



TALL OAK

CAPITAL ADVISORS

# 2025 Annual Report

February 19, 2026

# A Message From The Tall Oak Leadership Team

## Dear Clients,

2025 was a volatile year in markets, with sharp early declines, a rapid recovery, and continued leadership concentrated in a relatively small group of companies.

Periods of uncertainty around policy, geopolitics, and global growth were followed by renewed optimism, particularly in areas tied to technology and innovation. For long-term investors, the year reinforced an important reality: markets can move quickly in both directions, and outcomes are often driven less by any single event than by staying disciplined through changing conditions.

Against this backdrop, both of our core Pools delivered solid results. **The Tall Oak Capital Appreciation Pool** and the **Tall Oak Diversified Income Pool** returned **10.3%** and **12.6%**, respectively, resulting in an **11.5% gross return** for a balanced client portfolio. While individual outcomes vary based on asset mix, cash flows, and timing, we believe these results reflect the strength of a consistent investment process rather than short-term positioning.

From an investment standpoint, we remained focused on owning high-quality businesses, maintaining broad diversification across risk drivers, and continuing our emphasis on risk management. Our Total Portfolio Approach, which looks beyond traditional asset categories and includes a consistent allocation to tail risk hedging, remained an important part of how we navigate environments where valuations are elevated and market leadership is concentrated. In Appendix A, we further outline how this approach is different, and why it matters for our clients.

## Progress in Financial Planning

Alongside portfolio management, 2025 was a meaningful year for the continued development of our financial planning and advisory capabilities.

One area of focus was our work on the **Healthcare of Ontario Pension Plan (HOOPP)** for incorporated physicians. Last year, we shared that we were beginning a comprehensive review of this opportunity. Over the course of 2025, that work evolved into practical planning tools and decision frameworks designed to help physicians understand how HOOPP fits alongside RRSPs, IPPs, and broader corporate and retirement strategies. We subsequently shared this work through education sessions with the broader professional community, including accountants and lawyers.

We also continued to build on our family enterprise advisory work. This included further integrating family, ownership, business, and estate considerations into a cohesive planning framework, as well as enhancing how we support succession planning, intergenerational transitions, and long-term continuity.

# A Message From The Tall Oak Leadership Team

As families face increasingly complex financial and structural decisions, our goal remains to provide clarity, alignment, and confidence across generations.

## Looking Ahead

As we move into 2026, our focus remains on strengthening both the depth and delivery of our advice.

From a planning perspective, we continue to invest in the tools that support more integrated and forward-looking analysis. This includes ongoing collaboration with a leading financial planning software partner. Our team has been working closely with developers to help ensure the platform reflects the bespoke needs of our clients, including the real-world complexity of corporate planning, retirement modelling, and family enterprise structures.

As these planning tools continue to evolve, we have also received thoughtful client feedback around the readability of statements. We are listening carefully and plan to undertake a comprehensive review of our reporting, with more details to share as the year progresses.

From an investment perspective, we expect to continue increasing global diversification, particularly outside North America, and broadening our opportunity set across small and mid-sized companies. These efforts reflect our view that attractive opportunities are becoming more widely distributed in an increasingly multi-polar world. At the same time, we remain committed to our Total Portfolio Approach and the consistent use of risk management tools designed to improve portfolio resilience across a range of market environments.

As always, our work is guided by a simple objective: to help clients make sound decisions, remain focused on long-term goals, and move forward with confidence through changing markets and life stages.

Thank you for your continued trust and partnership.

Sincerely,



**Shawn Jakupi**  
Chief Executive Officer  
& Portfolio Manager



**Mehendi Kamani**  
President  
& Portfolio Manager

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# Advisory Highlight

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## Advisory Highlight

### **A familiar starting point:**

The successful business family with “plenty of diversification”.

At first glance, everything looks well positioned.

