

LUTHER KING CAPITAL MANAGEMENT
LKCM SMID CAP CORE COMPOSITE
Fourth Quarter, 2024 Update



Performance **	4th QTR 2024	2024	One Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
LKCM SMID Cap Equity Composite (gross)	5.20%	16.33%	16.33%	4.06%	11.65%	10.45%
LKCM SMID Cap Equity Composite (net)	4.94%	15.18%	15.18%	3.03%	10.54%	9.35%
Russell 2500® Index	0.62%	12.00%	12.00%	2.39%	8.77%	8.85%

The Russell 2500® Index, an index composed of SMID cap, public companies, increased by 0.6% during 4Q 2024. The price returns during the quarter were volatile. During the lead up to the election, this SMID cap index traded within a tight range (+/- 3%). As the election outcome for both President and Congress took form, smaller company equities surged, rising more than 10%. Momentum faded late in the year, with the index giving back gains to end the quarter, effectively, flat. We predominately invest in profitable companies with modest levels of debt and stronger return profiles. Our bias towards quality fundamentals narrows our investable universe in the benchmark, as a large percentage of companies are unprofitable in the Russell 2500®. Sector returns varied greatly during the quarter with Real Estate, Materials, and Healthcare showing *declines* of more than 6%, while Technology, Financials, and Energy showing *increases* of more than 4%.

Despite entering 2024 with tight monetary policy, the U.S. economy showed surprising strength. Gross Domestic Product (GDP) growth exceeded expectations, supported by robust consumer spending and industrial output. The labor market remained tight, with historically low unemployment and steady wage gains, though signs of cooling emerged later in the year. Even as business hiring moderated, the unemployment rate remained at only 4.1% through December. Inflation, while declining from its peak, proved stubbornly high in core categories, prompting policymakers to rethink the path of future interest rate cuts. Currently, economists expect only 25 to 50 bps of additional cuts in 2025. U.S. fiscal policy has become procyclical. Direct government consumption also contributed a historically high level to real GDP growth. Deficit spending will likely remain elevated for the next several years. Debt service expenses continue to increase in a more “normalized” rate environment than monetary profligacy around rates, making it harder for deficit spending to reverse. In 2024, we saw another year of significant federal deficit spending, adding to already mounting federal debt. Deficit spending rose to 6.9% of GDP in December, despite historically low unemployment and positive, real GDP growth.

The higher rates, inflated costs, and pressures seen in certain industries prevented the SMID cap index from realizing the positive earnings growth in the large cap indexes. Large cap earnings growth was distorted by weight of the largest constituents whose earnings grew faster than the broader markets. Earnings for the SMID cap universe, as measured by Russell 2500® constituents, are expected to accelerate in 2025. The current environment continues to hold optimism, although uncertainty remains regarding the potential impact of tariffs and global trade protections.

During 2024, the best performing sectors were Utilities, Financials, and Technology, while Materials, Healthcare, and Energy were the worst performing sectors in the benchmark. All sectors experienced *positive* returns during the year, although there was wide variance between the worst to the best.

The LKCM SMID Cap Core composite outperformed the benchmark in 4Q24 and for the full year 2024. The composite returned 15.2% net of fees for the year ended December 31, 2024, as compared to the 12.0% for the Russell 2500® Index, the Fund’s benchmark. The Fund’s performance benefited from sector allocation decisions, particularly being overweight Industrials and Financials and underweight the Healthcare sector. An underweight position in the Utilities sector was the largest allocation drag to relative performance. Stock selection decisions in the Technology and Industrials sectors were the largest contributors to positive relative performance, while selection effects in Consumer Staples and Real Estate were modest relative drags in 2024. Overall, we are gratified that securities selection had the largest positive effect on portfolio performance once again in 2024. We continue to target companies with solid fundamentals and attractive valuations for long term capital gains.

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 these companies increase the value of their businesses which will lead to long-term equity returns for our investors. Our goal is to generate superior returns through market cycles relative to our benchmark by consistently executing on our investment strategy and minimizing the risk (volatility) of the portfolio in pursuit of long-term, capital appreciation.

