

LUTHER KING CAPITAL MANAGEMENT
LKCM SMALL CAP CORE COMPOSITE
First Quarter, 2025 Update



Performance **	1st QTR 2025	YTD 2025	One Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Since Inception Annualized*
LKCM Small Cap Core Composite (gross)	(7.70%)	(7.70%)	(1.83%)	4.61%	18.57%	8.58%	10.89%
LKCM Small Cap Core Composite (net)	(7.93%)	(7.93%)	(2.81%)	3.57%	17.39%	7.50%	9.78%
Russell 2000® Index	(9.48%)	(9.48%)	(4.01%)	0.52%	13.27%	6.30%	8.45%

The Russell 2000® Index, an index composed of small cap, public companies, *decreased* by 9.5% during 1Q 2025. The price returns during the quarter were volatile, generating modest positive returns in January before declining in both February and March. Positive sentiment drove this index to new highs in November 2024, after the elections, but momentum faded late in the year. The index has posted negative price returns during three of the last four months. Our bias towards quality fundamentals narrows our investable universe in the benchmark and limited some of the downside capture. Utilities, Consumer Staples, and Real Estate were the best performing sectors during the first quarter. Only Utilities realized positive returns.

At the end of the last year, optimism continued to be high, and the markets anticipated further stimulus through lower regulation and tax reform with the new administration. This view led to a rise in consumer sentiment through the year end, in addition to a rise in business sentiment for both services and manufacturing. These would be favorable policies after the heightened regulatory regime of the prior administration. Unfortunately, the administration's early priorities focused on curbing immigration, trimming government spending, and upending global trade. The University of Michigan Consumer Sentiment Index fell rapidly during the quarter, approaching record lows set in mid-2022. Business sentiment also fell with Manufacturing PMI falling back to levels that suggest a contraction in industrial activity. Optimism for lower inflation and economic expansion shifted towards heightened risk of *higher* inflation and *slower* economic growth. Goldilocks outlook shifted towards stagflation risk.

During its March meeting, the Federal Reserve projected much slower growth with both higher unemployment and inflation. This outlook raises the likelihood of a recession. The economy has been vulnerable over the past several quarters, as pandemic-era, excess savings have vanished and job openings have fallen. In addition, government spending is set to decline, removing a fiscal buttress that had been supporting headline growth by 60bps – or 3x the 20-year average contribution to GDP growth. This level of government spending, outside of a fiscal response to a recession, is rare. Personal consumption continued to be the largest contributor to economic growth, but the distribution of this increased consumption was not evenly shared across the population. Those higher income earners – with household wealth – disproportionately benefited from the positive wealth effect of the “melt up” in asset values over the last few years, while lower earning cohorts continued to suffer from lower real wages. We now feel that consumption has an increased risk of deceleration, particularly, as long as asset prices remain subdued and if unemployment rises meaningfully. Adding a high level of policy uncertainty into the mix, visibility further declines and behaviors have shifted. Prior trends become less predictive as market participants – and businesses alike – search for the best path forward with little known at this point on the policy and tariff front. Declines in activity due to existential policy uncertainty could create a recessionary feedback loop, but we remain hopeful for some clarity over the next few months to avert a material, self-inflicted economic wound in the pursuit of trade equity.

The LKCM Small Cap Core composite declined by 7.9% net of fees for the quarter ended March 31, 2025, as compared to a decline of 9.5% for the Russell 2000® Index, its benchmark. Our underweight in Utilities and Real Estate were the largest allocation drags on portfolio relative performance. The two best contributors to relative performance due to sector allocation resulted from our overweight in Consumer Staples and Financials sectors. Overall, our sector exposures presented a headwind to the portfolio performance relative to the Russell 2000® Index during the quarter. Securities selection effect offset the allocation headwinds with a quarter of attractive relative performance. Our greatest security selection benefit came from the Financials and Consumer Discretionary sectors, while the weakest attributions from security selection for the quarter were in the Information Technology and Materials sectors.

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 enterprise 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.

* 10/1/94 –03/31/25

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

LKCM SMALL CAP CORE COMPOSITE

March 31, 2025

CO-MANAGERS: MASON D. KING, CFA
J. LUTHER KING, JR., CFA
MARK L. JOHNSON, 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.