The family owns a profitable operating company, several income-producing properties, and an aggressive-growth investment portfolio. Based on the family’s stated risk tolerance and long-term horizon, the portfolio manager has recommended higher-growth private investment opportunities, particularly in private equity and real estate. Returns have been strong, and the portfolio aligns squarely with the growth mandate.

But when viewed through a Total Family Wealth lens, a different picture emerges.

Most of the family’s capital, including human, financial, and emotional, is exposed to the same underlying drivers: economic growth, asset valuations, and the availability of credit. The operating business is cyclical. The real estate is leveraged. And while the investment portfolio is diversified by strategy and manager, it is heavily weighted toward illiquid, growth-oriented private assets that respond to those same forces.

When conditions change, business cash flows become less predictable. Property renewals and capital calls require liquidity at short notice. And private investments are slow to distribute or difficult to exit.

What appeared to be a well-constructed aggressive portfolio begins to behave as a concentrated system. Liquidity is assumed, but not available. Capital exists, but not in forms that are easily accessible when needed. Pressure builds to sell operating assets, defer opportunities, or restructure financing at precisely the wrong time.

### Why your investments should complement what you already own

When viewed through a balance-sheet lens, every family holds a mix of assets and liabilities. An investment portfolio should be built to counterbalance that mix, not mirror it. That is the essence of a Total Family Wealth Portfolio: viewing everything you own (and owe) as one integrated whole, and managing investable assets so the overall picture is diversified, liquid, and resilient.

Too often, families assess their investment portfolios in isolation. The focus is narrowly placed on risk tolerance, time horizon, and benchmark-relative returns. A total family wealth approach broadens the lens. It recognizes that meaningful capital exists both on and off the portfolio, and that the role of financial assets is best understood in the context of the full family balance sheet.

### Understanding the Total Family Wealth Portfolio

#### Capital lives on and off the portfolio

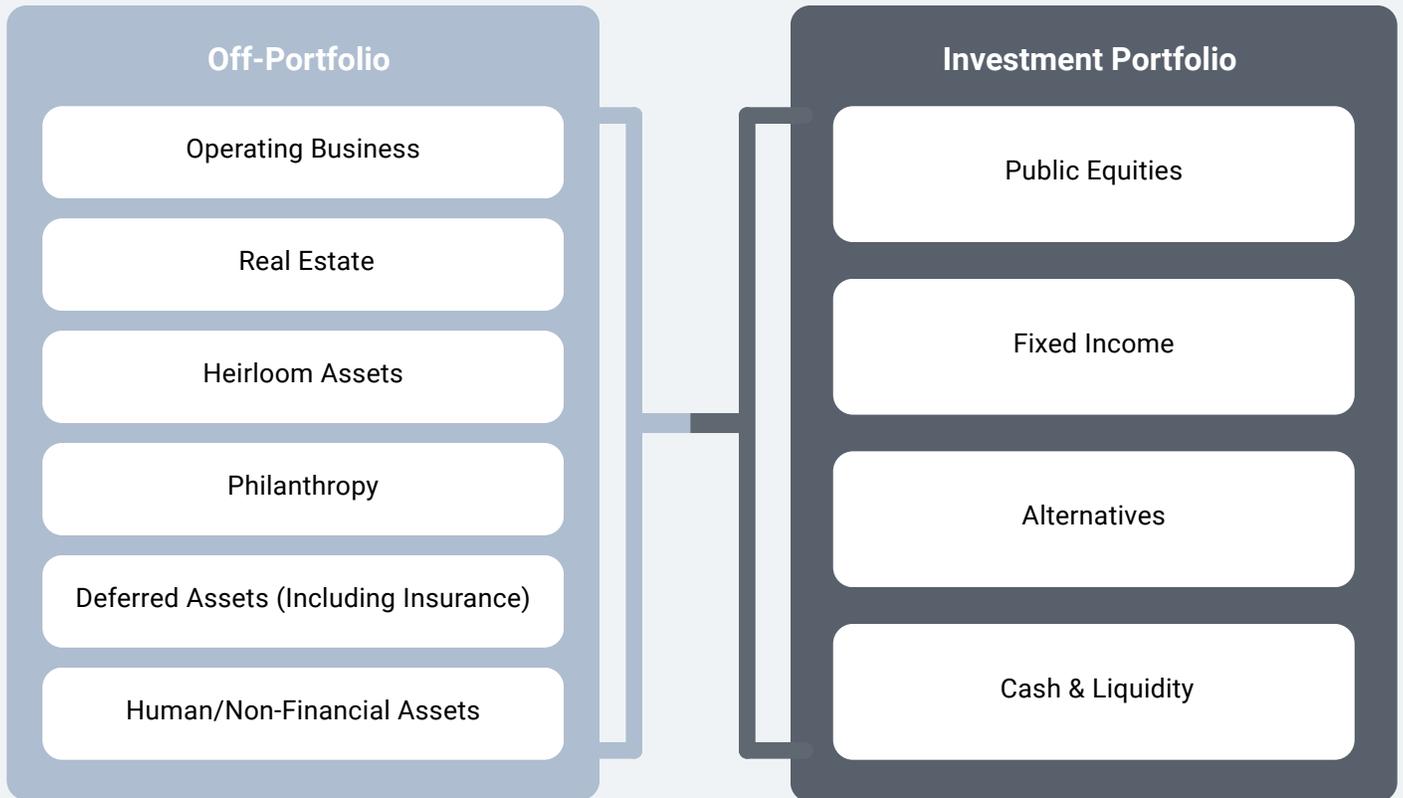
Financial news coverage is heavily centred on public equity markets, which naturally leads families to focus most of their attention on what appears on an investment statement. Fewer map the equity, debt, and commitments that sit outside the portfolio with the same regularity, even though these often dominate the family balance sheet.