* 4/1/05 – 12/31/24

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

LKCM SMID CAP EQUITY COMPOSITE

December 31, 2024

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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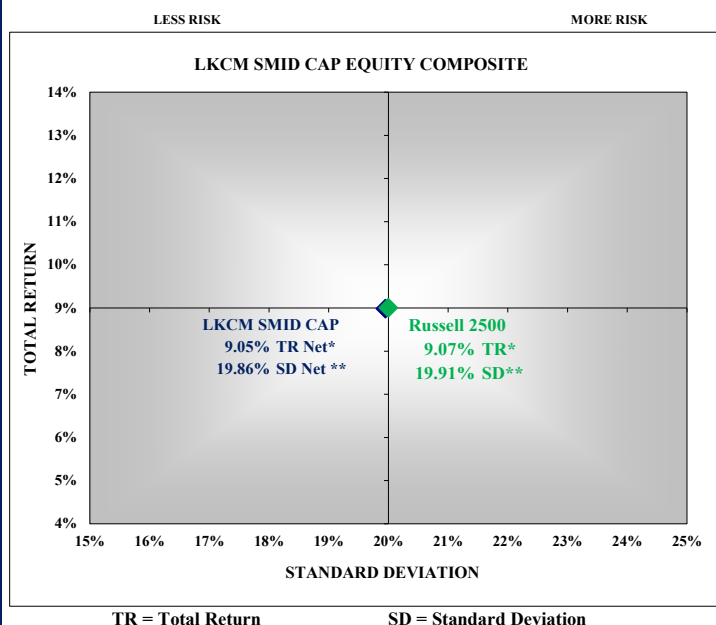
TEN LARGEST HOLDINGS 12/31/24	
Q2 HOLDINGS INC	4.8 %
AXON ENTERPRISE INC	2.9 %
PALOMAR HOLDINGS INC	2.8 %
TOWER SEMICONDUCTOR LTD	2.6 %
TWILIO INC	2.6 %
NATERA INC	2.6 %
CBIZ INC	2.6 %
GOOSEHEAD INSURANCE INC	2.5 %
LPL FINANCIAL HOLDINGS INC	2.4 %
MURPHY USA INC	2.3 %
	28.1 %

PORTFOLIO RESULTS	
(Benchmark - Russell 2500) (Since Inception)	
	Net
ALPHA	0.58%
BETA	0.94
R ²	89%
UP CAPTURE	96%
DOWN CAPTURE	95%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	20%
LONG TERM DEBT TO TOTAL CAPITAL	23%
P/E FWD 4 Quarters (ex Neg-earnings)	23 x
WTD AVG. MARKET CAPITALIZATION	\$11,509 Million
TOTAL SMID CAP EQUITY COMPOSITE ASSETS	\$94 Million
#HOLDINGS	53
PORTFOLIO TURNOVER*	34%
ACTIVE SHARE	95%

*The largest ten holdings are at 12/31/24 and may not reflect current holdings.

*Turnover rate is based on a representative portfolio for a rolling one year period ending 12/31/24



ATTRIBUTION (4Q 2024)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
INDUSTRIALS	28.6%	0.53%	19.20%	0.13%
FINANCIALS	19.5%	2.32%	17.49%	1.08%
CONSUMER DISCRETIONARY	9.8%	-0.80%	12.36%	-0.15%
HEALTH CARE	8.0%	0.18%	12.24%	-0.78%
INFORMATION TECHNOLOGY	13.0%	3.00%	12.05%	0.75%
REAL ESTATE	4.2%	-0.26%	6.93%	-0.41%
MATERIALS	4.2%	-0.45%	5.89%	-0.33%
ENERGY	4.3%	0.44%	4.99%	0.26%
CONSUMER STAPLES	2.7%	0.35%	3.37%	0.12%
COMMUNICATION SERVICES	1.3%	-0.04%	3.00%	0.00%
UTILITIES	0.0%	0.00%	2.48%	-0.05%
CASH & EQUIVALENTS	4.6%	0.05%	0.00%	0.00%
TOTAL PORTFOLIO	100.0%	5.2%	100.0%	0.6%

