	10.49

- Compliance Statement, Verification, and Trademark Information: Luther King Capital Management (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, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The SMID Cap Equity Composite has been examined for the periods April 1, 2005 to December 31, 2020. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- Composite Description, Benchmark(s), and Risk: April 1, 2005 is the effective creation date of the SMID Cap Equity Composite and April 1, 2005 is the inception date of the SMID Cap Equity Composite. The SMID Cap Equity Composite contains all fully discretionary taxable and non-taxable, fee-paying small to mid-cap equity accounts under management, including applicable registered investment companies for which LKCM serves as investment adviser or subadviser. Our small-mid 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-mid 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 \$2 billion and \$20 billion at the initial time of purchase. For comparison purposes, the composite is measured against the Russell 2500 Index, which is a market capitalization weighted index that measures the performance of the 2500 smallest companies in the Russell 3000 Index. It includes only common stocks incorporated in the U.S. and its territories. Material risks related to the investment strategy include, without limitation, those associated with cybersecurity, equity securities, foreign securities, general market and economic conditions and factors, inflation, investment selection, liquidity, investment management, mid cap companies, sector weightings, and small cap companies. For detail on each risk, please see our Form ADV, Part 2A.

LKCM SMID CAP EQUITY COMPOSITE
GIPS REPORT AS OF JUNE 30, 2022

- 3) **Dispersion and Fees:** The gross annual standard deviation presented is an asset-weighted calculation of performance dispersion for accounts in the composite for the entire year. The SMID Cap Equity Composite included portfolio(s) that pay 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: 2008, 7.85%; 2009, 8.20%; 2010, 7.26%; 2011, 5.60%; 2012, 2.39%; 2013, 2.42%; 2014, 2.25%. 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. Management 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. The Small-Mid Cap Equity Fund included in this composite has a current management fee schedule of 0.75% and a net expense ratio of 1.00%. 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.
- 4) **Additional Information and Availability of Information:** Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Effective January 2010, the portfolios in this composite stay at or 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 list of all composite and limited distribution pooled fund descriptions and/or a list of broad distribution pooled funds 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
SMID CAP EQUITY COMPOSITE
PERFORMANCE RESULTS*
APRIL 1, 2005 – JUNE 30, 2022

	<u>Total Return</u>		<u>Equities Only</u>	<u>Cash Only</u>	<u>Russell 2000 Index</u>
	<u>Gross of Fees</u>	<u>Net of Fees</u>			
Annualized Returns Ending 06/30/22					
1 Year	(21.56) %	(22.00) %	(23.35) %	0.08 %	(21.00) %
2 Years	8.82	8.22	8.69	0.08	11.65
3 Years	7.46	6.90	7.36	0.54	5.91
4 Years	7.46	6.91	7.44	0.78	4.86
5 Years	10.15	9.59	10.39	0.66	7.04
6 Years	10.78	10.19	11.13	0.55	9.08
7 Years	7.56	6.95	7.98	0.48	7.16
8 Years	7.31	6.65	7.76	0.42	7.00
9 Years	9.09	8.38	9.56	0.38	8.92
10 Years	9.54	8.79	10.06	0.35	10.49
11 Years	8.10	7.33	8.52	0.32	9.26
12 Years	10.87	10.05	11.55	0.29	11.49
13 Years	12.39	11.53	13.13	0.28	12.41
14 Years	8.83	7.95	9.18	0.31	9.03
15 Years	8.18	7.29	8.46	0.56	7.29
16 Years	8.80	7.92	9.08	0.83	7.97
17 Years	9.09	8.20	9.34	0.99	8.29
17 1/4 Years	9.30	8.41	9.50	1.01	8.45

- The results shown above should be reviewed along with LKCM SMID Cap Equity Composite GIPS Report. If you have not received a copy of the GIPS Report, 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.