



**TALL OAK**  
CAPITAL ADVISORS

# Q2 2025 Report

---

# Table of Contents



Planning Spotlight..... 4

Market Review..... 6



Thematic Highlight..... 12

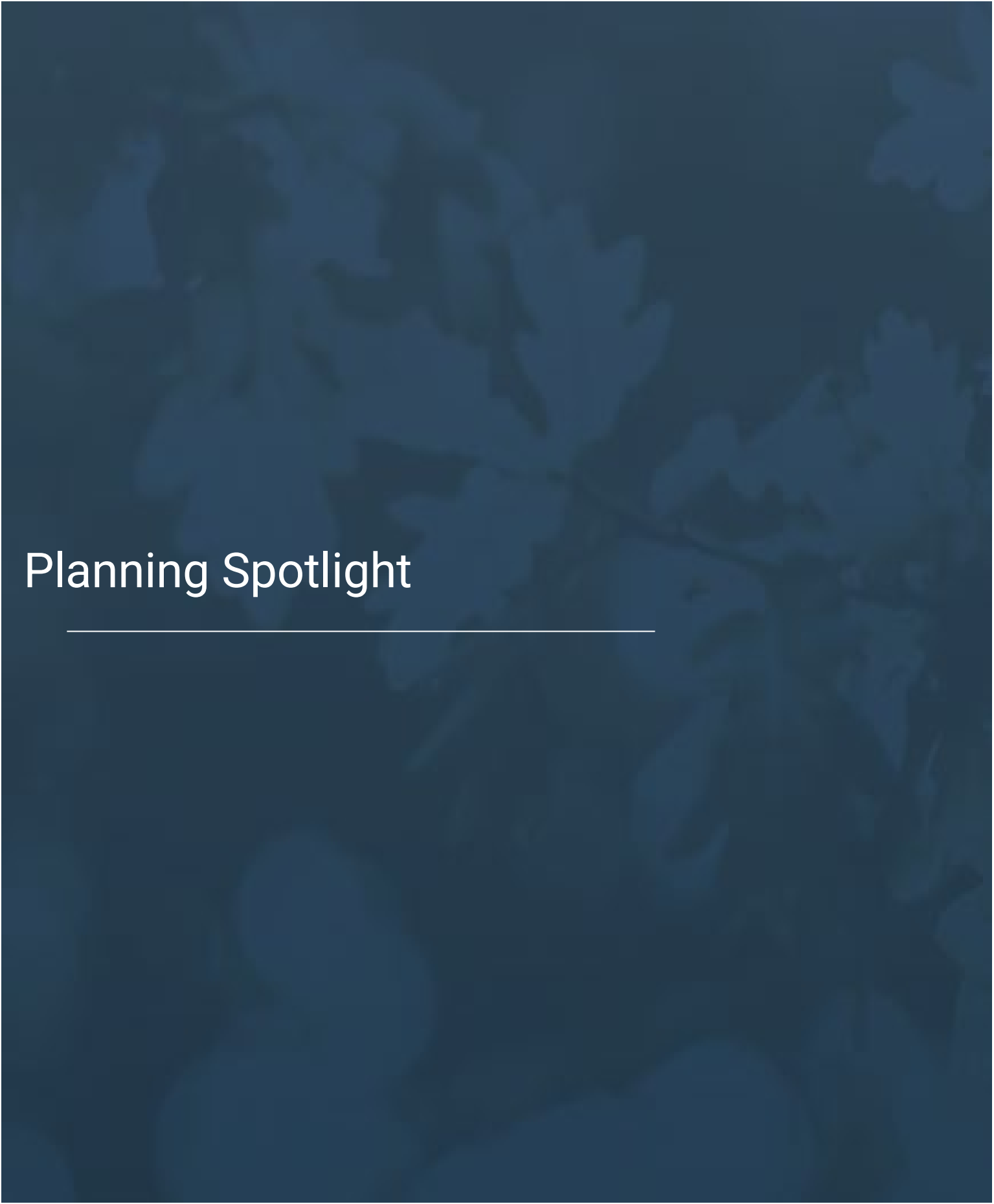
Tall Oak Pooled Funds..... 17



Disclaimer..... 22



---



# Planning Spotlight

---



# Planning Spotlight

## HOOPP FOR RETIRING PHYSICIANS

Retirement planning has changed. Market volatility, rising costs, and the decline of traditional defined benefit pensions have reshaped how individuals approach long-term financial security.

At Tall Oak Capital Advisors, we recognize that clients don't just want to retire — they want to retire well. Our Retirement VIEW process goes beyond reaching a “[magic number](#)” to address the deeper question: “Will my income last, and is my current plan enough?”

### **We evaluate all key sources of retirement income:**

- Corporate assets
- Registered and non-registered savings
- Insurance solutions
- Government benefits
- Pension plans

As of January 1, 2025, incorporated physicians in Ontario can now access a new option: the Healthcare of Ontario Pension Plan (HOOPP), available through their Medicine Professional Corporation (MPC). For many, this opens the door to a defined benefit pension with lifetime income and potential inflation protection—benefits previously unavailable to this group. Unlike traditional employees, physicians must fund both the employee and employer contributions through their MPC. This dual role introduces unique planning and cash flow considerations.

To support informed decisions, we commissioned an independent third-party pension analyst to compare HOOPP with other retirement vehicles such as RRSPs and IPPs. We then conducted our own in-depth analysis and developed a physician-specific framework to help determine whether HOOPP—now, later, or not at all—aligns with broader financial goals and retirement strategy.



# Planning Spotlight

## HOOPP FOR RETIRING PHYSICIANS

### What's Our Process?

The evaluation begins with a comprehensive review of the physician's financial situation, values, and long-term objectives. This includes assessing risk tolerance, income preferences, and both short- and medium-term priorities—such as debt repayment, home ownership, or lifestyle goals—while recognizing that these priorities may evolve over time.

Next, we analyze whether the Medicine Professional Corporation (MPC) can support HOOPP contributions without disrupting other financial obligations. This involves detailed cash flow and liquidity testing to ensure that both business and personal financial goals remain on track.

We then model projected pension income across a range of retirement age scenarios, incorporating bridge benefits and the potential for inflation protection.

Finally, we compare the long-term value of HOOPP participation against alternative retirement strategies—such as RRSPs, IPPs, or corporate investment portfolios—to help determine whether immediate enrollment, deferred participation, or opting out entirely aligns best with the physician's broader retirement vision.

### Key Takeaways from Our Findings

Stable and growing corporate income tends to support more consistent contributions and can enhance the long-term value of a defined benefit pension like HOOPP.

