



Paul Kenney October 23, 2025

Overview

Texas has long been celebrated for its iconic cowboy heritage, booming oil and gas industry, vibrant live music scene in Austin, and its pivotal role in space exploration through NASA's Johnson Space Center. Now, artificial intelligence is joining that list of defining features as the state rapidly becomes a national hub for AI innovation and infrastructure. This paper explores the AI-related business lines embedded within the Texas Capital Texas Equity Index (SYTXSX), a benchmark maintained by Syntax that tracks publicly traded companies headquartered in Texas.

The convergence of energy, infrastructure, innovation, and policy has positioned Texas as a cornerstone of the AI ecosystem, fueling the next generation of artificial intelligence and establishing the state as a critical hub for physical deployment and investment. From billion-dollar data centers to forward-looking legislation on ethical AI, Texas is actively shaping the field's future. With the advantages of a deregulated energy market and vast land availability, the state has emerged as a stronghold for semiconductor design, high-performance computing, cloud infrastructure, and workforce development.

The data source for our analysis is Syntax's patented FIS® Industry Classification system which codifies the business models of over 7,000 public companies. The codification process identifies each company's revenues down to the product line, and assigns tags that capture traits and characteristics specific to each company. This codification process is ongoing and ever evolving. Quantifying AI exposure across public companies is complex, as the boundaries of what constitutes "AI business" continue to shift. To quantify the exposure to AI, we used the Syntax Artificial Intelligence thematic lens, the results of which are shown in Exhibit 1. At a high level, AI is not one thing, but rather a

technology that involves a myriad of businesses that support its numerous applications. Exhibit 1 identifies a dozen product lines that fall within our AI lens and the results are aggregated for both SYTXSX and its Syntax 800 benchmark, a broad market index of large- and mid-cap US companies excluding the 200 largest companies, which aligns with the market capitalization profile of SYTXSX.

The results show, by market value, that the Index has 9.6% of its weight allocated to AI business lines, compared to 6.1% for the benchmark. The companies and the product lines that provide the AI exposure fall across categories that include computer hardware, infrastructure, energy, software, and services. The top three product lines account for 77% of the Index's exposure. Here are the highlights:

Exhibit 1: SYTXSX AI Exposure vs. Syntax 800 Benchmark

AI-Related Product Line	SYTXSX	S800	SYTXSX Companies
Cloud Computing and Colocation Services	4.39%	0.25%	Digital Realty, TSS Inc.
Tower Lessors	1.96%	0.40%	Crown Castle
Database and Infrastructure Software	1.08%	0.23%	Oracle, Dell Technologies
Fiber Lessors	0.96%	0.12%	Crown Castle
Data Center Hardware	0.57%	1.47%	TSS, Applied Opto., Dell, Comfort Systems, IES Holdings
Renewable Power	0.43%	0.45%	Vistra, Fluor, Waste Management
AI Hardware	0.13%	0.72%	Hewlett Packard Enterprise
Cryptocurrency Mining	0.06%	-	Applied Digital Corp.
AI Sales, Marketing, Customer Service Software	0.05%	0.21%	PROS Holdings, Thryv Holdings
Diversified AI Software	-	0.97%	
AI Security Software	-	0.66%	
All Other	0.01%	0.63%	
Total	9.63%	6.11%	

Exposure calculated by taking the percent of revenue associated with each company's product line multiplied by its market cap as of 9.30.25. Source: Syntax Data

- Cloud Computing and Colocation Services represent 45% of the Index's roughly 10% exposure to AI. This is driven by Dallas-based company Digital Realty, one of the world's largest Data Center operators.
- Crown Castle's cell tower operating business represents about 2% of the Index's AI-related exposure as they provide data access to mobile devices and serve as foundational infrastructure for edge AI deployment.¹ Crown's fiber leasing business is also noted as the fourth largest exposure at 0.96%.
- Database and Infrastructure Software at 1.08% is provided by Oracle and Dell Technologies.

- Data Center Hardware at 0.57% is less than the benchmark's weight of 1.47%, but the Index has a strong line-up of firms in this space shown by the five companies and their respective product lines found in Exhibit 2.

Exhibit 2: SYTXSX AI Exposure vs. Syntax 800 Benchmark

Data Center Hardware Companies	Products / Services Provided
TSS Inc.	Data center design and deployment for AI workloads
Applied Optoelectronics	AI-driven network diagnostics and predictive maintenance
Dell Technologies	AI enterprise infrastructure
Comfort Systems USA	Immersion cooling and modular HVAC systems for AI data centers
IES Holdings	Electrical and infrastructure services for AI data centers

Source: Syntax Data

The data above is quantifiable based on how the companies in the Index (and benchmark) classify their product lines, with all company data sourced from their most recent annual report. Below are some additional data points that highlight the fluidity of quantifying AI-related business exposure:

- Renewable Energy is 0.43% of the Index, representing the renewable energy businesses of Vistra, Fluor, and Waste Management. What is not captured is Fluor's 10% ownership interest in NuScale Power,² the first small modular reactor (SMR) developer to receive U.S. Nuclear Regulatory Commission design approval.
- Since its most recent annual report, Crown Castle sold its fiber leasing business noted in Exhibit 1. The sale allows the company to become a pure-play U.S. tower company, with a focus on accessing growth tied to towers, providing increasing AI workload support and low-latency applications like autonomous driving. For the buyer, the Zayo Group, the purchase represents a strategic move to expand its fiber footprint which supports AI-driven connectivity and cloud infrastructure.³

Some investors may find it surprising that companies often describe product lines in their annual reports with zero or no attributable revenue. Exhibit 3 highlights six product lines and eight companies with non-attributable revenue found in the Index.

