

2026 Q1 Quarterly Commentary

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During the first quarter, broad equity markets—including the S&P 500—faced significant headwinds from heightened geopolitical risk, as escalating tensions involving Iran pressured global indices throughout the period. Against this backdrop, the Texas Capital Texas Equity Index ETF (NYSE Arca: TXS) delivered a return of 5.81%, materially outperforming the S&P 500's -4.33% decline. The approximate 10% relative outperformance was driven primarily by differences in sector concentration and portfolio positioning. Designed to be representative of the Texas economy, TXS maintains a 20% allocation to Energy, a sector that remains a critical input to global economic growth. By contrast, Energy represents only 4% of the S&P 500, leaving investors in traditional market-cap-weighted indices structurally underexposed to the long-term growth dynamics fueled by energy demand from AI development and data center expansion.

Energy and Materials were the strongest performing sectors during the quarter. Energy led all sectors with a 40.83% return, driven by higher energy prices amid geopolitical uncertainty. Kosmos Energy Ltd. was the top contributor, gaining 206.37%, supported by successful drilling and completion of its second Jubilee field well in Ghana, as well as a \$185.25 million public equity offering used to repay commercial debt. Sable Offshore Corporation was the second-best performer after resuming oil transportation from its Santa Ynez offshore platform to California refineries in March. The restart followed authorization by the U.S. Secretary of Energy under the Defense Production Act of 1950, ending a shutdown that had persisted since a 2015 pipeline spill. The Materials sector advanced 28.34%, benefiting from rising commodity prices, ongoing supply constraints, and increasing investor focus on critical minerals following federal investment initiatives. Within the sector, United States Antimony Corporation was the standout performer, returning 73.90% after reporting better-than-expected fourth-quarter earnings driven by strong revenue growth, nearly 30% gross margins, and securing multi-year government and commercial contracts.

Conversely, Information Technology and Consumer Discretionary were the weakest performing sectors. Information Technology declined -14.52%, weighed down by a -42.4% decline in Digital Turbine. While the company reported earnings and forward guidance that exceeded expectations, broader sector rotation and valuation concerns related to AI-driven equities offset company-specific fundamentals. Consumer Discretionary fell 7.84%, led by Wingstop Inc., which declined -34.94% following a reported 5.8% decrease in domestic same store sales, reflecting continued pressure on lower income consumers.

Overall, TXS' outperformance versus broader market benchmarks like the S&P 500 reflected the resilience and long-term growth momentum of the diversified Texas economy, demonstrating the benefits of regional diversification and differentiated sector exposure during a volatile first quarter.

TOP 10 HOLDINGS*

1	Charles Schwab Corp.	4.9%
2	CrowdStrike Holdings Inc.	4.9%
3	McKesson Corp.	4.8%
4	Tesla Inc.	4.8%
5	Digital Realty Trust Inc.	4.4%
6	Tenet Healthcare Corp.	3.7%
7	Waste Management Inc.	3.6%
8	GameStop Corp.	2.9%
9	CBRE Group Inc.	2.8%
10	Exxon Mobil Corp.	2.7%
% in Top 10		39.5%

*Current and future portfolio holdings are subject to change and risk.

	6Mo	1Yr	QTD	YTD	Inception*
NAV	2.78%	20.74%	5.81%	5.81%	17.17%
MARKET PRICE	2.64%	20.50%	5.61%	5.61%	17.11%
TEXAS CAPITAL TEXAS EQUITY INDEX (UNDERLYING INDEX)	2.89%	21.32%	5.83%	5.83%	17.70%
SYNTAX US MIDCAP 800	1.08%	15.17%	-0.04%	-0.04%	11.20%

*ETF Inception Date 7.12.2023
Gross Expense Ratio: 0.49%

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Returns for periods less than one year are cumulative. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV). Current performance may be lower or higher than the performance data quoted. Investors may obtain performance data current to the most recent month-end by calling 844.822.3837.

