



**Texas Capital Government Money Market Fund (TXGXX)**

*NYSE*

**Annual Financial Statements  
and Additional Information  
December 31, 2024**

**Fund Adviser:**

**Texas Capital Bank Wealth Management Services, Inc.,  
doing business as Texas Capital Bank Private Wealth Advisors  
2000 McKinney Avenue, Suite 1800  
Dallas, TX 75201**

# Texas Capital Government Money Market Fund

## Schedule of Investments

December 31, 2024

	<b>Principal Amount</b>	<b>Fair Value</b>
<b>U.S. GOVERNMENT &amp; AGENCIES— 8.83%</b>		
Federal Home Loan Bank Discount Notes, 4.41%, 1/21/2025	\$ 500,000	\$ 498,747
Federal Home Loan Bank Discount Notes, 4.26%, 3/21/2025	500,000	495,304
<b>Total U.S. Government &amp; Agencies (Cost \$994,051)</b>		<u>994,051</u>
<b>U.S. TREASURY OBLIGATIONS— 61.96%</b>		
United States Treasury Bill, 3.41%, 1/7/2025	250,000	249,813
United States Treasury Bill, 3.86%, 1/14/2025	500,000	499,191
United States Treasury Bill, 4.06%, 2/4/2025	550,000	547,706
United States Treasury Bill, 4.13%, 2/13/2025	400,000	397,899
United States Treasury Bill, 4.12%, 2/25/2025	500,000	496,772
United States Treasury Bill, 4.10%, 3/18/2025	500,000	495,369
United States Treasury Bill, 4.12%, 3/20/2025	500,000	495,428
United States Treasury Bill, 4.11%, 4/1/2025	400,000	395,725
United States Treasury Bill, 4.13%, 4/8/2025	500,000	494,231
United States Treasury Bill, 4.14%, 4/22/2025	350,000	345,440
United States Treasury Bill, 4.14%, 4/29/2025	500,000	493,124
United States Treasury Bill, 4.09%, 6/20/2025	750,000	735,300
United States Treasury Floating Rate Note, 4.48%, 1/31/2025	500,000	500,001
United States Treasury Floating Rate Note, 4.45%, 4/30/2025	500,000	499,967
United States Treasury Floating Rate Note, 4.45%, 10/31/2025	325,000	325,105
<b>Total U.S. Treasury Obligations (Cost \$6,971,071)</b>		<u>6,971,071</u>
<b>REPURCHASE AGREEMENTS — 27.55%</b>		
Tri-Party Repurchase Agreement with Mirae Asset Securities and Bank of New York Mellon, 4.58%, dated 12/31/2024 and maturing 1/2/2025 collateralized by U.S. Treasury Securities, Agency Mortgage-Back Securities, and Agency Debentures and Agency Strips with rates ranging from 0.00% to 7.50% and maturity dates ranging from 4/21/2025 to 12/1/2054 with a par value of \$9,831,675 and a collateral value of \$3,140,863	3,100,000	<u>3,100,000</u>
<b>Total Repurchase Agreements (Cost \$3,100,000)</b>		<u>3,100,000</u>
<b>MONEY MARKET FUNDS- 1.76%</b>	<b>Shares</b>	
State Street Institutional U.S. Government Money Market Fund, Opportunity Class, 4.40%(a)	197,973	<u>197,973</u>
<b>Total Money Market Funds (Cost \$197,973)</b>		<u>197,973</u>
<b>Total Investments — 100.10% (Cost \$11,263,095)</b>		<u>11,263,095</u>
<b>Liabilities in Excess of Other Assets — (0.10)%</b>		<u>(11,540)</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 11,251,555</u>

(a) Rate disclosed is the seven day effective yield as of December 31, 2024.