Exhibit 3: SYTXSX Constituents AI-Related Product Lines with Non-Attributable Revenue

AI-Related Product Line	Companies With Non-Attributable Revenue
Cloud Computing and Colocation Services	Applied Digital Corp., Oracle
AI Hardware	Diodes, Texas Instruments
Data Center Hardware	Quanta Services
AI Security Software	CrowdStrike
Cryptocurrency Mining	Texas Pacific Land Corp.
Cryptocurrency Treasury	Tesla, Gamestop

Source: Syntax Data

- CrowdStrike, 4.3% of the Index as of September 30, 2025, is an interesting example of the challenges of identifying AI exposure. The company does not report specific revenues to AI Security Software as noted in Exhibit 3, yet AI is deeply embedded into its cybersecurity DNA. Its flagship platform, Falcon, analyzes trillions of security events daily using machine learning and behavioral analytics to detect threats in real time.⁴

SYTXSX AI Company Profiles

The following profiles highlight five Texas-based companies that exemplify the state's growing influence in the AI infrastructure ecosystem. Representing a spectrum of market capitalizations, from megacap (Oracle) to large cap (Digital Realty, Comfort Systems USA, Quanta Services) and small cap (TSS Inc.), these firms offer tangible examples of how Texas is contributing to the next wave of AI-driven innovation through cloud platforms, data center development, electrification, and high-performance computing integration.



Ticker: ORCL
Market Cap a/o 9/30: \$642 billion
Index Weight: 2.1%
2025 YTD Return to 9/30: 76%
1 Year Revenue Growth (a/o 5/31/25): 8.4%

Oracle is playing a key role in the AI boom by building massive cloud systems that help train and run advanced AI models. Oracle Cloud Infrastructure (OCI), for example, combines advanced semiconductor chips with high-speed networking, making it a strong platform for companies like OpenAI that require massive computing power.

Over the past year, the company's cloud infrastructure revenue has surged by 50%, reflecting accelerating demand from AI workloads and enterprise migration to OCI. This highlights its expanding footprint in hyperscale and mission-critical deployments.

Texas's emergence as a national leader in AI infrastructure was cemented with the September 2025 announcement of Operation Stargate, a \$500 billion initiative led by OpenAI, Oracle, and SoftBank. Anchored in Abilene, the flagship data center will be powered by Oracle Cloud and outfitted with racks of NVIDIA chips, serving as the launchpad for a nationwide rollout of AI superclusters. With additional sites planned across Texas and beyond, Stargate positions the state as a central node in the future of compute-intensive innovation.



Ticker: DLR
Market Cap a/o 9/30: \$59 billion
Index Weight: 4.2%
2025 YTD Return to 9/30: -0.5%
1 Year Revenue Growth (a/o 6/30/25): 10.1%

Digital Realty operates more than 300 data centers across 50+ metropolitan areas in over 25 countries spanning six continents.⁵ The organization's capital expenditures over the past year totaled \$2.6 billion and are representative of the company's continued investment in data centers. Among its biggest investments is a planned 156-acre data center campus outside Charlotte, North Carolina, set to deliver up to 3 million square feet of infrastructure across two buildings with 400 megawatts of capacity. When completed, it will stand as the largest data center in the state both in size and power.⁶ In addition, in its role as a leader in colocation services, the company announced in September the launch of its Digital Realty Innovation Lab, which offers its partners the ability to access a testing environment that allows them to validate AI and hybrid cloud-deployments before scaling.⁷



Ticker: FIX
Market Cap a/o 9/30: \$19 Billion
Index Weight: 1.0%
2025 YTD Return to 9/30: 95%
1 Year Revenue Growth (a/o 6/30/25): 20.1%

Comfort Systems USA is experiencing very strong revenue growth driven largely by its strategic positioning in the AI-fueled data center construction boom. The company has secured an \$8.12 billion backlog as of mid-2025, with its Communications segment, focused on data center projects, posting a 56% revenue increase.⁸

What's powering this momentum is its deployment of modular HVAC systems and immersion cooling technologies, which are tailor-made for high-density GPU clusters used in AI workloads. As hyperscalers build next-gen infrastructure, Comfort Systems is emerging as a critical enabler of thermal management and energy efficiency.