For some physicians, deferring enrollment may better align with short- to medium-term goals such as debt repayment or home ownership.

Others may determine that HOOPP is not the right fit for their retirement strategy at all—particularly if flexibility, liquidity, or control over investments is a higher priority.

Timing enrollment to coincide with periods of stronger cash flow or corporate surplus can help optimize the value of participation without compromising other financial objectives.

### Next Steps?

HOOPP is a new opportunity worth exploring — but it may not be right for everyone.

At Tall Oak Capital Advisors, we don't sell HOOPP. We break it down, model the outcomes, and guide physicians through a customized process to determine whether HOOPP fits for them.

### Ready for clarity?

Let's review your current retirement strategy. By using our Retirement VIEW process, we can demonstrate how HOOPP could impact your long-term income plan, alongside your other assets, and help you answer the question: "Am I okay?"

**Click here to book a complimentary planning meeting with an advisor:** [Meet us - Tall Oak Capital Advisors.](#)

---



# Market Review

---



# Market Review

QUARTERLY REVIEW

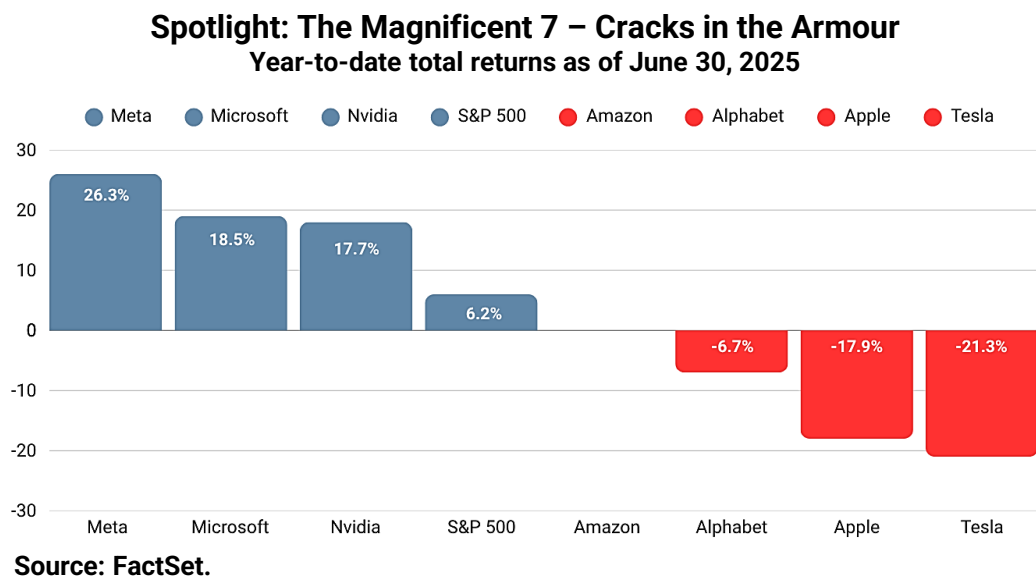
Index or Proxy (Total Return % in Local Currency)	Q2 2025	2025 Year-to-Date
<b>EQUITIES</b>	%	%
S&P 500 Index	10.9	6.2
Dow Jones Industrial Average	5.5	4.6
NASDAQ Composite Index	18.0	5.9
S&P/TSX Composite Index	8.5	10.2
MSCI All Country World Index (CAD)	5.9	4.7
MSCI EAFE (CAD)	6.3	13.8
<b>BONDS</b>		
FTSE Canada Universe Bond Index	-0.6	1.4
ICE U.S. Treasury 20+ Year Bond Index	2.9	-2.6
<b>US SECTORS</b>		
Communication Services	18.5	11.1
Consumer Discretionary	11.5	-3.9
Consumer Staples	1.1	6.4
Energy	-8.6	0.8
Financials	5.5	9.2
Health Care	-7.2	-1.1
Industrials	12.9	12.7
Information Technology	23.7	8.1
Materials	3.1	6.0
Real Estate	-0.1	3.5
Utilities	4.3	9.4

U.S. Market Review: From Setback to Surge

The second quarter began with a jolt for U.S. markets, as a sudden tariff announcement on April 2<sup>nd</sup> triggered a sharp equity selloff. It marked a turning point in the market narrative, from hopes of stability to renewed fears over policy risk. The S&P 500 experienced one of its worst two-day drops since WWII, and volatility briefly surged to levels not seen since the pandemic.

But just as quickly, markets recalibrated. A series of carve-outs, trade exemptions, and policy walk-backs from Washington restored a measure of confidence. Risk appetite returned, and by June, U.S. equities had recovered nearly all their losses. Leadership rotated within the market, with large-cap growth, AI infrastructure names, and beneficiaries of fiscal stimulus outperforming. However, investor enthusiasm remained cautious as June’s stronger-than-expected jobs report and stickier inflation readings pushed back the timeline for any central bank rate cuts.

Valuations remain elevated – with the S&P 500 trading over 22x forward earnings – and free cash flow yields now sit below long-term Treasury rates. As the gap between fundamentals and policy noise widens, we continue to emphasize quality, free cash flow durability, and downside protection.



The second quarter marked a clear divergence within the so-called “Magnificent 7”. As discussed in-depth in our 2024 Annual Report, these are seven of the largest U.S. technology companies that tend to have an outsized impact on U.S. stock market performance. While Nvidia continued to charge ahead, buoyed by AI-driven chip demand, the broader group began to show signs of dispersion. Microsoft and Meta posted strong rebounds on improving fundamentals, whereas Tesla lagged on weaker margins and regulatory uncertainty. Apple and Alphabet delivered muted gains, which were not enough to bring the pair back to positive levels for the year.

What stood out wasn’t just the mixed performance, but the return of stock-level differentiation. The group, which had previously moved in lockstep, is now reacting more to fundamentals and less to thematic momentum. This shift reinforces a key message: even among the market’s giants, valuation discipline and selectivity matter.

