

2025 Q4

Quarterly Commentary

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Updated: 12.31.2025



Texas Equity Index ETF

During the fourth quarter, returns in the broader market were driven by monetary easing and expectations of further rate cuts, alongside strong earnings and upward revisions to earnings forecasts. The Federal Reserve lowered its policy rate for the third time during the year, cutting by 25 basis points and bringing the federal funds target range to 3.50%–3.75%. In contrast, the Texas Capital Texas Equity Index ETF (NYSE Arca: TXS) returned -2.86% during the period, with relative underperformance coming from security selection.

The best performing sectors were Financials and Health Care. Financials led with a 3.69% return; Comerica was the top performer with a return of 27.89%. Sector performance was supported by news that Fifth Third will acquire Comerica Inc., creating the ninth-largest bank in the U.S. This deal reflects ongoing consolidation among regional banks amid regulatory receptivity to bank mergers. Health Care gained 2.57%, driven by strong earnings and positive clinical developments. Within the sector, Savara Inc. was the standout performer, returning 81.23% after successfully raising \$140 million for working capital and development of Molbreevi—the first potential treatment for autoimmune pulmonary alveolar proteinosis (aPAP), a rare lung disease. Savara also announced plans to resubmit its Biologics License Application (BLA) to the FDA after receiving a refusal-to-file letter in May 2025, marking a positive step for the drug's approval process.

Conversely, the worst-performing sectors were Information Technology and Consumer Staples. Information Technology fell -10.64%, weighed down by Oracle's earnings report, which raised concerns about AI infrastructure spending and monetization. Consumer Staples declined -10.31%, led by Sysco Corporation, as shares dropped on weak food demand and broader concerns about the restaurant industry. Despite underperforming for the quarter, Texas continued to demonstrate resilience and long-term growth momentum with the state topping Site Selections 2025 business climate rankings and continuing to attract major corporate investment and relocations.

TOP 10 HOLDINGS*

1	Tesla, Inc.	5.6%
2	McKesson Corp.	5.4%
3	Crowdstrike Holdings, Inc.	5.0%
4	Charles Schwab Corp.	4.8%
5	Tenet Healthcare Corp.	4.3%
6	Digital Realty Trust, Inc.	4.1%
7	Waste Management, Inc.	3.9%
8	CBRE Group, Inc.	3.7%
9	Crown Castle, Inc.	3.0%
10	Gamestop Corp.	2.4%
% in Top 10		42.2%

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

	6Mo	1Yr	QTD	YTD	Inception*
NAV	2.84%	10.20%	-2.86%	10.20%	16.37%
MARKET PRICE	2.84%	10.30%	-2.81%	10.30%	16.40%
TEXAS CAPITAL TEXAS EQUITY INDEX (UNDERLYING INDEX)	3.09%	10.90%	-2.77%	10.90%	16.94%
SYNTAX US MIDCAP 800	7.21%	11.17%	1.12%	11.17%	12.42%

*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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Texas Oil Index ETF

During the fourth quarter, the energy sector continued to contend with weak oil prices, an oversupplied market, and heightened geopolitical tensions. In addition to broader macroeconomic pressures, the fourth quarter is typically a seasonally weak period for oil demand. Despite this challenging backdrop, U.S. oil production climbed to a record high during the quarter, intensifying concerns about excess supply. Conversely, natural gas prices rose 22% during the quarter, supported by structural undersupply and firm demand, as the market remains undersupplied in contrast to crude oil—benefiting companies with upstream gas exposure. The Texas Capital Texas Oil & Gas Index ETF (NYSE Arca: OILT) returned 0.13% during the period, as exploration and production companies faced commodity price volatility, infrastructure constraints, and oilfield service cost inflation.

Top performers within OILT included Baytex Energy, Osaka Gas Company, and Comstock Resources Inc. Baytex Energy gained 38.95% following strong operational performance and an agreement to sell its U.S. Eagle Ford assets—a move that strengthened its balance sheet and refocused the company on its Canadian operations. Osaka Gas Company returned 19.29%, driven by robust earnings growth, upward guidance revisions, and expansion into U.S. energy markets, including plans to invest in additional U.S. gas-fired power plants to meet rising electricity demand. Comstock Resources Inc rose 16.89% on strong operational results, strategic asset sales, and higher natural gas prices. The company sold its Shelby Trough assets in East Texas, with proceeds earmarked for long-term debt reduction.

The weakest performers were SM Energy, Ring Energy, and Civitas Resources Inc. SM Energy fell -23.59% after announcing a merger with Civitas Resources. While the deal will create the 10th-largest U.S. independent oil-focused producer, investors expressed concerns about limited asset overlap and ability to realize synergies. Ring Energy declined -20.18% following earnings that missed estimates. Civitas Resources dropped -15.16%, as strong Q3 results were overshadowed by the merger announcement with SM Energy. Overall, in the absence of any increase in geopolitical tensions, persistent global oversupply will likely continue to outweigh modest demand growth and cap oil prices in the near term. In the current low-oil-price environment, producers are expected to maintain strict capital discipline and drive operational efficiencies, prioritizing liquidity preservation and balance-sheet resilience. Longer term, this heightened discipline supports stronger free-cash-flow generation, improved leverage metrics, and greater balance-sheet optionality as the market moves toward supply-demand equilibrium.

	6Mo	1Yr	QTD	YTD	Inception*
NAV	7.76%	-3.17%	0.13%	-3.17%	-0.88%
MARKET PRICE	7.67%	-3.32%	0.09%	-3.32%	-0.88%
ALERIAN TEXAS WEIGHTED OIL & GAS INDEX	8.11%	-2.66%	0.20%	-2.66%	-0.65%

*ETF Inception Date 12.20.2023

Gross Expense Ratio: 0.35%

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.

TOP 10 HOLDINGS*

1	Exxon Mobile Corp.	8.6%
2	Occidental Petroleum Corp.	8.5%
3	ConocoPhillips	8.2%
4	Diamondback Energy, Inc.	8.1%
5	Crescent Energy Co.	7.4%
6	EOG Resources, Inc.	6.9%
7	Chevron Corp.	4.9%
8	APA Corp.	4.6%
9	Devon Energy Corp.	4.4%
10	Ovintiv, Inc.	4.1%
% in Top 10		65.7%

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

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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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