# Texas Capital Government Money Market Fund

## Statements of Assets and Liabilities

December 31, 2024

<b>Assets</b>	
Investments in securities, at fair value (cost \$8,163,095)	\$ 8,163,095
Repurchase Agreements (cost \$3,100,000)	3,100,000
Cash	386
Receivable for fund shares sold and reinvested	42,690
Dividends and interest receivable	11,701
Receivable from Adviser	27,570
Prepaid expenses	8,764
<b>Total Assets</b>	<u>11,354,206</u>
<b>Liabilities</b>	
Distributions payable	41,685
Audit fees payable	24,500
Legal fees payable	18,750
Payable to administrator	1,062
Payable to trustees	3,750
Other accrued expenses	12,904
<b>Total Liabilities</b>	<u>102,651</u>
<b>Net Assets</b>	<u>\$ 11,251,555</u>
<b>Net Assets consist of:</b>	
Paid-in capital	11,251,555
Accumulated earnings	<u>—</u>
<b>Net Assets</b>	<u>\$ 11,251,555</u>
Shares outstanding (unlimited number of shares authorized, no par value)	<u>11,251,555</u>
Net asset value per share	<u>\$ 1.00</u>

# Texas Capital Government Money Market Fund

## Statements of Operations

For the period ended December 31, 2024 <sup>(a)</sup>

<b>Investment Income</b>	
Interest income	\$ 238,356
<b>Total investment income</b>	<u>238,356</u>
<b>Expenses</b>	
Transfer agent fees and expenses	38,244
Administration	30,688
Audit and tax	24,500
Legal	18,750
Advisory fees	9,497
Report printing	9,245
Custodian	5,600
Chief Compliance Officer	4,466
Trustee	3,750
Pricing	1,612
Miscellaneous	11,488
<b>Total expenses</b>	<u>157,840</u>
Fees waived by Adviser	<u>(145,970)</u>
Net operating expenses	<u>11,870</u>
<b>Net investment income</b>	<u>226,486</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 226,486</u>

(a) For the period July 17, 2024 (commencement of operations) to December 31, 2024.

# Texas Capital Government Money Market Fund

## Statement of Changes in Net Assets

	<b>For the Period Ended December 31, 2024<sup>(a)</sup></b>
<b>Increase (Decrease) in Net Assets due to:</b>	
<b>Operations</b>	
Net investment income	\$ 226,486
<b>Net increase in net assets resulting from operations</b>	<u>226,486</u>
<b>Distributions to Shareholders from Earnings</b>	<u>(226,486)</u>
<b>Capital Transactions</b>	
Proceeds from shares sold	11,267,060
Reinvestment of distributions	226,490
Amount paid for shares redeemed	(241,995)
<b>Net increase in net assets resulting from capital transactions</b>	<u>11,251,555</u>
<b>Total Increase in Net Assets</b>	<u>11,251,555</u>
<b>Net Assets</b>	
Beginning of period	\$ —
<b>End of period</b>	<u>\$ 11,251,555</u>
<b>Share Transactions</b>	
Shares sold	11,267,060
Shares issued in reinvestment of distributions	226,490
Shares redeemed	(241,995)
<b>Net increase in shares outstanding</b>	<u>11,251,555</u>

<sup>(a)</sup> For the period July 17, 2024 (commencement of operations) to December 31, 2024.

# Texas Capital Government Money Market Fund

## Financial Highlights

(For a share outstanding during the period)

	<b>For the Period Ended December 31, 2024<sup>(a)</sup></b>
<b>Selected Per Share Data:</b>	
Net asset value, beginning of period	\$ 1.00
Investment operations:	
Net investment income	0.22
Total from investment operations	<u>0.22</u>
<b>Less distributions to shareholders from:</b>	
Net investment income	<u>(0.22)</u>
Total distributions	<u>(0.22)</u>
Net asset value, end of period	\$ 1.00
<b>Total Return<sup>(b)</sup></b>	2.20% <sup>(c)</sup>
<b>Ratios and Supplemental Data:</b>	
Net assets, end of period (000 omitted)	\$ 11,252
Ratio of net expenses to average net assets after waiver	0.25% <sup>(d)</sup>
Ratio of expenses to average net assets before waiver and reimbursement	3.32% <sup>(d)</sup>
Ratio of net investment income to average net assets	4.77% <sup>(d)</sup>

(a) For the period July 17, 2024 (commencement of operations) to December 31, 2024.