*Total Net Return Since Inception (4/01/05 to 12/31/24) Annualized

**Standard deviation and performance characteristics reporting period (4/01/05 to 12/31/24)

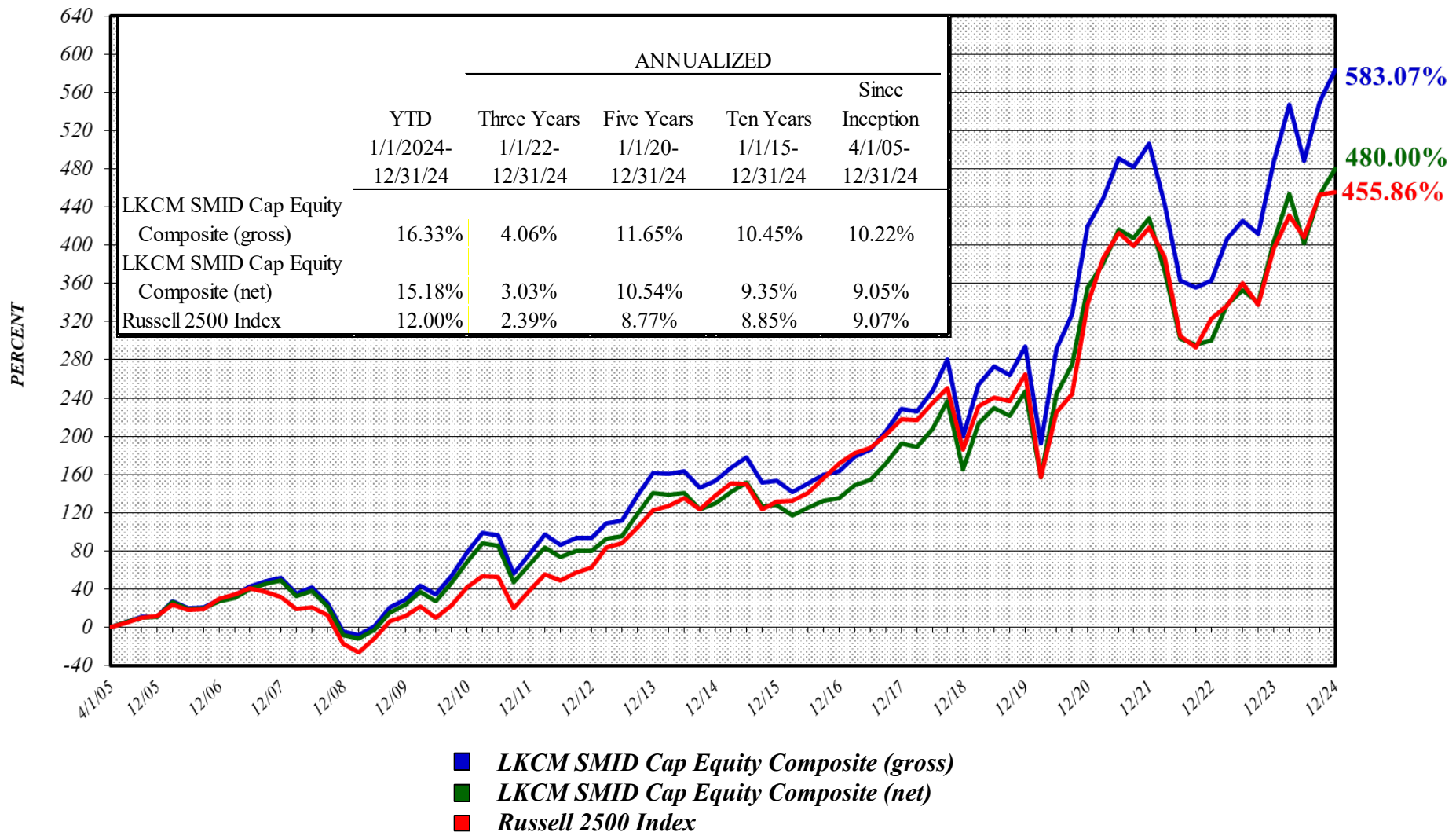
Source: LSEG Data and Analytics. Performance results calculated by Refinitiv may differ significantly from those calculated by LKCM due to differences in methodology for transaction pricing and accounting for capital transactions.

