

2024 Q3 Quarterly Commentary

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Since inception, TXS has outperformed the Syntax Midcap 800 Index by more than 5% (21.48% v. 15.72%). During the third quarter, TXS gained 7.24%, compared to 9.26% for the benchmark.

The relative underperformance can be primarily attributed to exposure differences across sectors detracting -190bps from overall relative performance. However, underperformance was partially offset by strong security selection within the sectors contributing +15bps of relative performance.

The main detractor came from an overweight position to energy and underweighting of utilities. Energy was the worst-performing sector over the quarter as it faced several headwinds including slowing global energy demand and record production from non-OPEC+ members. Alternatively, due to accelerating electricity demand from AI-powered data centers, utilities were the best performing sector in the quarter. Compared to the benchmark, TXS had less exposure to the sector with the allocation difference detracting from relative performance.

Despite these headwinds, security selection within energy contributed +129bps, led by Exxon and Texas Pacific Land Corp. Security selection within consumer discretionary, led by Tesla and DR Horton, contributed +97bps. By focusing on Texas-domiciled companies, security selection within sectors helped offset some of the relative underperformance from allocation decisions.

Overall, nine of the 11 sectors in TXS were positive, with the top-performing sectors being utilities, communication services and real estate.

TOP 10 HOLDINGS

Rank	Company	Weight
1	Tenet Healthcare Corporation	4.8%
2	Tesla Inc.	4.8%
3	Digital Realty Trust Inc.	3.9%
4	CrowdStrike Holdings Inc.	3.6%
5	Crown Castle Inc.	3.6%
6	Charles Schwab Corporation (The)	3.5%
7	ExxonMobil Corporation	3.4%
8	Waste Management Inc.	3.4%
9	McKesson Corporation	3.3%
10	Gamestop Corporation	2.7%
% in Top 10		37.0%

	1Mo	6Mo	1Yr	QTD	YTD	Inception*
NAV	2.40%	10.96%	32.21%	7.24%	19.39%	21.48%
MARKET PRICE	2.37%	10.85%	31.68%	7.28%	19.40%	21.45%
TEXAS CAPITAL TEXAS EQUITY INDEX (UNDERLYING INDEX)	2.38%	11.09%	32.66%	7.26%	19.68%	21.95%
SYNTAX MIDCAP 800	2.23%	5.18%	28.23%	9.26%	13.88%	15.72%

*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.



TXSS Texas Small Cap Equity Index ETF

Since inception, TXSS has outperformed the Syntax SmallCap 2000 Index by more than 2% (11.48% v. 9.29%). During the third quarter, TXSS gained 8.40%, compared to 10.09% for the benchmark.

The relative underperformance can be attributed to exposure differences across sectors detracting -145bps and security selection within sectors detracting -17bps of relative performance.

The main detractor of performance for TXSS came from an overweight position to energy and underweighting of financials. Energy was the worst-performing sector over the quarter as it faced several headwinds including slowing global energy demand and record production from non-OPEC+ members. Alternatively, financials were among the best performing sectors for the quarter, supported by expectations of further easing by the Federal Reserve. Compared to the benchmark, TXSS had less exposure to the sector with the allocation difference detracting from relative performance.

Security selection within consumer discretionary, led by Group 1 Automotive and Green Brick Partners Inc., contributed +135bps of performance. Security selection within industrials, led by Rush Enterprises Inc. and IES Holdings Inc., contributed +49bps. By focusing on Texas-domiciled companies, security selection within sectors helped offset some of the relative underperformance from allocation decisions.

Overall, 10 of the 11 sectors in TXSS were positive, with the top-performing sectors including utilities, financials and consumer discretionary.

TOP 10 HOLDINGS		
1	Howard Hughes Co.	6.7%
2	AMN Healthcare	3.1%
3	Insperity Inc.	2.9%
4	Addus Homecare	2.7%
5	DNow Inc.	2.6%
6	Group 1 Automotive	2.5%
7	Kinetik Holdings	2.5%
8	Netstreit Corporation	2.4%
9	Brinker International	2.3%
10	MRC Global Inc.	2.1%
% in Top 10		29.8%

	1Mo	6Mo	1Yr	QTD	YTD	Inception*
NAV	0.04%	6.84%		8.40%	9.31%	11.48%
MARKET PRICE	0.07%	6.84%		8.48%	9.26%	11.52%
TEXAS SMALL CAP EQUITY INDEX (UNDERLYING INDEX)	0.06%	7.01%	15.79%	8.49%	9.66%	11.85%
SYNTAX US SMALLCAP 2000	0.99%	4.59%	22.69%	10.09%	6.27%	9.29%

*ETF Inception Date 12/20/2023

Gross Expense Ratio: 0.49%

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OILT Texas Oil Index ETF

Since inception, OILT has outperformed the Alerian Texas Weighted Oil & Gas Total Return Index by 0.07% (-0.19% v. -0.26%). During the third quarter, OILT outperformed with a return of -9.21%, compared to -9.26% for the benchmark.

The broad-based decline during the quarter was fueled by global energy demand concerns, record non-OPEC+ production and the potential for additional supply from OPEC+ producers.

Elevated geopolitical tensions provided some support for energy prices, due to concerns of a potential supply shock catalyzed by conflict through the quarter. However, price tension due to ongoing geopolitical tensions failed to offset global energy demand fears.

Concerns over weakening energy demand from China, the world's largest oil importer, took center stage. Markets appeared hesitant that the most recent stimulus announcement from Beijing will be enough to increase oil consumption, and therefore demand.

TOP 10 HOLDINGS

1	ExxonMobil Corporation	8.5%
2	ConocoPhillips	8.3%
3	DiamondBack Energy	8.1%
4	Occidental Pete	8.1%
5	EOG Resources	7.3%
6	APA Corporation	4.6%
7	Chevron Corporation	4.5%
8	Marathon Oil	4.2%
9	Ovintiv Inc.	4.2%
10	SM Energy Co.	4.1%
% in Top 10		62.0%

	1Mo	6Mo	1Yr	QTD	YTD	Inception*
NAV	-7.49%	-12.62%		-9.21%	-0.27%	-0.19%
MARKET PRICE	-7.89%	-13.14%		-9.63%	-1.08%	-0.40%
ALERIAN TEXAS WEIGHTED OIL & GAS INDEX	-7.60%	-12.72%	-6.20%	-9.26%	-0.34%	-0.26%

*ETF Inception Date 12/20/2023

Gross Expense Ratio: 0.35%

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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).

Index returns do not represent Fund returns. 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 the Fund.

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. 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 site may include materials and documents containing 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.

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.

New Adviser Risk. The Adviser has not previously served as an adviser to a registered mutual fund or ETF. As a result, there is no long-term track record against which an investor may judge the Adviser and it is possible the Adviser may not achieve the Fund's intended investment objective.

New Fund Risk. The Fund is new and does not have shares outstanding as of the date of this Prospectus. If the Fund does not grow large once it commences trading, it will be at greater risk than larger funds of wider bid-ask spreads for its shares, trading at a greater premium or discount to NAV, liquidation and/or a stop to trading. Any resulting liquidation of the Fund could cause the Fund to incur elevated transaction costs for the Fund and negative tax consequences for its shareholders.

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, 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, and 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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