(b) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of the period. Distributions are assumed, for the purpose of this calculation, to be reinvested at the ex-dividend date net asset value per share on their respective payment dates.

(c) Not annualized.

(d) Annualized.

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements

December 31, 2024

### NOTE 1. ORGANIZATION

Texas Capital Government Money Market Fund (the “Fund”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”) as a diversified series of Texas Capital Funds Trust (the “Trust”). The Fund commenced operations on July 17, 2024. The Trust is an open-end investment management company established under the laws of Delaware by an Agreement and Declaration of Trust dated March 21, 2023, as amended (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund's investment adviser is Texas Capital Bank Wealth Management Services, Inc., doing business as Texas Capital Bank Private Wealth Advisors (the “Adviser”). The investment objective of the Fund is to seek to provide as high a level of current interest income as is consistent with maintaining liquidity and stability of principal.

The Fund have adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures (“ASU 2023-07”). Adoption of the standard impacted financial statement disclosures only and did not affect the Funds' financial position or the results of its operations. An operating segment is defined in Topic 280 as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity's chief operating decision maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available. The CODM is the President and Principal Executive Officer of the Fund. The Fund operates as a single operating segment. The Funds' income, expenses, assets, changes in net assets resulting from operations and performance are regularly monitored and assessed as a whole by the CODM responsible for oversight functions of the Fund, using the information presented in the financial statements and financial highlights.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

**Repurchase Agreements** – The Fund may enter into repurchase agreements. Repurchase agreements are transactions in which the Fund purchases securities or other obligations from a bank or securities dealer (or its affiliate) and simultaneously commits to resell them to the

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

counterparty at an agreed-upon date or upon demand and at a price reflecting a market rate of interest unrelated to any coupon rate or maturity of the purchased obligations. Securities or other obligations subject to repurchase agreements may have maturities in excess of 13 months. The Fund maintains custody of the underlying obligations prior to their repurchase, either through its regular custodian or through a special “tri-party” custodian or sub-custodian that maintains separate accounts for both the Fund and its counterparty. Thus, the obligation of the counterparty to pay the repurchase price on the date agreed to or upon demand is, in effect, secured by such obligations. The Fund may utilize a put feature to limit the maturity of repurchase agreements it enters into in accordance with Rule 2a-7 under the 1940 Act.

As of December 31, 2024, the Fund had undivided interest in joint repurchase agreements with the following counterparty for the time period and rate indicated. Amounts shown in the table below represent principal amount, cost and value for the repurchase agreement.

**Tri-Party Repurchase Agreement with  
Mirae Asset Securities and Bank of  
New York Mellon,  
4.58%, dated 12/31/2024, due 1/2/2025  
\$3,100,000**

**Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**Federal Income Taxes** – The Fund makes no provision for federal income or excise tax. The Fund has qualified and intends to qualify each year as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net realized capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense.

As of and during the fiscal period ended December 31, 2024, the Fund did not have any liabilities for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations when incurred. During the period, the Fund did not incur any interest or



# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

penalties. Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the interim tax period since inception, as applicable) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements and does not expect this to change over the next twelve months.

**Security Transactions and Related Income** – The Fund follows industry practice and records security transactions on the trade date for financial reporting purposes. The specific identification method is used for determining gains or losses for financial statement and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Non-cash income, if any, is recorded at the fair market value of the securities received. Withholding taxes on foreign dividends, if any, have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

**Dividends and Distributions** – The Fund declares dividends daily and pays them monthly. The Fund may distribute all or a portion of its capital gains (if any) to the extent required to ensure that the fund maintains its federal tax law status as a regulated investment company. The Fund will also distribute all or a portion of its capital gains to the extent necessary to maintain its share price at \$1.00.

### NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

The Adviser attempts to stabilize the net asset value (“NAV”) of its Shares at \$ 1.00 by valuing its portfolio securities using the amortized cost method. The Fund cannot guarantee that its NAV will always remain at \$1.00 per Share. The NAV is determined as of the close of regular trading on the New York Stock Exchange (“NYSE”) (normally 4:00 p.m. Eastern Time) on each business day the NYSE is open for business.