CONTACT: Mason D. King, CFA
Luther King Capital Management
(817) 332-3235
mking@lkc.com

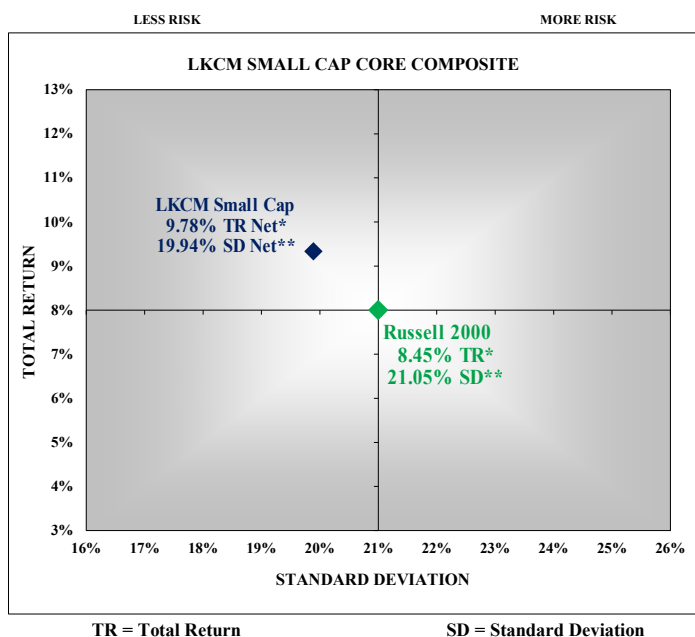
TEN LARGEST HOLDINGS 03/31/25*	
PALOMAR HOLDINGS INC	2.9 %
ESAB CORPORATION	2.3 %
GOOSEHEAD INSURANCE INC	2.0 %
OLLIES BARGAIN OUTLET HOLDING	1.9 %
HAWKINS INC	1.9 %
PINNACLE FINANCIAL PARTNERS INC	1.9 %
ALPHATEC HOLDINGS INC	1.8 %
PIPER SANDLER COS	1.8 %
MERIT MEDICAL SYSTEMS	1.7 %
ARCHROCK INC	1.7 %
	20.0 %

*The largest ten holdings are at 03/31/25 and may not reflect current holdings.

PORTFOLIO RESULTS	
(Benchmark - Russell 2000) (Since Inception)	
	Net
ALPHA	2.12%
BETA	0.89
R ²	89%
UP CAPTURE	97%
DOWN CAPTURE	88%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	13.4%
LONG TERM DEBT TO TOTAL CAPITAL	33%
P/E FWD 4 Quarters (ex Neg-earnings)	18x
WTD AVG. MARKET CAPITALIZATION	\$4908 Million
TOTAL SMALL-CAP EQUITY COMPOSITE ASSETS	\$ 304 Million
#HOLDINGS	78
PORTFOLIO TURNOVER*	33%
ACTIVE SHARE	93%

*Turnover rate is based on a representative portfolio for a rolling one year period ending 03/31/25



*Total Net Return Since Inception (10/01/94 to 03/31/25) Annualized

**Standard deviation and performance characteristics reporting period (10/01/94 to 03/31/25)

ATTRIBUTION (1Q 2025)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
FINANCIALS	19.5%	-0.2	18.9%	-0.8
INDUSTRIALS	18.8%	-1.8	17.9%	-2.0
HEALTH CARE	11.6%	-0.5	16.7%	-1.4
INFORMATION TECHNOLOGY	12.9%	-2.9	13.4%	-2.5
CONSUMER DISCRETIONARY	10.7%	-1.0	9.5%	-1.4
REAL ESTATE	2.0%	-0.2	6.1%	-0.2
ENERGY	5.1%	-0.3	5.1%	-0.6
MATERIALS	4.3%	-0.7	4.0%	-0.3
CONSUMER STAPLES	5.2%	0.1	2.9%	0.0
UTILITIES	0.0%	0.0	2.8%	0.1
COMMUNICATION SERVICES	3.1%	-0.4	2.7%	-0.3
CASH & EQUIVALENTS	6.9%	0.1	0.0%	0.0
TOTAL PORTFOLIO	100.0%	-7.7%	100.0%	-9.5%