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 and LSEG Data and Analytics.

LKCM SMID Cap Equity Composite

Cumulative Returns Since Inception (4/1/05 – 12/31/24)



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 December 31, 2024

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			SMID Cap Eq Comp	Russell 2500 Index			
2024	16.33 %	15.18 %	12.00 %	0.3 %	21.36 %	21.70 %	19	93.5	28.8
2023	26.96	25.70	17.42	0.8	19.78	20.15	21	74	26.3
2022	-23.71	-24.47	-18.37	1.2	24.52	25.16	21	54	23.6
2021	16.60	15.44	18.18	0.8	22.47	22.48	6	48	27.0
2020	32.03	30.71	19.99	1.2	24.44	24.21	6	45	21.6
2019	31.64	30.34	27.77	0.7	15.93	14.58	5	33	18.2
2018	-8.89	-9.80	-10.00	0.1	14.48	14.10	5	28	14.5
2017	24.92	23.68	16.81	0.7	11.82	12.13	6	40	15.3
2016	3.81	2.78	17.59	1.2	13.24	13.67	9	66	13.1
2015	0.10	-0.89	-2.90	0.8	13.13	12.42	16	453	13.1

	Annualized Returns		
	Total Return Gross of Fees	Net of Fees	Russell 2500 Index
1 year ending 12/31/24	16.33 %	15.18 %	12.00 %
5 years ending 12/31/24	11.65	10.54	8.77
10 years ending 12/31/24	10.45	9.35	8.85

- Compliance Statement, Verification, and Trademark Information:** Luther King Capital Management (LKCM) is an independent registered investment adviser under the Investment Advisers Act of 1940 and is defined as an independent investment management firm. 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, 2023. 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, 2023. 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 DECEMBER 31, 2024

- 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. In accordance with the SEC Marketing Rule that went into effect November 4, 2022, net of fee returns are calculated by reducing the gross returns by the maximum fee charged to any account in the composite for the respective period. The percent of composite assets that paid zero commissions was 20.92% as of 12/31/24. The current management fee schedule for this composite is as follows: 1.00% on the first \$5,000,000; 0.75% on the next \$5,000,000; 0.50% over \$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 2022, the portfolios in this composite stay at or over 75% invested in stocks. From 2010-2021, the portfolios in this composite stayed at or over 80% invested in stocks. 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 model 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 – DECEMBER 31, 2024

	Total Return		Equities	Cash	Russell
	Gross	Net	Only	Only	2000
	of Fees	of Fees			Index
*Please see disclosure on last page of quarterly results.					
Annualized Returns Ending 12/31/24					
1 Year	16.33 %	15.18 %	17.24 %	16.07 %	12.00 %
2 Years	21.53	20.32	22.59	21.37	14.68
3 Years	4.06	3.03	4.02	2.99	2.39
4 Years	7.06	6.00	7.20	6.14	6.13
5 Years	11.65	10.54	12.02	10.91	8.77
6 Years	14.75	13.61	15.39	14.24	11.73
7 Years	11.03	9.93	11.47	10.36	8.33
8 Years	12.68	11.56	13.25	12.12	9.35
9 Years	11.66	10.55	12.32	11.20	10.24
10 Years	10.45	9.35	11.08	9.97	8.85
11 Years	9.11	8.00	9.67	8.56	8.69
12 Years	11.07	9.93	11.69	10.54	10.79
13 Years	10.97	9.82	11.57	10.41	11.32
14 Years	10.08	8.92	10.67	9.51	10.27
15 Years	11.73	10.55	12.45	11.26	11.30
16 Years	13.09	11.88	13.92	12.70	12.61
17 Years	9.23	8.06	9.63	8.45	8.85
18 Years	9.71	8.54	10.09	8.92	8.42
19 Years	10.03	8.86	10.40	9.23	8.82
19 3/4 Years	10.22	9.05	10.53	9.35	9.07

*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. Equity returns are supplemental information to this composite. In accordance with the SEC Marketing Rule that went into effect November 4, 2022, April 1, 2005-December 31, 2022, net of fee returns are calculated by reducing the gross returns by the maximum fee charged to any account in the composite for the respective period. 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.