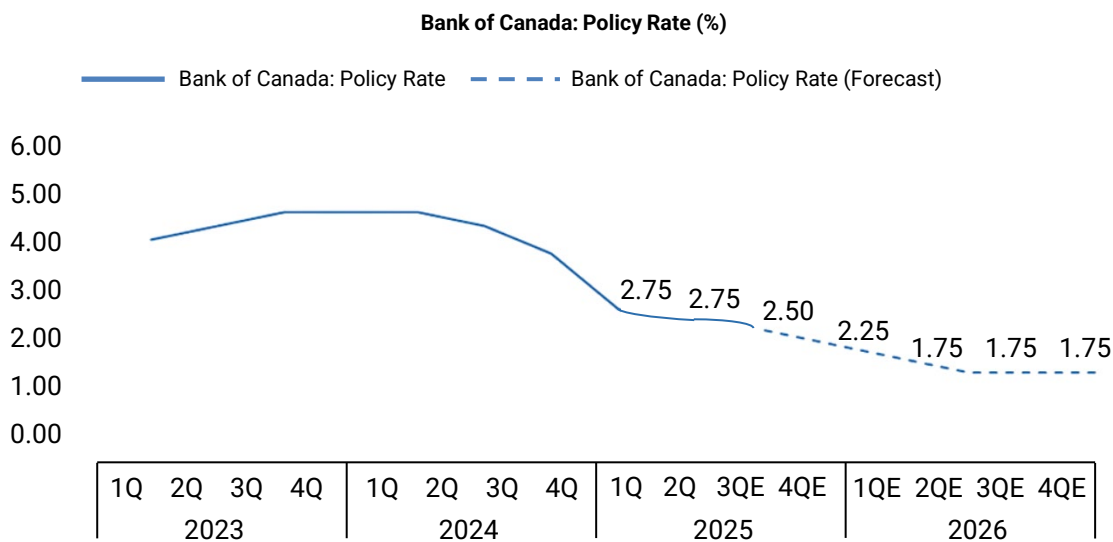


Canada Market Review: Resilience with a Side of Risk

Canadian markets fared better than many expected amid the U.S. policy upheaval. The TSX declined far less during April’s volatility and staged a solid recovery through May and June, thanks to strength in gold, energy infrastructure, and defensive sectors. Gold prices surged again in Q2, extending their year-to-date rally above 25%, while dividend-heavy sectors like consumer staples outperformed.

The Bank of Canada’s rate cut in March and continued inflation moderation provided a helpful tailwind. However, the outlook remains clouded by Canada’s proximity to U.S. trade disputes. Although USMCA protections insulated some cross-border trade, uncertainty around Canada’s exposure to retaliatory tariffs and the upcoming August 1<sup>st</sup> tariff deadline introduced new risks for capital flows.

Forecasted path of Bank of Canada policy rate



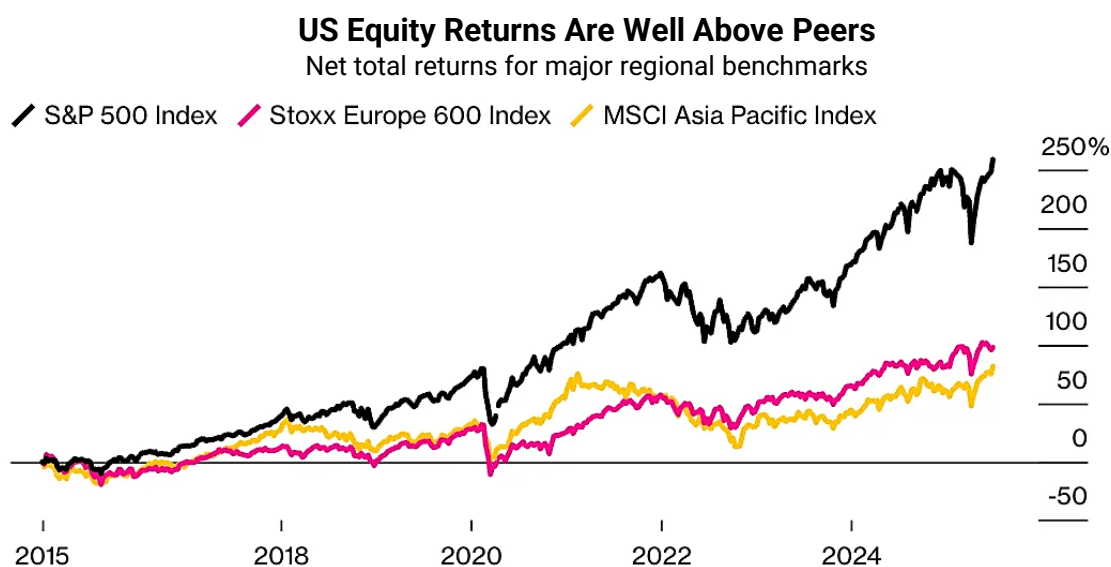
Source: Bank of Canada, Morgan Stanley Research forecasts

On the macro side, the domestic economy remains soft but stable. Growth is forecast to slow through early 2026, with monetary policy expected to ease further. Canadian equities – long unloved in global allocations – are finding their footing again as global investors revisit the value of hard assets, stable institutions, and resource-backed exposure.

## Europe

European equities entered Q2 as year-to-date leaders, having outperformed the U.S. in the first quarter on the back of falling inflation, a weaker euro, and a more stable macro backdrop. But as the quarter progressed, that lead began to erode.

The U.S. market's sharp rebound in May and June — particularly in large-cap tech and AI-linked names — narrowed the performance gap significantly. At the same time, sentiment toward Europe softened amid renewed concerns over China exposure, tariff spillover risks, and tepid productivity growth across the continent. As shown in the performance graphic below, a longer 10-year view continues to show a wide dispersion between U.S., European, and Asian market performance.



Source: Bloomberg

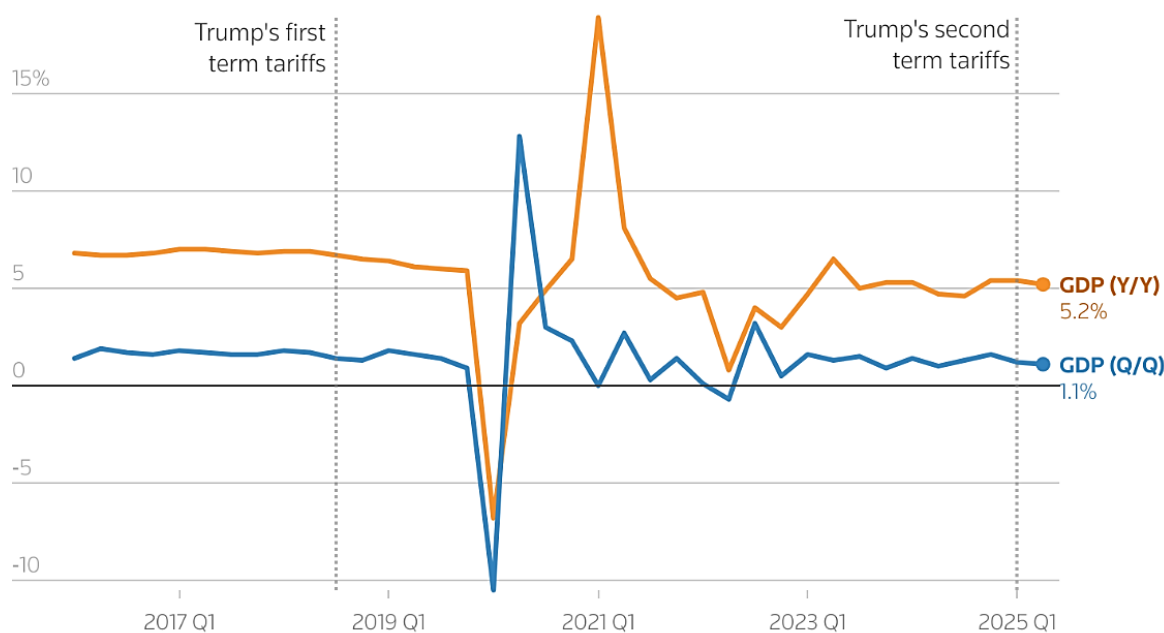
Still, pockets of strength remain. Defense, capital goods, and infrastructure-related sectors continued to attract investment, particularly in Germany and France. And with the European Central Bank maintaining an easy-money bias, monetary policy could remain supportive through the back half of the year.