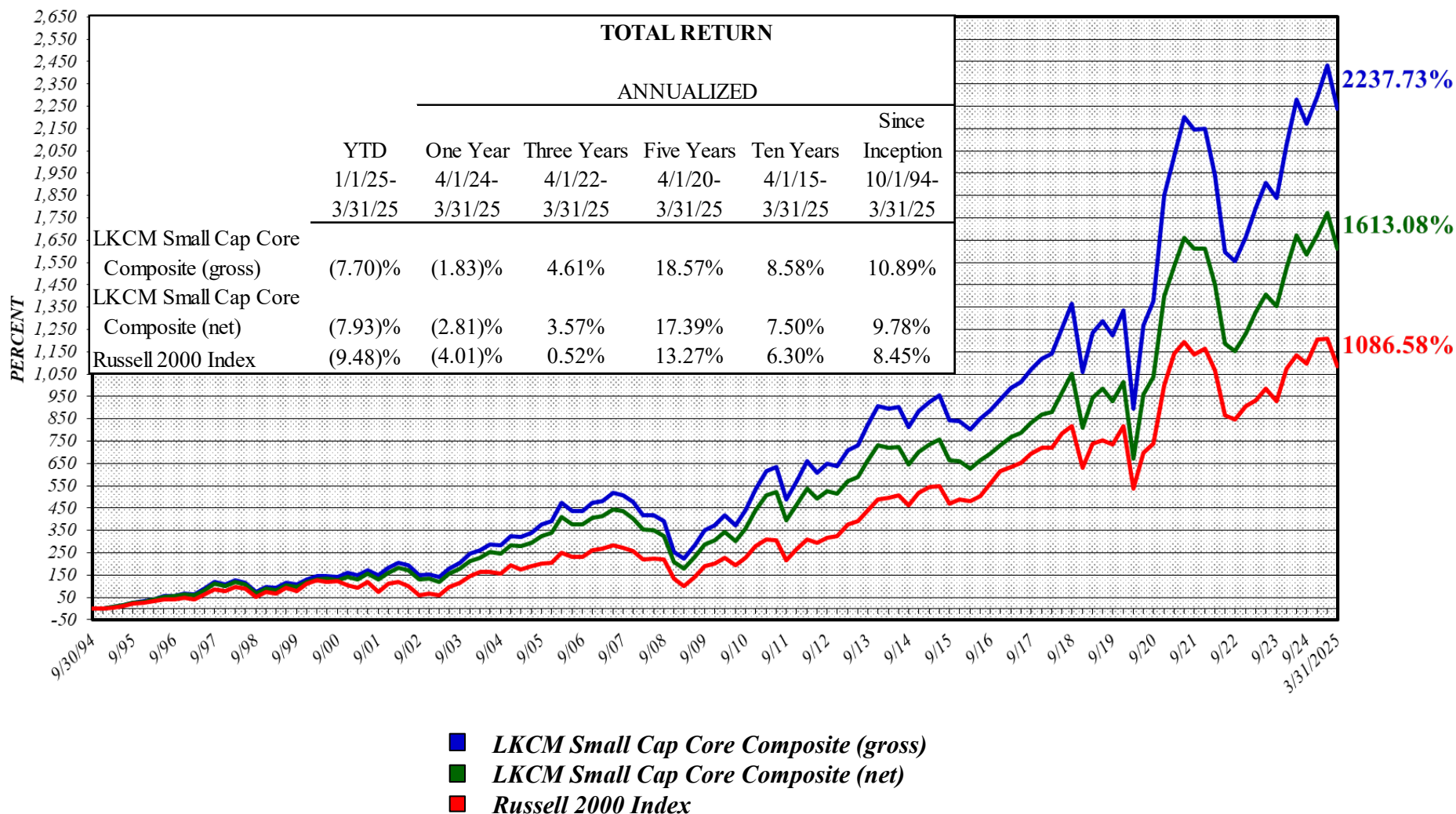
Source: LSEG Data and Analytics. Performance results calculated byRefinitiv may differ significantly from those calculated by LKCM due to differences in methodology for transaction pricing and accounting for capital transactions.

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

Sources: LKCM Small Cap Core Composite, Zephyr Informa Financial Intelligence, and LSEG Data and Analytics.