The fund is operating as a “government money market fund” pursuant to Rule 2a-7 under the Investment Company Act of 1940, as amended (the “1940 Act”) (“Rule 2a-7”). Therefore, the Fund has adopted a policy to invest 99.5% or more of its total assets in cash, government securities, and/or repurchase agreements that are collateralized fully (i.e., collateralized with cash and/or government securities). As a “government money market fund,” the Fund is permitted to use the amortized cost method of valuation to seek to maintain a \$1.00 share price.

In the event that market quotations are not readily available or are considered unreliable due to market or other events, securities are valued in good faith by the Adviser as “valuation designee” under the oversight of the Board. The Adviser has adopted written policies and procedures for valuing securities and other assets in circumstances where

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

market quotes are not readily available or are deemed not to reflect market value. In the event that market quotes are not readily available or are deemed not to reflect market value, and the security or asset cannot be valued pursuant to one of the valuation methods, the value of the security or asset will be determined in good faith by the Adviser pursuant to its policies and procedures. Under these policies, the securities will be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments based on the best information available)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy which is reported is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2024:

<u>Assets</u>	<u>Valuation Inputs</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Texas Capital Government Money Market Fund</b>				
U.S. Government & Agencies	\$—	\$994,051	\$—	\$994,051
Repurchase Agreements	—	3,100,000	—	3,100,000
U.S. Treasury Obligations	—	6,971,071	—	6,971,071
Money Market Funds	197,973	—	—	197,973
Total	<u>\$197,973</u>	<u>\$11,065,122</u>	<u>\$—</u>	<u>\$11,263,095</u>

The Fund did not hold any investments during or at the end of the reporting period for which significant unobservable inputs (Level 3) were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period.

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

### NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES AND OTHER SERVICE PROVIDERS

The Adviser, under the terms of the Advisory Agreement with the Trust with respect to the Fund (the “Agreement”), manages the Fund's investments. The Fund pays the Adviser a management fee at an annual rate (stated as a percentage of the average daily net assets of the Fund) of 0.20%.

	<b>Texas Capital Texas Government Money Market Fund</b>
Advisory fees rate	0.20%
Advisory fees earned	\$9,497
Receivable from Adviser	\$27,570

Under the Agreement, the Adviser has contractually agreed to waive its fees and/or reimburse certain expenses (exclusive of any front-end sales loads, taxes, interest on borrowings, dividends on securities sold short, brokerage commissions, 12b-1 fees, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization and extraordinary expenses) to limit the Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement to 0.25% of the Fund's average daily net assets (the “Expense Limit”) through April 30, 2025. The contractual arrangement may only be changed or eliminated by the Board of Trustees upon 60 days' written notice to the Adviser. The Adviser may recoup from the Fund any waived amount or reimbursed expenses pursuant to this agreement if such recoupment does not cause the Fund's Total Annual Fund Operating Expenses after such recoupment to exceed the lesser of (i) the Expense Limit in effect at the time of the waiver or reimbursement and (ii) the Expense Limit in effect at the time of recoupment and the recoupment is made within three years after the end of the month in which the Adviser incurred the expense. The Fund waived \$145,970 for the fiscal period ended December 31, 2024.

State Street Bank and Trust Company (“State Street”) serves as Fund's custodian. The Fund pays State Street fees in accordance with the agreements for such services.

Ultimus Fund Solutions, LLC (“Ultimus”) provides administration, fund accounting and transfer agent services to the Fund. The Fund pays Ultimus fees in accordance with the agreements for such services.

Northern Lights Compliance Services, LLC (“NLCS”), an affiliate of Ultimus, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives fees from the Fund, which are approved annually by the Board.

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

Under the terms of a Distribution Agreement with the Trust, Northern Lights Distributors, LLC (the “Distributor”) serves as principal underwriter to the Fund. The Distributor is an affiliate of Ultimus. The Distributor is compensated by the Fund for acting as principal underwriter.