### Asia: Support at Home, Headwinds Abroad

Asia presented a mixed picture in Q2. Chinese equities stabilized as new stimulus measures began to flow, though structural concerns in real estate and exports remain unresolved. Japan's rally paused, though fundamentals remain intact — aided by currency weakness, continued corporate governance reforms, and resilient capital spending.

#### China second-quarter growth slows in Q2 2025

China's economy slowed in the second quarter as analysis warm of underlying weakness and rising risks that will ramp up pressure on Beijing to roll out more stimulus.



The line chart shows China's year-on-year and quarter-on-quarter change in GDP.

**Source:** Reuters

Other Asian markets were pulled in multiple directions: benefiting from supply chain shifts and capital inflows on one hand, while contending with softening global demand and trade uncertainty on the other. Southeast Asia saw renewed investor interest as multinationals sought to diversify away from China — a dynamic reinforced by U.S. tariff risk.

Across the region, monetary policy remains supportive, and inflation is less of a constraint than in the West. As the global economy navigates a new trade regime, Asia's mix of domestic consumption, favourable demographics, and manufacturing infrastructure keeps it squarely in focus for long-term allocators. In the nearer term, investor attention will focus on further developments to the fragile truce struck between the U.S. and China in their ongoing trade war.

---



# Thematic Highlight

---

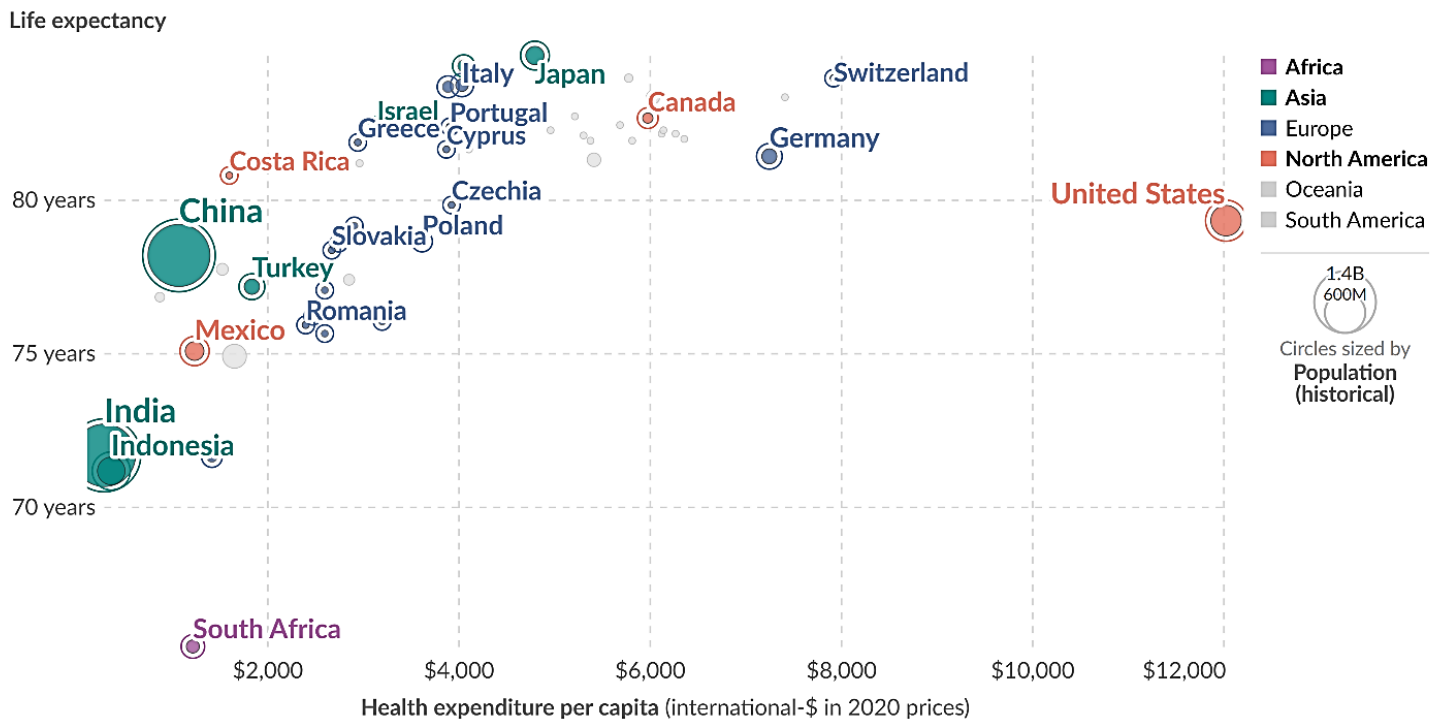
# Thematic Highlight

## Why Longer Lives Are Reshaping Economies — and Portfolios

As life expectancy rises across much of the developed world, the ripple effects are being felt in every corner of the healthcare system — and the economy at large. The aging population isn't just a demographic story; it's a driver of structural demand for everything from surgical technology to rehabilitation services, diagnostics, and health-oriented real estate.

### Life expectancy vs. health spending, 2024

The period's life expectancy' at birth, in a given year. Health expenditure includes all financing schemes and covers all aspects of healthcare. This data is adjusted for inflation and differences in living costs between countries.