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OILT Texas Oil Index ETF

During the first quarter, escalating tensions with Iran increased market volatility and drove a sharp repricing across global energy markets. The geopolitical shock triggered a significant supply disruption, accelerating the tightening of oil markets. Energy emerged as the standout performer within equities, as WTI and Brent surged more than 75% during the period. The move was amplified by investor rotation out of technology and into energy, highlighting the structural underweighting of energy within investor portfolios and the long-term growth dynamics fueled by energy demand from AI development and data center expansion. As geopolitical risks intensified and markets shifted to a risk-off posture, investors maintaining exposure to energy illustrated how heavy reliance on cap-weighted passive indices can leave portfolios exposed to asymmetric risks during periods of market stress.

As the nation's leading oil and gas producer, Texas has helped stabilize U.S. energy markets amid escalating Iran tensions. While Texas producers remain exposed to global price volatility, U.S. crude exports, sourced primarily from Texas, have emerged as a strategic substitute for Middle Eastern supply. Because Texas oil flows entirely outside the conflict zone, producers are well positioned to benefit from higher global prices without facing the same physical or geopolitical risks. Against this backdrop, the Texas Capital Texas Oil & Gas Index ETF (NYSE Arca: OILT) returned 44.46% for the quarter, as exploration and production companies benefited from higher commodity prices, driving improved cash flows and earnings visibility.

Top contributors to OILT reflected the strength of the broader energy rally. Ring Energy Inc. led performance with a 75.86% gain, supported by record sales, improved operational efficiencies, and record adjusted free cash flow for 2025. APA Corporation returned 75.21%, driven by robust earnings growth and better-than-expected production at lower operating costs. SM Energy Co. gained 68.15% following asset sale announcements and debt refinancing initiatives that improved the company's credit profile. Management indicated that proceeds from the sale of its South Texas assets would be used to reduce short-term debt while announcing a 10% dividend increase.

Conversely, Comstock Energy was the only negative performer in the index, declining -9.06%. The underperformance was primarily driven by company-specific factors, including underwhelming first-quarter 2026 guidance and higher-than-expected expenditures. Additionally, the company guided production volumes approximately 8% lower than Q4 2025, as Winter Storm Fern delayed well completions and weighed on near-term output.

Overall, the energy sector's strong first quarter performance was driven by improving fundamentals, with higher oil prices supporting earnings growth, margin expansion, and balance sheet strengthening amid ongoing geopolitical uncertainty. Energy markets are likely to remain sensitive to developments in the Middle East, and we believe that even, in a de-escalation scenario, prices are unlikely to return to 2025 levels as persistent geopolitical risk continues to support a structural premium in energy prices.

TOP 10 HOLDINGS*

1	Diamondback Energy Inc.	7.3%
2	Occidental Petroleum Corp.	7.3%
3	Exxon Mobil Corp.	7.2%
4	ConocoPhillips	7.2%
5	EOG Resources Inc.	5.9%
6	APA Corp.	5.2%
7	SM Energy Co.	5.1%
8	Crescent Energy Co.	5.0%
9	Ovintiv Inc.	4.5%
10	Chevron Corp.	4.2%
% in Top 10		58.9%

*Current and future portfolio holdings are subject to change and risk.

	6Mo	1Yr	QTD	YTD	Inception*
NAV	44.65%	38.60%	44.46%	44.46%	16.60%
MARKET PRICE	44.90%	38.45%	44.77%	44.77%	16.71%
ALERIAN TEXAS WEIGHTED OIL & GAS INDEX	45.66%	39.88%	45.37%	45.37%	17.15%

*ETF Inception Date 12.20.2023

Gross Expense Ratio: 0.35%

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Definition(s):

Basis Point (bps): A unit of measure used to indicate percentage changes in financial instruments, making it possible to communicate small variations in financial variables. One basis point is equal to 1/100 of 1%.

Net Asset Value (NAV): The market value of a mutual fund or ETF's total assets, minus liabilities, divided by the number of shares outstanding.

Market Price: Determined by the midpoint between the bid and offer prices as of the closing time of the New York Stock Exchange (typically 4:00 p.m. ET) on business days.

Disclosures:

Investors should carefully consider the investment objectives, risks and charges of the fund before investing. The prospectus contains this information and other information about the fund, and it should be read carefully before investing. Investors can obtain a copy of the prospectus by calling 844.TCB.ETFS (844.822.3837).