LKCM Small Cap Core Composite

Cumulative Returns Since Inception (10/1/94 – 3/31/25)



*The performance results should be reviewed along with the attached GIPS Report.
Past performance is not indicative of future results. Time periods over one year are annualized.*

LUTHER KING CAPITAL MANAGEMENT
SMALL CAP CORE COMPOSITE
GIPS Report as of March 31, 2025

				Small Cap Core Comp	3-Year Annualized Gross Standard Deviation			Small Cap Core Composite	Total Firm	
		Total Return		Russell	Annual	Russell		Number	Assets	Assets
Year		Gross of Fees	Net of Fees	2000 Index	Standard Deviation	Small Cap Core Comp	2000 Index	of Accounts	(millions)	(billions)
2025	(1/1 - 3/31)	-7.70 %	-7.93 %	-9.48 %	NA %	NA %	NA %	6	304	27.4
2024		16.28	15.13	11.54	0.1	21.46	23.30	6	322	28.8
2023		23.42	22.19	16.93	0.2	20.36	21.11	6	266	26.3
2022		-21.55	-22.32	-20.44	0.2	27.43	26.02	5	201	23.6
2021		15.36	14.21	14.82	0.1	25.15	23.35	5	264	27.0
2020		35.85	34.50	19.96	0.3	27.11	25.27	6	244	21.6
2019		23.81	22.58	25.52	0.7	16.64	15.71	8	220	18.2
2018		-5.05	-6.00	-11.01	NA	16.01	15.79	7	193	14.5
2017		17.83	16.66	14.65	0.3	13.45	13.91	5	259	15.3
2016		10.32	9.22	21.31	0.2	15.20	15.76	10	421	13.1
2015		-4.39	-5.34	-4.41	0.4	14.30	13.96	24	1,029	13.1

	Annualized Returns		
	Total Return		Russell 2000 Index
	Gross of Fees	Net of Fees	
1 year ending 03/31/25	-1.83 %	-2.81 %	-4.01 %
5 years ending 03/31/25	18.57	17.39	13.27
10 years ending 03/31/25	8.58	7.50	6.30

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

- 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 Small Cap Core Composite has been examined for the periods October 1, 1994 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:** January 1, 2003 is the effective creation date of the Small Cap Core Composite and October 1, 1994 is the inception date of the Small Cap Composite. 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 \$0.8 billion and \$7 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. Material risks related to the investment

LKCM SMALL CAP CORE COMPOSITE
GIPS REPORT AS OF MARCH 31, 2025

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, sector weightings, and small cap companies. For detail on each risk, please see our Form ADV, Part 2A.

- 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 2.00% 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 LKCM Small 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 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
SMALL CAP CORE COMPOSITE
PERFORMANCE RESULTS*
OCTOBER 1, 1994 – MARCH 31, 2025

	Total Return		Equity Return		Russell 2000 Index
	Gross of Fees	Net of Fees	Gross of Fees	Net of Fees	
Annualized Returns Ending 03/31/25					
1 Year	(1.83) %	(2.81) %	(2.16) %	(3.13) %	(4.01) %
2 Years	11.01	9.91	11.57	10.46	7.20
3 Years	4.61	3.57	4.98	3.94	0.52
4 Years	2.38	1.37	2.60	1.58	(1.09)
5 Years	18.57	17.39	19.22	18.03	13.27
6 Years	9.80	8.71	10.29	9.20	5.98
7 Years	9.47	8.38	9.97	8.87	5.41
8 Years	10.04	8.95	10.53	9.43	6.19
9 Years	11.16	10.06	11.71	10.60	8.25
10 Years	8.58	7.50	9.05	7.97	6.30
11 Years	8.08	7.00	8.54	7.46	6.47
12 Years	9.27	8.18	9.76	8.67	7.90
13 Years	9.03	7.95	9.52	8.43	8.52
14 Years	8.82	7.74	9.30	8.21	7.87
15 Years	10.59	9.49	11.15	10.04	8.98
16 Years	13.18	12.05	13.86	12.73	11.75
17 Years	9.26	8.17	9.68	8.59	8.00
18 Years	8.03	6.95	8.38	7.30	6.71
19 Years	7.68	6.61	8.02	6.94	6.66
20 Years	8.95	7.87	9.34	8.25	7.55
21 Years	9.31	8.23	9.73	8.64	7.45
22 Years	10.89	9.78	11.43	10.33	9.53
23 Years	9.27	8.19	9.67	8.58	7.61
24 Years	9.80	8.71	10.28	9.19	7.87
25 Years	9.44	8.36	9.84	8.75	6.83
26 Years	10.10	9.01	10.65	9.55	7.87
27 Years	9.02	7.93	9.35	8.26	6.86
28 Years	9.95	8.85	10.36	9.26	7.95
29 Years	10.12	9.03	10.54	9.44	7.85
30 Years	10.81	9.71	11.36	10.26	8.50
30 1/2 Years	10.89	9.78	11.45	10.34	8.45

*The results shown above should be reviewed along with LKCM Small Cap Core 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, net of fee 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.

R^2 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.