Data source: UN, World Population Prospects (2024); OECD (2025)

OurWorldinData.org/financing-healthcare | CC BY

Note: Health expenditure is expressed in international-\$<sup>2</sup> at 2020 prices.

At Tall Oak, we believe longevity will be one of the most enduring forces shaping capital markets over the next several decades. But capturing it effectively requires selectivity. Rather than chasing broad healthcare exposure, we focus on companies with clear and durable demand, strong margins, and innovative leadership across the care continuum — from surgical innovation to recovery infrastructure and long-term treatment trends.

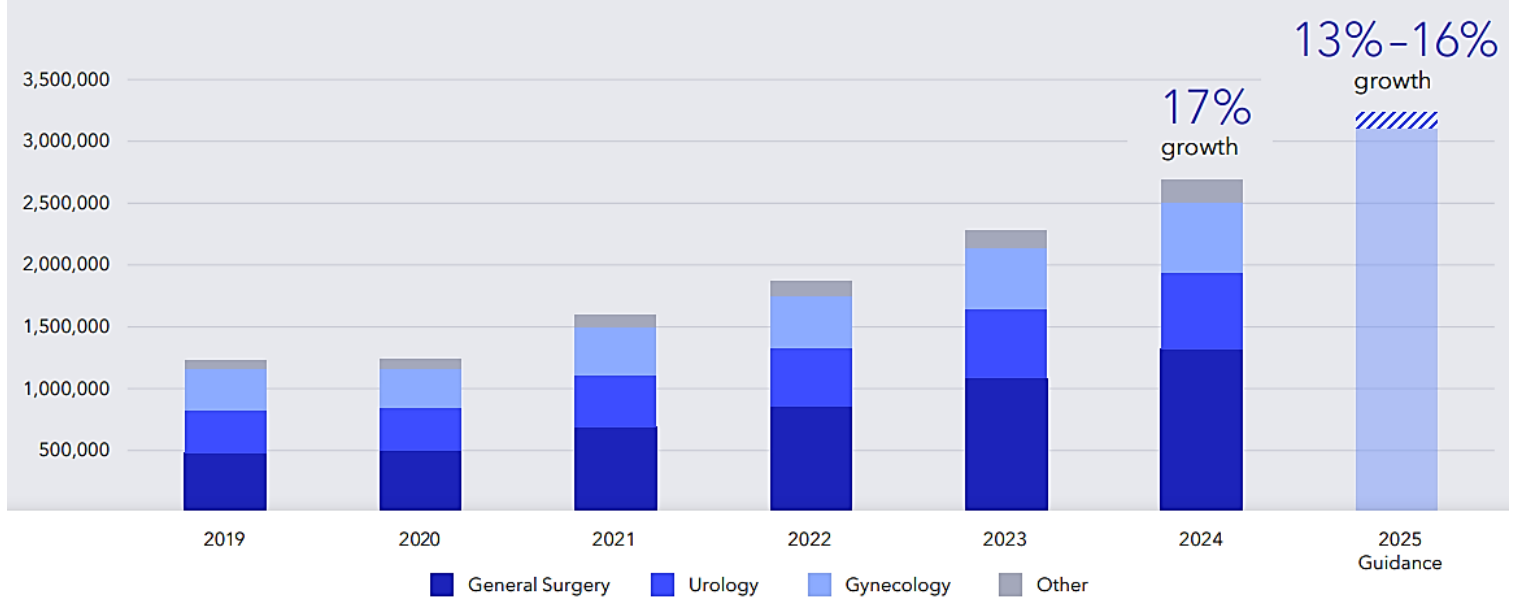


# Security Highlight

Intuitive Surgical

Intuitive Surgical continues to be a prime beneficiary of the shift toward minimally invasive care — a preference that’s particularly pronounced among aging patients and hospitals managing resource constraints. The company’s Da Vinci robotic surgery systems are now deployed across thousands of hospitals globally, and Q2 2025 marked a record-setting quarter: 110 new placements, up from 70 the previous quarter.

## Worldwide procedure trend



Source: Intuitive 2024 earnings estimate.

\*da Vinci only.

What drives this growth? In short: real-world demand. Hospitals increasingly prefer robotic-assisted procedures for their shorter recovery times, reduced infection risks, and greater surgical precision — all critical factors in aging populations undergoing hernia repair, prostatectomy, or cardiac surgery.

Why we like it:

- High-margin, recurring revenue from service contracts and surgical instruments
- Strong balance sheet with no debt and a long runway for global adoption
- A “pick-and-shovel” approach to rising surgical volumes in aging populations

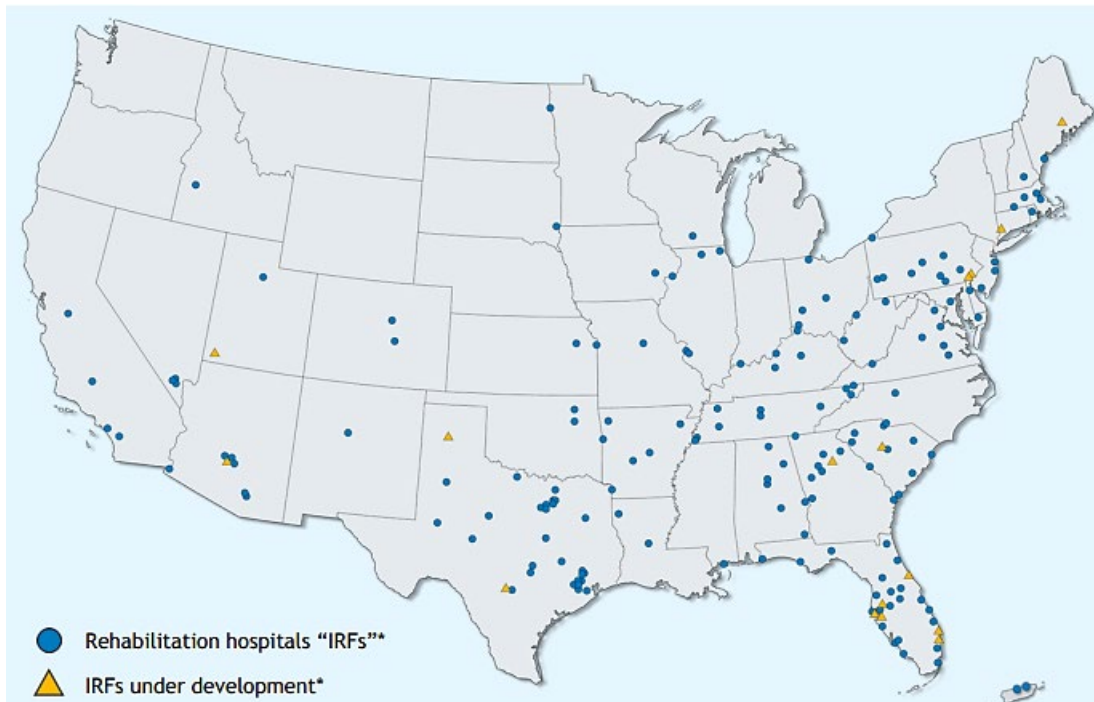
As AI spreads into physical healthcare applications, Intuitive is well positioned at the intersection of automation, medicine, and demographic necessity.