The **Syntax US MidCap 800 Index** float market cap-weights the 201–1000 largest public U.S. companies as ranked by their float market caps, subject to rank buffers and liquidity screens. Companies are defined as U.S. according to Syntax's proprietary country classification methodology, considering regulatory filings, currencies of accounting and distribution and tax havens. The **Alerian Texas Weighted Oil and Gas Index** is composed of energy companies that extract oil and gas within the state of Texas. The index is weighted based on the total economic value of oil and gas extracted by each company from within Texas, subject to a maximum 10% constraint. Index performance does not represent actual fund or portfolio performance, and such performance does not reflect the actual investment experience of any investor. An investor cannot invest directly in an index. Neither the underlying index nor the benchmark indexes charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. In addition, the results actual investors might have achieved would have differed from those shown because of differences in the timing, amounts of their investments and fees and expenses associated with an investment in a portfolio invested in accordance with an index. None of the Syntax Indices or the benchmark indices portrayed herein charge management fees or incur brokerage expenses, and no such fees or expenses were deducted from the performance shown, provided, however, that the returns of any investment portfolio invested in accordance with such indices would be net of such fees and expenses. Additionally, none of these indices lend securities, and no revenues from securities lending were added to the performance shown.

Performance shown is unaudited and subject to revision. This commentary may include forward-looking statements, which are based on our expectations and projections as of the date made. Past returns are not necessarily predictive of future returns.

Diversification does not ensure a profit or guarantee against a loss.

Investment and Market Risk. As with all investments, an investment in the Fund is subject to investment risk. Investors in the Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or prolonged periods of time.

Index Tracking Risk. There is no guarantee that the Fund will achieve a high degree of correlation to the Index and therefore achieve its investment objective. The Fund may have difficulty achieving its investment objective due to fees, expenses (including rebalancing expenses) and other transaction costs related to the normal operation of the Fund. These costs that may be incurred by the Fund are not incurred by the Index, which may make it more difficult for the Fund to track the Index.

Geographic Concentration Risk. Because the Fund and the Index will invest only in issuers headquartered in a particular geographic region, the Fund's performance is expected to be closely tied to various factors such as social, financial, economic and political conditions within that region. Events that negatively affect that region may cause the value of the Fund's shares to decrease, in some cases significantly. As a result, the Fund may be more volatile than more geographically diverse funds.

Small Capitalization Companies Risk. Investments in securities of small-cap companies may be riskier, more volatile and more vulnerable to economic, market and industry changes than investments in larger, more established companies. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term. Small-cap companies often have less predictable earnings and more limited product lines, markets, distribution channels or financial resources, and the management of such companies may be dependent on one or a few key people. The equity securities of small-cap companies are generally less liquid than the equity securities of larger companies.

Energy Sector Risk. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility, energy conservation, environmental policies, depletion of resources, the cost of providing the specific utility services and other factors that they cannot control.

Oil and Gas Companies Risk. Oil and gas companies develop and produce crude oil and natural gas and provide drilling and other energy resources production and distribution-related services. Stock prices for these types of companies are affected by supply and demand both for their specific product or service and for energy products in general. The price of oil and gas, exploration and production spending, government regulation, world events and economic conditions will likewise affect the performance of these companies. Correspondingly, securities of oil and gas companies are subject to swift price and supply fluctuations caused by events relating to international politics, energy conservation, the success of exploration projects and tax and other governmental regulatory policies. Weak demand for the companies' products or services or for energy products and services in general, as well as negative developments in these and other areas, would adversely impact the performance of the Fund. Oil and gas exploration and production can be significantly affected by natural disasters as well as changes in exchange rates.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The Fund's return may not match the return of the underlying index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund.

Texas Capital Bank Wealth Management Services, Inc. d/b/a Texas Capital Bank Private Wealth Advisors ("PWA"), a wholly owned subsidiary of Texas Capital Bank, serves as investment adviser to Texas Capital Funds Trust (a Delaware statutory trust formed in 2023 and registered as an open-end management investment company under the Investment Company Act of 1940) for its funds (the "Funds") and is paid a fee for its services. Shares of the Funds are not deposits or obligations of, or guaranteed or endorsed by, Texas Capital Bank or its affiliates. The Funds are not insured by the FDIC or any other government agency.

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