

LUTHER KING CAPITAL MANAGEMENT
LKCM SMID CAP CORE COMPOSITE
Fourth Quarter, 2025 Update



Performance **	4th QTR 2025	YTD 2025	One Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Since Inception Annualized*
LKCM SMID Cap Core Composite (gross)	1.93%	6.27%	6.27%	16.21%	6.90%	11.11%	10.03%
LKCM SMID Cap Core Composite (net)	1.67%	5.21%	5.21%	15.06%	5.84%	10.00%	8.86%
Russell 2500® Index	2.22%	11.91%	11.91%	13.75%	7.26%	10.40%	9.21%

The Russell 2500® Index, an index composed of SMID cap, public companies, returned 2.2% during 4Q 2025. Value factors had positive contribution while Growth factors were minimal during the quarter. Low-quality rotation of capital in the asset class during the second and third quarters appeared less of a factor in the fourth quarter. One sector contributed disproportionately during the quarter, with Health Care contributing nearly all of the positive return for the index. The Financials sector was the second-best performing sector for the quarter. Consumer Discretionary and Consumer Staples were the two worst performing sectors during the quarter.

For the year the best performing sectors in the index were Utilities and Health Care, with the laggards being Consumer Discretionary and Consumer Staples. Quality as a factor lagged the smaller company index by nearly 1,100 basis points, while Value edged out Growth for the year by approximately 100 basis points. The Russell 2500® Index total return for the year was 11.9%, representing the third year of positive returns for the index.

The U.S. economy and markets delivered solid performance in 2025, driven largely by massive AI-related investments, resilient affluent consumer spending, and increasingly accommodative monetary policy, despite tariff shocks, concentrated equity leadership, and widening economic divergence across households. Trade tensions eased after steep tariff escalations early in the year, while AI enthusiasm and cross-asset gains supported financial conditions.

Looking into 2026, AI capital expenditures—particularly from major hyperscalers—are poised to account for a substantial share of GDP growth, though rising reliance on debt and uncertain monetization models introduce new risks. Political dynamics, including Federal Reserve leadership changes and the historical pattern of midterm elections, add further uncertainty. Elevated valuations, persistent inflation pressures, and reliance on a narrow cohort of high-income consumers leave the economy more vulnerable to shocks, even as it entered the year with positive momentum.

The LKCM SMID Cap Core composite returned 1.7% net of fees for the quarter-ended December 31, 2025, as compared to an increase of 2.2% for the Russell 2500® Index. Overall, our sector exposures provided tailwinds to relative portfolio performance during the quarter, largely driven by underweight positions in Consumer Discretionary and Consumer Staples. Our overweight in Technology and underweight in Health Care were the largest allocation drags on relative portfolio performance. Securities selection detracted from attribution relative to the index, with the weakest attributions from stocks in the Health Care and Real Estate sectors, while Technology and Industrials had the greatest selection benefit in the quarter.

The LKCM SMID Cap Core composite returned 5.2% net of fees for the year ended December 31, 2025, as compared to an increase of 11.9% for the Russell 2500® Index. Though low-quality typically leads initially in SMID cap bull markets, their outperformance tends to decelerate after a few quarters; quality tends to outperform over longer horizons, which is more consistent with our investment discipline and historical exposure. Sector allocation provided tailwinds to relative performance, with the greatest contributions coming from an underweight position in Consumer Staples and an overweight position in Industrials, while an underweight in Utilities and Communication Services were the weakest for sector allocation relative to the Russell 2500® Index. Technology and Communication Services provided the greatest contribution from selection effect, while Consumer Discretionary and Financials were the weakest resulting from selection effect. Health Care was also a challenging sector resulting from the surge in the Russell 2500 Biotechnology subsector, despite many constituents falling outside our discipline as “non-earners” and, potentially, binary ultimate outcomes.

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 our investment strategy and minimizing the risk (volatility) of the portfolio in pursuit of long-term, capital appreciation.

* 4/01/05 –12/31/25

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

LKCM SMID CAP EQUITY COMPOSITE

December 31, 2025

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 12/31/25	
TOWER SEMICONDUCTOR LTD	4.3 %
FTAI AVIATION LTD COM	3.4 %
TWILIO INC	3.2 %
NATERA INC	2.9 %
PLANET LABS PBC	2.5 %
TRIMBLE INCORPORATED	2.4 %
LPL FINANCIAL HOLDINGS INC	2.4 %
NCR ATLEOS CORP	2.4 %
ENSIGN GROUP INC	2.4 %
Q2 HOLDINGS INC	2.2 %
	28.0 %

PORTFOLIO RESULTS	
(Benchmark - Russell 2500) (Since Inception)	
	<u>Net</u>
ALPHA	0.35%
BETA	0.93
R ²	89%