# Security Highlight

On the other side of the care continuum lies Encompass Health, one of the largest U.S. operators of inpatient rehabilitation hospitals. These facilities play a pivotal role in the recovery process for seniors after events like strokes, hip fractures, and cardiac surgeries – conditions whose frequency grows with age.

**Encompass Health is the largest owner and operator of Inpatient Rehab Facilities (IRFs) in the U.S.**



Unlike acute-care hospitals or long-term skilled nursing facilities, Encompass focuses on intensive post-acute rehab – a cost-effective, outcomes-oriented model that's increasingly favored by insurers and policymakers. Their facilities combine physical therapy, nursing, and medical care in a setting optimized for recovery and return-to-home metrics.

Why we like it:

- Exposure to rising procedure volumes with lower policy volatility
- Real-estate-backed business model with stable occupancy and low turnover
- Predictable cash flows and secular demand from an aging population

Despite volatility in other corners of healthcare, Encompass continues to deliver solid fundamentals – a reminder that longevity investing isn't just about breakthrough science, but also about reliable care infrastructure.

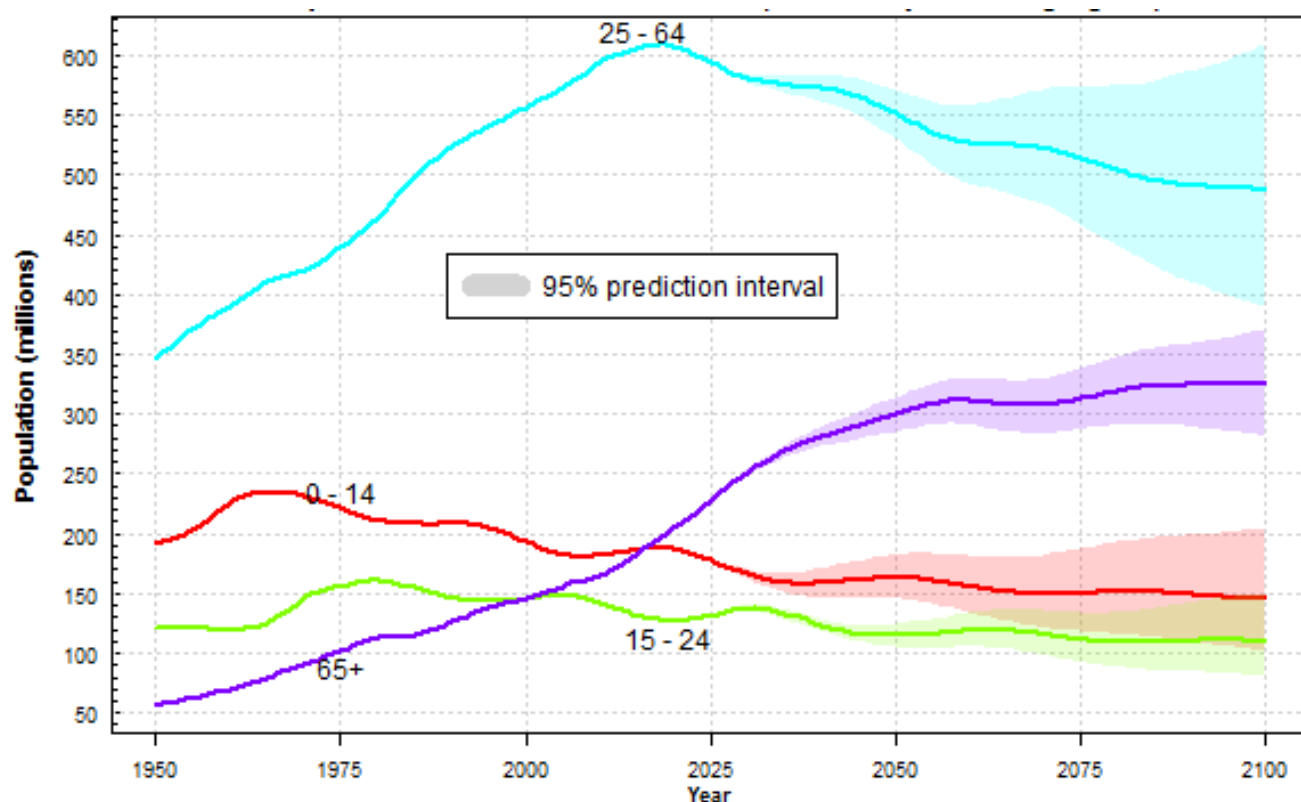
# Security Highlight

Why We Own Both

## Putting It Together: Why We Own Both

Intuitive and Encompass may operate at opposite ends of the patient journey — one at the bleeding edge of surgery, the other focused on recovery — but together they form a more complete expression of the longevity theme. Both are insulated from near-term political overhangs, focused on patient outcomes, and backed by demographic inevitability.

Europe and Northern America: Population by broad age groups



© 2024 United Nations, DESA, Population Division. Licensed under Creative Commons license CC BY 3.0 IGO.  
United Nations, DESA, Population Division. *World Population Prospects 2024*. <http://population.un.org/wpp/>

At Tall Oak, we focus on identifying companies with strong free cash flows, high returns on invested capital, and clear alignment with structural, long-term themes.

These two investments exemplify this approach — high-quality businesses solving real-world challenges in a growing segment of the global economy. These are durable franchises with the potential to compound value and deliver meaningful results across market cycles.

---



# Tall Oak Pooled Funds

---



# Fact Sheet

Tall Oak Capital Appreciation Pool



## Portfolio Manager

### Tall Oak Capital Advisors

#### Shawn Jakupi, CFA

Chief Executive Officer & Portfolio Manager

#### Mehendi Kamani CFP, CIM, CLU

President & Portfolio Manager

## About Tall Oak

Tall Oak Capital Advisors is a boutique investment manager based in London, Ontario Canada. We work closely with our clients to understand all aspects of their finances. Our fully integrated approach begins with getting to know each client's unique challenges and goals, building a plan to reach those goals, and then executing the plan with precision.

