Opal CAPITAL





Q2 2026

Quarterly Investment Letter

- July 17, 2026
- Boca Raton, FL

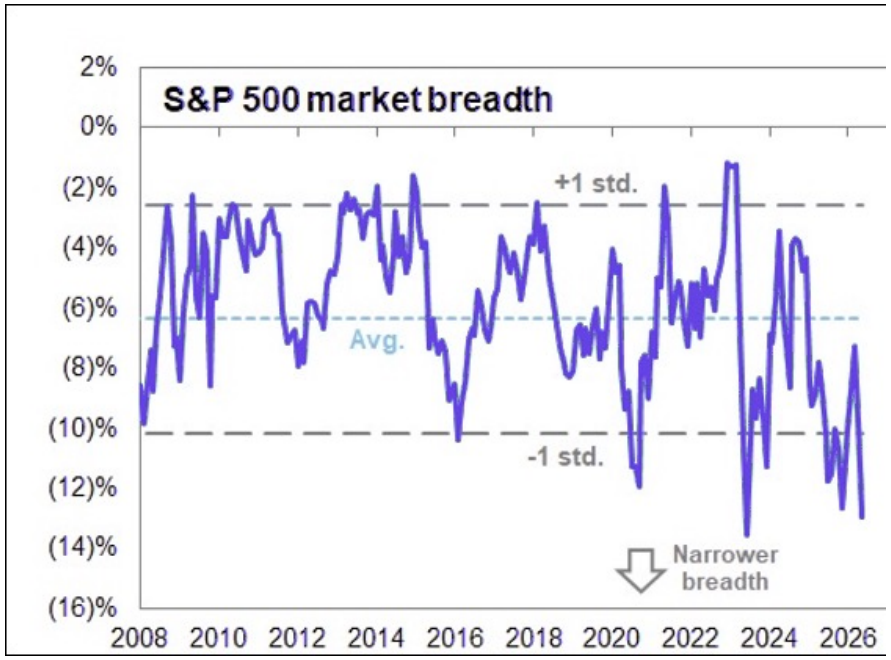
A Remarkable Quarter

The second quarter of 2026 was, in our view, a remarkable one for financial markets. The S&P 500 delivered its strongest quarterly performance in six years, driven largely by enthusiasm surrounding artificial intelligence and technology. Investor optimism reached another milestone with the highly anticipated SpaceX initial public offering, one of the largest IPOs in history, further reinforcing the market's appetite for companies perceived to be shaping the future.

AI Enthusiasm and Valuation

We have little doubt that artificial intelligence will transform industries, improve productivity, and create significant long-term economic value. However, transformational technologies do not always translate into attractive investments at every point in time. Investor enthusiasm, particularly surrounding memory chips, semiconductors, and AI infrastructure, has reached levels that appear increasingly disconnected from underlying business fundamentals. In our view, expectations for future growth have become optimistic, and we continue to observe a meaningful amount of speculation across select areas of the market.

A Narrow Rally



Source: Goldman Sachs Global Investment Research

One of the defining characteristics of this rally has been narrowness.[1] A relatively small subset of companies has generated a disproportionate share of overall market returns, while a number of high-quality businesses outside the AI ecosystem have lagged despite producing strong earnings, healthy balance sheets, and durable competitive positions. History suggests that periods of concentrated market leadership do not typically persist indefinitely. Eventually, valuation and fundamentals will matter again.

Finding Opportunity in the Disconnect

For long-term investors, environments like today's can create opportunities. While capital has become increasingly concentrated in a relatively narrow group of companies commanding premium valuations, many businesses with strong fundamentals, durable earnings, and attractive cash flow characteristics now appear increasingly compelling by comparison. We believe this disconnect creates an attractive opportunity for disciplined, active investors.

The Macro Backdrop

The macroeconomic environment also continues to evolve. During the quarter, markets gained clarity surrounding developments in Iran, reducing a source of geopolitical uncertainty. At the same time, inflation expectations remain elevated, and the outlook for monetary policy has shifted meaningfully. Markets entered the year expecting multiple Federal Reserve rate reductions; today, investors are increasingly considering the possibility that the Federal Reserve's next move may ultimately be toward additional rate increases rather than reductions. Whether those expectations prove correct, the shift is a reminder that markets can change direction quickly when consensus becomes too one-sided.