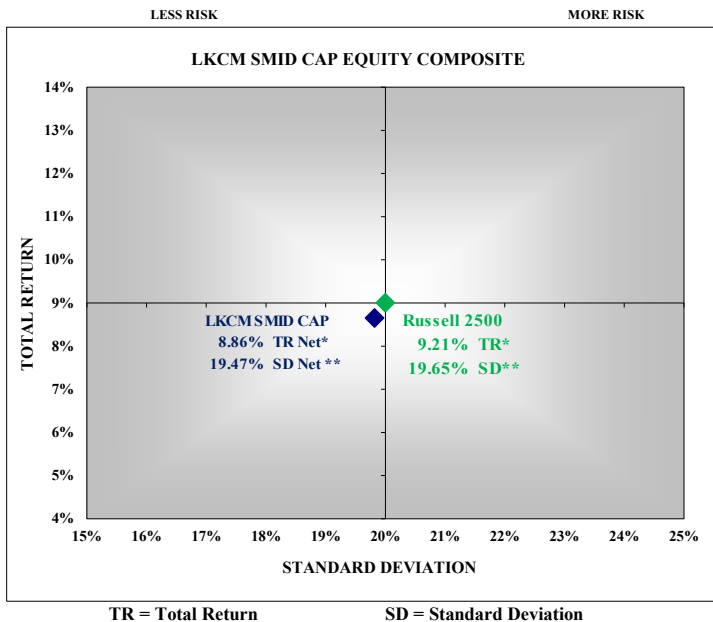
UP CAPTURE	94%
DOWN CAPTURE	94%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	15.3%
LONG TERM DEBT TO TOTAL CAPITAL	24%
P/E FWD 4 Quarters (ex Neg-earnings)	23 x

WTD AVG. MARKET CAPITALIZATION	\$11,415 Million
TOTAL SMID CAP EQUITY COMPOSITE ASSETS	\$94 Million
#HOLDINGS	54
PORTFOLIO TURNOVER*	43%
ACTIVE SHARE	95%

*The largest ten holdings are at 12/31/25 and may not reflect current holdings.

*Turnover rate is based on a representative portfolio for a rolling one year period ending 12/31/25



ATTRIBUTION (4Q 2025)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
INDUSTRIALS	27.2%	0.73%	20.63%	0.30%
FINANCIALS	20.9%	-0.06%	16.71%	0.35%
INFORMATION TECHNOLOGY	16.5%	1.54%	14.46%	0.13%
HEALTH CARE	11.8%	0.72%	12.84%	1.75%
CONSUMER DISCRETIONARY	5.9%	-0.36%	11.07%	-0.28%
REAL ESTATE	4.3%	-0.60%	6.41%	-0.02%
MATERIALS	4.4%	-0.02%	4.93%	0.17%
ENERGY	5.6%	-0.14%	3.81%	0.07%
CONSUMER STAPLES	0.0%	0.00%	3.08%	-0.24%
UTILITIES	0.0%	0.00%	3.06%	-0.04%
COMMUNICATION SERVICES	0.9%	0.03%	2.99%	0.05%
CASH & EQUIVALENTS	2.6%	0.02%	0.00%	0.00%
TOTAL PORTFOLIO	100.0%	1.9%	100.0%	2.2%

*Total Net Return Since Inception (4/01/05 to 12/31/25) Annualized
 **Standard deviation and performance characteristics reporting period (4/01/05 to 12/31/25)