## Our Approach

The key to developing successful portfolios is correctly identifying **long-term structural investment themes** that align with the prevailing market and macroeconomic conditions. **Diversification matters.** In a world where correlations between markets have converged yet continue to change, understanding how each security will react to different market forces leads to better risk-adjusted returns.

Having a deep **understanding of company fundamentals** is essential to finding businesses with stable cash flows, robust earnings power, and strong long-term growth prospects. **Capital preservation** is of utmost importance. The priority is to avoid high-risk situations in the portfolio by adding safeguards to minimize loss.

**Risk management** at all levels – from portfolio construction to security selection – is key to building long-term resilient portfolios. Taking a collaborative approach where knowledge and different viewpoints are shared, strengthens our insights when evaluating companies.

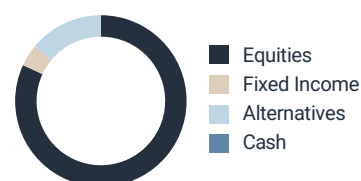
## Investment Objective

To achieve long-term capital appreciation with a focus on diversification and downside protection by investing across asset classes in Canadian and Global companies with market cap exceeding \$500 million.

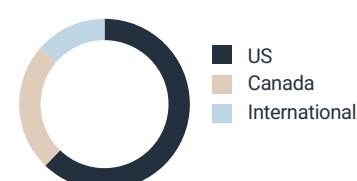
## Investment Philosophy

The team employs a disciplined approach by combining a systematic, quantitative and fundamental security selection process. This process favours quality companies with growing earnings and healthy free cash flows purchased at reasonable prices. When building a balanced portfolio, the strategy will invest in a mix of equities, fixed income and alternatives, diversified across various geographic regions, sectors and industries.

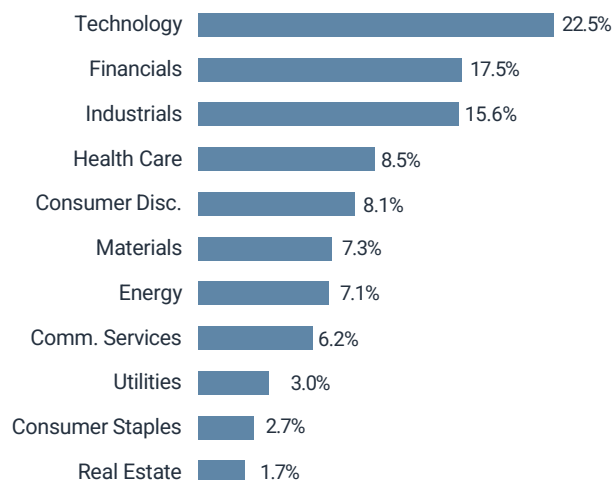
## Asset Allocation



## Regional Breakdown



## Equity Sector Breakdown

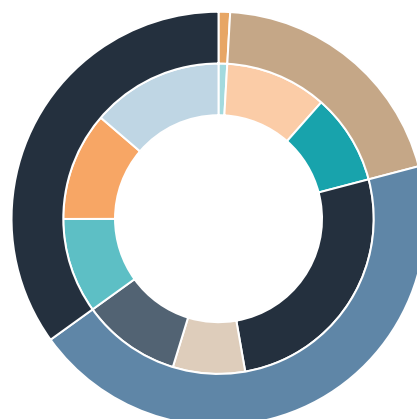




# Portfolio Insights

Top Equity Holdings	Sector	%
Nvidia	Information Technology	2.2%
Microsoft	Information Technology	2.0%
Lam Research	Information Technology	2.0%
Cameco	Energy	1.9%
GE Vernova	Industrials	1.9%
Mercadolibre	Consumer Discretionary	1.8%
Meta Platforms	Communication Services	1.7%
Alphabet	Communication Services	1.6%
Vistra	Utilities	1.5%
Endeavour Mining	Materials	1.5%
SAP	Information Technology	1.5%
Agnico Eagle Mines	Materials	1.4%
Morgan Stanley	Financials	1.4%
Wells Fargo	Financials	1.3%
Encompass Health	Health Care	1.3%
Roblox	Communication Services	1.3%
Arista Networks	Information Technology	1.3%
Palo Alto Networks	Information Technology	1.3%
Stantec	Industrials	1.3%
RELX	Industrials	1.3%

## Fixed Income and Alternative Investments



### Types

- Private Equity
- Real Assets
- Fixed Income
- Hedge Funds

### Subtypes

- Venture Capital
- Infrastructure
- Real Estate
- Private Credit
- Mortgage Funds
- Investment Grade
- Hedging Strategies
- Multi-Strategy
- Event Driven

**Disclaimer:** The allocations presented in this graphic represent invested capital only and do not include committed but uninvested capital.

## Disclaimers

All information is in Canadian dollars unless otherwise stated. The value of investments and income from them can fall and rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse effect on the value of the investments, sale proceeds and on income. The information presented is provided by Tall Oak Capital Advisors and intends to provide you with information related to the portfolio at a point in time. It is not intended to be investment advice applicable to any specific circumstances and should not be construed as investment advice. Market conditions may change impacting the composition of a portfolio. Tall Oak Capital Advisors assumes no responsibility for any investment decisions made based on the information provided herein. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by Tall Oak Capital Advisors. The specific securities identified and described herein do not represent all the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. The Tall Oak Capital Advisors pooled funds are prospectus-exempt products and are offered on a private placement basis. Units are offered on a continuous basis to investors who meet the definition of an 'accredited investor'. Please read the offering memorandum before investing in Pooled Funds. Tall Oak Capital Advisors is registered in Ontario as an Investment Fund Manager, Portfolio Manager and Exempt Market Dealer.

# Fact Sheet

Tall Oak Diversified Income Pool



## Portfolio Manager

### Tall Oak Capital Advisors

#### Shawn Jakupi, CFA

Chief Executive Officer & Portfolio Manager

#### Mehendi Kamani CFP, CIM, CLU

President & Portfolio Manager

## About Tall Oak

Tall Oak Capital Advisors is a boutique investment manager based in London, Ontario Canada. We work closely with our clients to understand all aspects of their finances. Our fully integrated approach begins with getting to know each client's unique challenges and goals, building a plan to reach those goals, and then executing the plan with precision.

## Our Approach

The key to developing successful portfolios is correctly identifying **long-term structural investment themes** that align with the prevailing market and macroeconomic conditions. **Diversification matters.** In a world where correlations between markets have converged yet continue to change, understanding how each security will react to different market forces leads to better risk-adjusted returns.