Q U A N T A

Ticker: PWR

Market Cap a/o 9/30: \$56 billion

Index Weight: 2.1%

2025 YTD Return to 9/30: 31%

1 Year Revenue Growth (a/o 6/30/25): 21%

Quanta Services has evolved into an operational anchor at the intersection of energy infrastructure, digital transformation, and AI-driven demand. Leveraging its core competencies in transmission and distribution, the company has capitalized on the U.S. push for grid modernization, especially in the wake of the Inflation Reduction Act, securing \$1.7 billion in new transmission contracts.⁹ As of Q2 2025, Quanta reported a record \$35.3 billion backlog,¹⁰ providing multi-year revenue visibility and operational leverage. To further expand its capabilities and address the growing complexity of energy and digital infrastructure, Quanta acquired Cupertino Electric and Dynamic Systems—two highly specialized firms with deep expertise in low-voltage electrical systems, modular construction, and data center deployment. These acquisitions significantly enhance Quanta's exposure to hyperscale data center buildouts, renewable energy platforms, and commercial electrification. Quanta Services noted that their combination with Cupertino Electric “creates a comprehensive end-to-end electrical infrastructure solution from electron generation to transmission to consumption.”¹¹



Ticker: TSSI

Market Cap a/o 9/30: \$0.7 billion

Index Weight: 0.1%

2025 YTD Return to 9/30: 53%

1 Year Revenue Growth (a/o 6/30/25): 261%

TSS Inc. provides integrated technology services and software tools designed to accelerate the assembly and delivery of complex information technology solutions. Historically focused on data center support and systems integration, the company has evolved from a niche services provider into a high-growth enabler of AI infrastructure. This transformation is reflected in its Q2 2025 financial performance, where TSS reported \$44 million in revenue compared to approximately \$12 million in Q2 2024.¹² The surge was driven by massive demand for high-performance computing (HPC) and AI rack integration, areas in which TSS has developed deep operational expertise. Its purpose-built facility in Georgetown, Texas, now serves as a strategic hub for rapid deployment of AI-ready systems, offering over 213,000 square feet of integration space and 40MW+ of power capacity.¹³ TSS has positioned itself as a critical partner in the physical buildout of AI infrastructure, bridging the gap between hardware innovation and scalable deployment.

Conclusion

Texas has rapidly emerged as the backbone of the US AI ecosystem, leveraging its unique blend of infrastructure, energy resources, and policy momentum to redefine the geography of innovation. With over 279 data centers statewide, including 141 in the Dallas-Fort Worth area alone, Texas offers the scale and energy affordability needed to power high-performance AI workloads. The Stargate Project, a \$500 billion initiative backed by OpenAI, SoftBank, and Oracle, is transforming Abilene into a national hub for generative AI infrastructure, with plans for 20 colossal data centers across an 895-acre campus.¹⁴ Meanwhile, cities like Austin and Houston are attracting top-tier talent and startups, thanks to business-friendly regulations and a growing network of public-private partnerships.¹⁵ From clean-energy computing to AI-driven healthcare and cybersecurity, Texas isn't just participating in the AI revolution, it's architecting it. The Texas Capital Texas Equity Index is designed to reflect the economic activity of the state. As the state continues to grow its presence in AI and other innovative technology, so too will the Index, providing investors with access to the companies that are driving

the Texas economy forward.

1. AI edge deployment refers to the practice of running artificial intelligence models directly on devices or infrastructure located near the source of data—rather than relying on centralized cloud servers. This approach enables faster, more efficient, and often more secure data processing.
2. Fluor sells NuScale power (SMR) shares worth \$90 million By Investing.com
3. Zayo eyes more AI growth with \$4.25B Crown Castle deal
4. CrowdStrike and the Future of AI in Cybersecurity
5. Digital Realty: Powering Data-Driven Innovation | FinTech Magazine
6. Digital Realty: Powering Data-Driven Innovation | FinTech Magazine
7. Digital Realty Launches Innovation Lab to Accelerate AI and Hybrid Cloud Implementation
8. Why Comfort Systems USA (FIX) Is a Must-Own Position in the AI-Driven Industrial Sector
9. Quanta Services' Q2 2025 Earnings: A Pivotal Moment for Infrastructure Growth and Margin Expansion
10. Quanta Services Q2 2025 Update: Backlog and Energy Transition Growth | Monexa
1. Quanta Services Acquires Cupertino Electric, Inc., A Premier Electrical Infrastructure Solutions Provider to the Technology and Renewable Energy Industries : Quanta Services, Inc. (PWR)
2. TSS Reports Second Quarter 2025 Revenue of \$44.0 Million, Up 262% - TSS, Inc.
3. TSS Inc: Powering the AI Infrastructure Boom with Strategic Capacity and Explosive Growth (NASDAQ:TSSI) - TSSI Analysis - BeyondSPX
4. The Future of AI in Texas - Texas 20.
5. The AI Boom in Texas: 5 Key Developments Shaping the Future - Digital Republic Recruitment

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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.

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