Certain officers of the Trust are also employees of Ultimus and such persons are not paid by the Fund for serving in such capacities. One Trustee is a former employee of Ultimus who is not currently paid by the Fund for serving in such capacity.

The Board supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires, or is removed. The Chair of the Board and more than 75% of the Trustees are “Independent Trustees,” which means that they are not “interested persons” as defined in the 1940 Act. The Independent Trustees review and establish compensation at least annually. Each Independent Trustee of the Trust receives annual compensation, which is an established amount paid quarterly per fund in the Trust at the time of the regular quarterly Board meetings. The Chair of the Board receives the highest compensation, commensurate with his additional duties and each Chair of a committee receives additional compensation as well. Independent Trustees also receive additional fees for attending any special meeting. In addition, the Trust reimburses Independent Trustees for out-of-pocket expenses incurred in conjunction with attendance at meetings.

\* The maximum Transaction Fee may be up to 2.00% of the amount invested.

### NOTE 5. FEDERAL TAX INFORMATION

At December 31, 2024, the net unrealized appreciation (depreciation) and tax cost of investments for tax purposes were as follows:

Gross unrealized appreciation	\$	—
Gross unrealized depreciation		—
Net unrealized appreciation on investments	\$	<u>—</u>
Tax cost of investments	\$	<u>11,263,095</u>

The tax character of distributions paid for the fiscal period ended December 31, 2024 was as follows:

Distributions paid from:		
Ordinary income <sup>(a)</sup>	\$	<u>226,486</u>
Total distributions paid	\$	<u>226,486</u>

<sup>(a)</sup> Short-term capital gain distributions are treated as ordinary income for tax purposes.

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

### NOTE 6. PRINCIPAL RISKS

*Credit Risk:* Issuers of money market instruments or financial institutions that have entered into repurchase agreements with the Funds may fail to make payments when due or complete transactions or they may become less willing or less able to do so.

*Interest Rate Risk:* The value of the Fund's investments generally will fall when interest rates rise, and its yield will tend to lag behind prevailing rates. The Fund may face a heightened level of interest rate risk due to certain changes in general economic conditions, inflation and monetary policy, such as certain types of interest rate changes by the Federal Reserve.

*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. Markets can decline in value sharply and unpredictably which may affect the Fund's ability to maintain a \$1.00 share price. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region, or financial market.

*U.S. Government Securities Risk:* There are different types of U.S. government securities with different levels of credit risk, including the risk of default, depending on the nature of the particular government support for that security. For example, a U.S. government-sponsored entity, such as Federal National Mortgage Association ("Fannie Mae") or Federal Home Loan Mortgage Corporation ("Freddie Mac"), although chartered or sponsored by an Act of Congress, may issue securities that are neither insured nor guaranteed by the U.S. Treasury and are therefore riskier than those that are.

*Repurchase Agreements Risk:* Repurchase agreements carry certain risks not associated with direct investments in securities, including a possible decline in the market value of the underlying obligations.

The Funds' prospectus contains more information regarding these risks and other risks related to the Funds as well as other information about the Funds and should be read carefully before investing.

# Texas Capital Government Money Market Fund

## Notes to the Financial Statements (continued)

December 31, 2024

### NOTE 7. SIGNIFICANT SHAREHOLDER

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a) (9) of the 1940 Act. At December 31, 2024, Pershing LLC owned 90.83% of the Fund. Pershing, LLC is not involved in the day to day operations or management of the Fund.

### NOTE 8. IDEMNIFICATIONS

The Trust indemnifies its officers and Trustees for certain liabilities that may arise from their performance of their duties to the Trust or the Fund. Additionally, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

### NOTE 9. SUBSEQUENT EVENTS

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date at which these financial statements were issued. Based upon this evaluation, management has determined there were no items requiring adjustment of the financial statements or additional disclosure.

# Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of Texas Capital Funds Trust

## Opinion on the Financial Statements

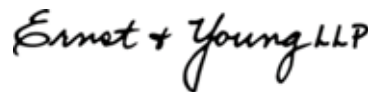
We have audited the accompanying statement of assets and liabilities of Texas Capital Government Money Market Fund (the “Fund”) (one of the funds constituting Texas Capital Funds Trust (the “Trust”)), including the schedule of investments, as of December 31, 2024, and the related statements of operations, changes in net assets, and the financial highlights for the period from July 17, 2024 (commencement of operations) through December 31, 2024 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2024, the results of their operations, changes in net assets and financial highlights for the period from July 17, 2024 (commencement of operations) through December 31, 2024, in conformity with U.S. generally accepted accounting principles.

## Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

We have served as the auditor of Texas Capital Funds Trust since 2023.  
Dallas, Texas  
February 28, 2025

# Additional Information (Unaudited)

## Changes in and Disagreements with Accountants

There were no changes in or disagreements with accountants during the period covered by this report.

## Proxy Disclosures

Not applicable.

## Remuneration Paid to Directors, Officers and Others

Refer to the financial statements included herein.

## Statement Regarding Basis for Approval of Investment Advisory Agreement

Texas Capital Government Money Market Fund

The Board of Trustees (the “Board”), including those Trustees who were determined to not be “interested persons” of Texas Capital Funds Trust (the “Trust”) (the “Independent Trustees”), as such term is defined under Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”), voting separately, has reviewed and approved the advisory agreement (the “Advisory Agreement”) between the Trust and Texas Capital Bank Wealth Management Services, Inc., doing business as Texas Capital Bank Private Wealth Advisors (the “Adviser”), on behalf of the Texas Capital Government Money Market Fund (the “Fund”) for an initial two-year term. The Board unanimously approved the Advisory Agreement at a meeting held on September 28, 2023, at which all of the Trustees were present (the “Meeting”).

In deciding whether to approve the Advisory Agreement, the Board requested and evaluated all information that the Trustees deemed reasonably necessary under the circumstances. The conclusions reached by the Board were based on a comprehensive evaluation of all of the information provided in the Board materials and at the Meeting and were not the result of any one factor. Moreover, the Board did not identify any particular information or consideration that was all-important or controlling, and each Trustee may have afforded different weight to the various factors and information in reaching his or her conclusions with respect to the Advisory Agreement. In considering the approval of the Advisory Agreement, the Board reviewed and analyzed various factors that they determined were relevant, including, but not limited to, the factors enumerated below.

*Nature, Extent, and Quality of Services.* The Trustees reviewed materials provided by the Adviser regarding the nature, extent and quality of the services proposed to be provided to the Fund by the Adviser, including an overview of the Adviser and the personnel that would perform services for the Fund. The Trustees considered the qualifications, background and responsibilities of the members of the Adviser’s portfolio management team who would oversee the day-to-day investment management and operations of the Fund, taking into account information provided by the Adviser regarding the experience of the Fund’s portfolio management team trading money market instruments and repurchase agreements. The Trustees also considered the Adviser’s support resources available for investment research, compliance and operations.

The Trustees considered that, while the Adviser had only recently begun serving as an investment adviser to a U.S. registered investment company, the Texas Capital Texas Equity Index ETF, the



## Additional Information (Unaudited) (continued)

Adviser is staffed by experienced personnel who have extensive portfolio management experience. The Trustees also considered the Fund's primary investment objective and concluded that the operation of this mandate appears to be within the capabilities of the investment personnel employed by the Adviser.

The Trustees discussed the capitalization of the Adviser and the Adviser's representation that it and/or its affiliates have sufficient resources to financially support the Fund and execute on the business plan related to the Fund. The Trustees evaluated information about the nature and extent of responsibilities retained and risks assumed by the Adviser in connection with its services to the Fund, including the Adviser's assumption of business, entrepreneurial, overall managerial and other risks by sponsoring and advising the Fund. Based on these considerations, the Trustees concluded, within the context of its full deliberations, that the nature, overall quality and extent of the services proposed to be provided by the Adviser to the Fund are expected to be satisfactory and adequate.