Our Investment Philosophy

Against this backdrop, our investment philosophy remains unchanged. Our focus has never been on predicting short-term market movements or chasing the market's most popular investment themes. Instead, our responsibility is to help clients meet their long-term financial objectives through disciplined portfolio construction, thoughtful security selection, and prudent risk management.

Equities

Within equities, we continue to emphasize ownership of high-quality businesses with durable competitive advantages, strong balance sheets, consistent free cash flow generation, and experienced management teams. While portions of today's market appear richly valued, we continue to identify companies that, in our view, trade at attractive valuations relative to both their own history and the broader market. We believe this disciplined approach supports our long-term investment philosophy. As market leadership broadens and investor focus shifts over time, we expect greater emphasis on earnings quality, cash flow, and valuation.

Fixed Income

Within fixed income, our perspective remains consistent. We continue to view high-quality bonds as an important store of value within diversified portfolios. Current yields remain attractive by historical standards, offering the potential for meaningful income while helping to preserve capital and reduce overall portfolio risk. In an environment characterized by elevated inflation expectations, evolving monetary policy, and continued geopolitical uncertainty, we believe fixed income continues to play an important role in portfolio construction.

Staying Disciplined

Periods of market optimism tend to create opportunities, but they can also encourage investors to overlook risk management. Our investment process is designed to remain disciplined when enthusiasm is high and patient when opportunities are temporarily overlooked. Rather than chase momentum, we remain committed to owning quality businesses at reasonable valuations and constructing portfolios designed to compound capital through a variety of market environments.

Thank you for your continued confidence and trust. We appreciate the opportunity to serve as your investment partner and look forward to helping you achieve your financial objectives in the years ahead.

Kind Regards,

Austin Graff, CFA
Chief Investment Officer
Opal Capital

Disclosure

Before investing, carefully consider the TrueShares ETFs investment objectives, risks, charges and expenses. Specific information about the TrueShares is contained in the prospectus and a summary prospectus, copies of which may be obtained by visiting www.true-shares.com. Read the prospectus carefully before you invest. The fund is distributed by Paralel Distributors LLC, Member FINRA. Paralel is not affiliated with TrueMark Investments, LLC and Opal Capital.

An investment in TrueShares is subject to numerous risks, including possible loss of principal. The ETFs are subject to the following principal risks: Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk associated with ETFs; Equity Market Risk; Management Risk; Market Capitalization Risk (Large Cap; Mid Cap, Small Cap Stock); Market Risk; New Fund Risk. A full description of risks is in the prospectus.

Opal Dividend Income ETF is also subject to the following risk: As an ETF, the Fund is exposed to the additional risks, including: (1) **concentration risk** associated with Authorized Participants, market makers, and liquidity providers; (2) **costs risks** associated with the frequent buying or selling of Fund shares; (3) **market prices** may differ than the Fund's net asset value; and (4) **liquidity risk** due to a potential lack of trading volume. **Dividend Paying Security Risk.** Securities that pay high dividends as a group can fall out of favor with the market, causing these companies to underperform companies that do not pay high dividends. Dividends may also be reduced or discontinued. **Equity Market Risk.** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change based on various and unpredictable factors including but not limited to: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises. **Market Capitalization Risk.** The Fund may invest is securities across all market cap ranges. The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion and may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes. The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies and generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks. The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies and generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks. **Depositary Receipts Risk.** American Depositary Receipts ("ADRs") have risks similar to those of foreign securities (political and economic conditions, changes in the exchange rates, etc.) and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.

The top 3 contributors and top 3 detractors shown are selected based on their contribution to portfolio return for the period indicated. They do not represent all holdings in the portfolio. A complete list of holdings and their individual contributions is available upon request.

An investor can view the Standardized performance and holdings information using these hyperlinks:
https://www.true-shares.com/etf/divz
https://www.true-shares.com/etf/idvz

This information is provided for informational and educational purposes only and should not be construed as a recommendation, solicitation, or offer to buy or sell any security, investment, or financial instrument. Any opinions expressed are subject to change without notice and should not be relied upon as investment advice. Investors should conduct their own research and consult with qualified financial, legal, or tax advisors before making any investment decisions.

Past performance does not guarantee future results

Individual investors should contact their financial advisor or broker dealer representative for more information on True-Shares ETFs.
Investment Products and Services are: NOT FDIC INSURED / MAY LOSE VALUE / NO BANK GUARANTEE