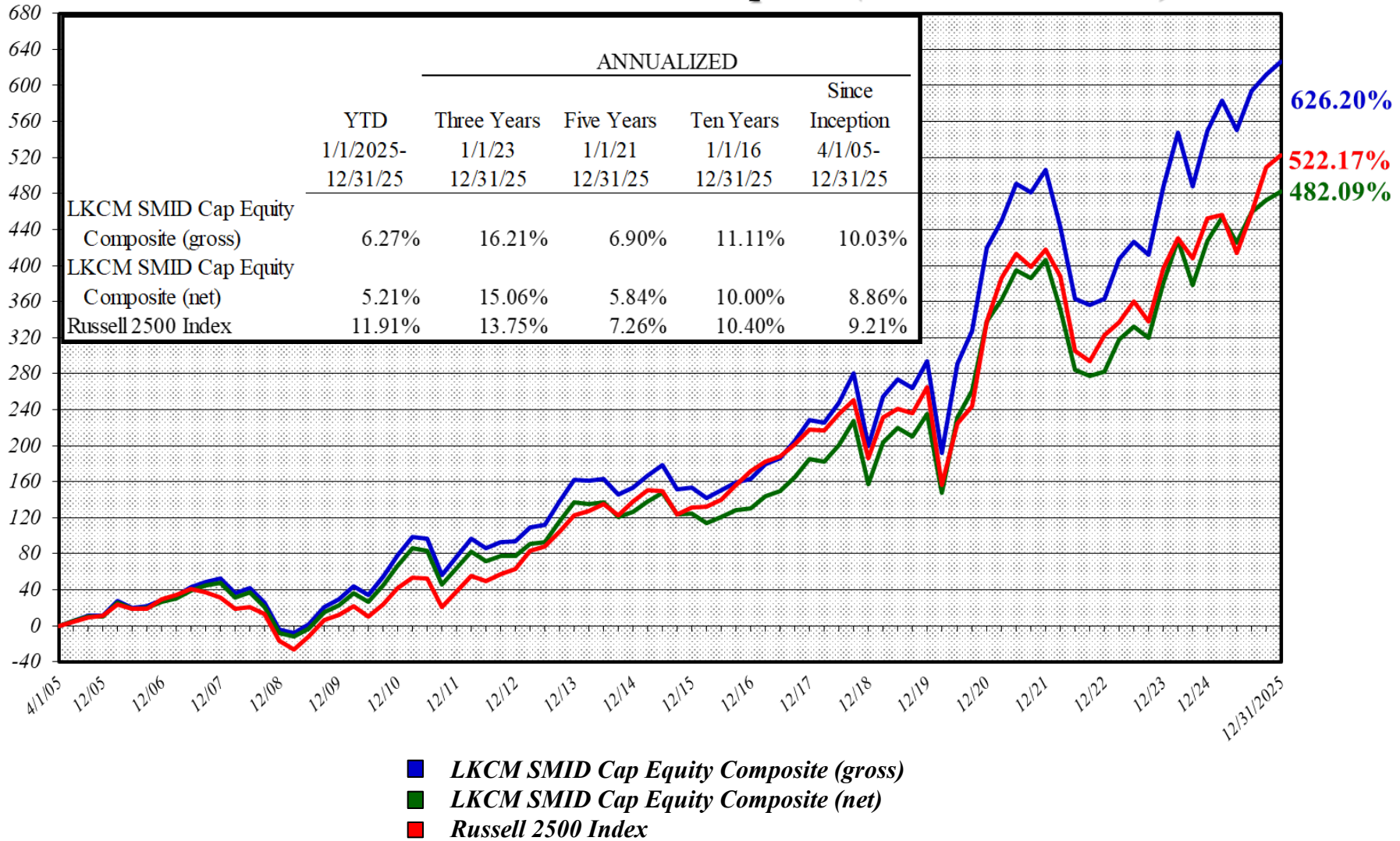
Source: LSEG Data and Analytics. Performance results calculated by Refinitiv may differ significantly from those calculated by LKCM due to differences in methodology for transaction pricing and accounting for capital transactions.

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 – 12/31/25)



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, 2025**

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			
2025	6.27 %	5.21 %	11.91 %	0.2 %	17.72 %	17.79 %	18	94	30.4
2024	16.33	15.18	12.00	0.3	21.36	21.70	19	94	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

	Annualized Returns		
	Total Return		Russell 2500 Index
	Gross of Fees	Net of Fees	
1 year ending 12/31/25	6.27 %	5.21 %	11.91 %
5 years ending 12/31/25	6.90	5.84	7.26
10 years ending 12/31/25	11.11	10.00	10.40

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.

- 1) **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, 2024. 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 had a performance examination for the periods April 1, 2005 to December 31, 2024. 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.
- 2) **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

LKCM SMID CAP EQUITY COMPOSITE
GIPS REPORT AS OF DECEMBER 31, 2025

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.

- 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, 2025**

	Total Return		Equity Return		Russell 2500 Index
	Gross of Fees	Net of Fees	Gross of Fees	Net of Fees	
Annualized Returns Ending 12/31/25					
1 Year	6.27 %	5.21 %	6.31 %	5.26 %	11.91 %
2 Years	11.19	10.08	11.64	10.53	11.95
3 Years	16.21	15.06	16.91	15.74	13.75
4 Years	4.61	3.57	4.59	3.55	4.69
5 Years	6.90	5.84	7.02	5.96	7.26
6 Years	10.73	9.63	11.05	9.95	9.29
7 Years	13.50	12.37	14.05	12.91	11.75
8 Years	10.43	9.33	10.81	9.71	8.77
9 Years	11.95	10.84	12.46	11.34	9.63
10 Years	11.11	10.00	11.70	10.59	10.40
11 Years	10.06	8.96	10.64	9.54	9.12
12 Years	8.87	7.77	9.38	8.28	8.95
13 Years	10.69	9.56	11.27	10.13	10.87
14 Years	10.63	9.48	11.18	10.03	11.36
15 Years	9.82	8.67	10.38	9.22	10.38
16 Years	11.38	10.21	12.06	10.87	11.33
17 Years	12.68	11.48	13.46	12.25	12.57
18 Years	9.07	7.90	9.44	8.27	9.02
19 Years	9.53	8.36	9.89	8.72	8.60
20 Years	9.84	8.68	10.20	9.02	8.97
20 3/4 Years	10.03	8.86	10.32	9.15	9.21

*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.