Having a deep **understanding of company fundamentals** is essential to finding businesses with stable cash flows, robust earnings power, and strong long-term growth prospects. **Capital preservation** is of utmost importance. The priority is to avoid high-risk situations in the portfolio by adding safeguards to minimize loss.

**Risk management** at all levels – from portfolio construction to security selection – is key to building long-term resilient portfolios. Taking a collaborative approach where knowledge and different viewpoints are shared, strengthens our insights when evaluating companies.

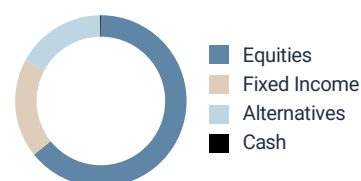
## Investment Objective

To achieve consistent portfolio returns from predictable income streams provided by high quality fixed income and alternative investments along with stable and growing dividends paid by large cap North American listed companies.

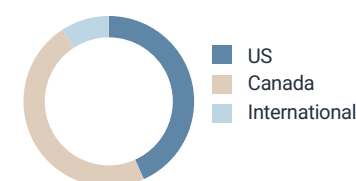
## Investment Philosophy

We believe owning high-quality businesses is one of the best ways to preserve and grow capital in the long term. The team employs a disciplined approach by combining a systematic, quantitative and fundamental selection process that favours high quality companies that have a track record for paying and growing dividends over time.

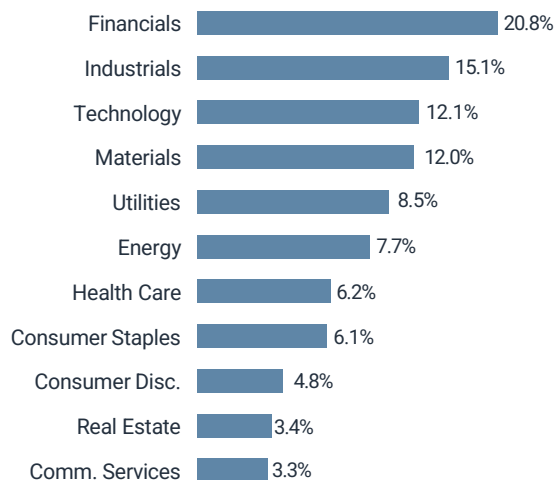
## Asset Allocation



## Regional Breakdown



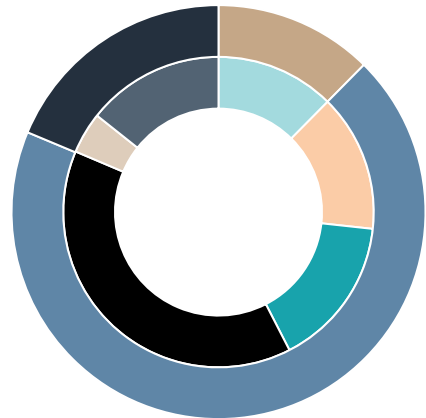
## Equity Sector Breakdown



# Portfolio Insights

Top Equity Holdings	Sector	%
GE Aerospace	Industrials	2.0%
Taiwan Semiconductor	Information Technology	1.8%
Eaton Corp	Industrials	1.7%
JP Morgan Chase	Financials	1.7%
Broadcom	Information Technology	1.6%
Gilead Sciences	Health Care	1.5%
Dollarama	Consumer Discretionary	1.5%
Microsoft	Information Technology	1.4%
Cameco	Energy	1.4%
Power Corp	Financials	1.4%
Stantec	Industrials	1.4%
Agnico Eagle Mines	Materials	1.4%
Goldman Sachs Group	Financials	1.4%
Intact Financial	Financials	1.3%
Walmart	Consumer Staples	1.3%
Royal Bank Of Canada	Financials	1.3%
Williams Sonoma	Consumer Discretionary	1.3%
Kroger	Consumer Staples	1.2%
Manulife Financial	Financials	1.2%
Qualcomm	Information Technology	1.2%

## Fixed Income and Alternative Investments



### Types

- Real Assets
- Fixed Income
- Hedge Funds

### Subtypes

- Infrastructure
- Private Credit
- Mortgage Funds
- Investment Grade
- Hedging Strategies
- Event Driven

**Disclaimer:** The allocations presented in this graphic represent invested capital only and do not include committed but uninvested capital.

## Disclaimers

All information is in Canadian dollars unless otherwise stated. The value of investments and income from them can fall and rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse effect on the value of the investments, sale proceeds and on income. The information presented is provided by Tall Oak Capital Advisors and intends to provide you with information related to the portfolio at a point in time. It is not intended to be investment advice applicable to any specific circumstances and should not be construed as investment advice. Market conditions may change impacting the composition of a portfolio. Tall Oak Capital Advisors assumes no responsibility for any investment decisions made based on the information provided herein. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by Tall Oak Capital Advisors. The specific securities identified and described herein do not represent all the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. The Tall Oak Capital Advisors pooled funds are prospectus-exempt products and are offered on a private placement basis. Units are offered on a continuous basis to investors who meet the definition of an 'accredited investor'. Please read the offering memorandum before investing in Pooled Funds. Tall Oak Capital Advisors is registered in Ontario as an Investment Fund Manager, Portfolio Manager and Exempt Market Dealer.



## DISCLAIMER

The views expressed in this commentary are those of Tall Oak Capital Advisors as at the date of publication and are subject to change without notice. This commentary is presented only as a general source of information and is not intended as a solicitation to buy or sell specific investments, nor is it intended to provide tax or legal advice. Statistics, factual data and other information are from sources Tall Oak believes to be reliable, but their accuracy cannot be guaranteed. This commentary is intended for distribution only in those jurisdictions where Tall Oak Capital Advisors are registered. Securities-related products and services are offered through Raymond James Correspondent Services Ltd., member Canadian Investor Protection Fund.

Insurance products and services are offered through Gryphin Advantage Inc., which is not a member of the Canadian Investor Protection Fund. This commentary may provide links to other Internet sites for the convenience of users. Tall Oak Capital Advisors is not responsible for the availability or content of these external sites, nor does Tall Oak Capital Advisors endorse, warrant or guarantee the products, services or information described or offered at these other Internet sites. Users cannot assume that the external sites will abide by the same Privacy Policy which Tall Oak Capital Advisors adheres to.

---

### Contact

Tall Oak Capital Advisors  
140 Fullarton St., Suite 1001, London, ON N6A 5P2  
P: 519.601.9150  
E: [info@talloakcapital.ca](mailto:info@talloakcapital.ca)

[talloakcapitaladvisors.com](http://talloakcapitaladvisors.com)