*Performance.* The Trustees considered that the Fund is newly formed and as such did not have a record of prior performance to submit at the Meeting. The Trustees also noted that the Adviser does not currently advise any other U.S. registered investment companies with similar investment strategies to those of the Fund. Consequently, there was no performance data available for the Fund or investment vehicles comparable to the Fund managed by the Adviser using similar investment strategies. However, based on the Trustees' knowledge of the Adviser and its personnel and the operations of the other series of the Trust, as well as on the Fund's investment strategies and the Adviser's written and oral presentation, the Trustees concluded, within the context of its full deliberations, that it was satisfied that the Adviser has the capability of providing satisfactory investment performance for the Fund.

*Fees and Expenses.* As to the costs of the services to be provided by the Adviser, the Trustees considered the proposed management fees and proposed expense limitation with respect to the Fund. The Trustees noted that the Adviser provided industry data with respect to the management fees and net expense ratios of a peer group of investment companies (the "Peer Group") as compared to the proposed management fee and estimated net expense ratio of the Fund. The Trustees noted the Adviser's undertaking to limit certain expenses of the Fund that exceed a specified level. The Trustees noted that, although the proposed management fee was above the Peer Group median, the proposed management fee was below the Peer Group average and the Fund's net expense ratio was expected to be below the Peer Group median. Based on these considerations and other factors, the Trustees concluded, within the context of their full deliberations, that the proposed management fee rate appeared reasonable in light of the nature, extent and quality of the services proposed to be provided under the proposed Advisory Agreement.

*Profitability.* The Trustees considered that the Fund is not yet operational, and no record of Adviser profitability with respect to the Fund exists. The Trustees also took into account the Adviser's estimated costs of managing the Fund and information provided by the Adviser regarding its financial condition. The Trustees did not make any conclusions regarding the Adviser's profitability but will do so during future considerations of the Advisory Agreement.

*Economies of Scale.* The Trustees considered whether the Adviser would realize economies of scale with respect to its management of the Fund, recognizing that economies of scale are difficult to identify and quantify. The Trustees noted that economies of scale were not a relevant consideration

## **Additional Information (Unaudited) (continued)**

at this time and they would revisit whether economies of scale exist in the future once the Fund has achieved sufficient scale.

*Fall-out Benefits.* The Trustees discussed direct or indirect “fall-out benefits,” noting that the Adviser and its affiliates may realize certain benefits from their relationships with the Fund, including: (a) trading efficiencies resulting from aggregation of orders of the Fund with those for other funds or accounts managed by the Adviser; (b) the Adviser’s ability to leverage the infrastructure designed to service the Fund on behalf of its other clients; (c) the Adviser’s ability to cross-market other products and services to Fund shareholders; (d) the Adviser’s ability to offer an affiliated money market fund to its clients and clients of Texas Capital Bank; (e) the Adviser’s ability to negotiate better pricing with the custodian on behalf of its other clients as a result of the relationship with the Fund; and/or (f) the possibility that the working relationship between the Adviser and the Fund’s third-party service providers may cause those service providers to be more likely to do business with other areas of the Adviser and its affiliates.

*Conclusion.* Based on the Board’s deliberations and its evaluation of the information described above and other factors and information it believed relevant in the exercise of its reasonable business judgment, the Board, with the Independent Trustees having met in an executive session and having been advised by independent legal counsel throughout the process, determined that approval of the Advisory Agreement for an initial two-year term is in the best interests of the Fund and its future shareholders. In its deliberations, the Board did not identify any absence of information as material to its decision, or any particular factor (or conclusion with respect thereto) or single piece of information that was all-important, controlling or determinative of its decision, but considered all of the factors together, and each Trustee may have attributed different weights to the various factors (and conclusions with respect thereto) and information.

# Proxy Voting

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how each Fund voted those proxies during the most recent twelve month period ended June 30 are available (1) without charge upon request by calling the Funds at (844) 822-3837 and (2) in Fund documents filed with the Securities and Exchange Commission (the "SEC") on the SEC's website at [www.sec.gov](http://www.sec.gov).

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