A Total Family Wealth Portfolio puts everything on one page. It includes financial capital held on the portfolio, such as public equities, fixed income, cash, and alternatives. It also includes real and operating assets held off the portfolio, such as operating businesses, professional practices, agricultural land, rental properties, development assets, vacation properties, and heirloom holdings.

The picture is further completed by liabilities and commitments, including mortgages, credit facilities, floating rate debt, personal guarantees, refinancing risk, and capital calls. It also accounts for deferred and purpose driven capital, such as retirement plans, succession obligations, philanthropic capital, and long-term family commitments.

Human capital is foundational to this picture. Careers, entrepreneurship, and current and future earning power influence how much risk and liquidity a family can realistically take on. Only by viewing these elements together can families deliberately position their investment portfolio to *complement*—rather than *reinforce*—the risks that already exist elsewhere.

The Total Family Balance Sheet



Human capital provides critical context

In our planning discussions with clients, long before we talk about stocks and bonds, we start with *who* they are and *how* wealth is generated.

Human capital, defined by careers, entrepreneurship, and current and future earning power, provides essential context for understanding how much risk and liquidity a family can realistically take on, and how opportunity and vulnerability already exist within the family system.

In *Are You a Stock or a Bond?*, Moshe Milevsky introduces the idea that human capital has “stock-like” or “bond-like” characteristics. While academic in origin, the insight is practical.

## Advisory Highlight

Volatile, entrepreneurial, or business dependent income tends to behave more like equity. Stable, contractual, or inflation linked income tends to behave more like fixed income.

This framing helps families understand how much risk is already embedded in their lives *before* considering the investment portfolio. If human capital and private assets are equity-like, the portfolio may need to emphasize liquidity, resilience, and diversification. If income is bond-like, the portfolio can often assume a greater growth role over time.

### One portfolio, many roles

Across all families, the objective is consistent: to ensure that financial capital plays the *right role* within the broader system.

At times, that role is growth. At others, it is stability, liquidity, or optionality. When designed well, the investment portfolio reduces pressure on operating and real assets, particularly during periods of stress, by providing flexibility when it matters most.

### How families assess and manage their situation

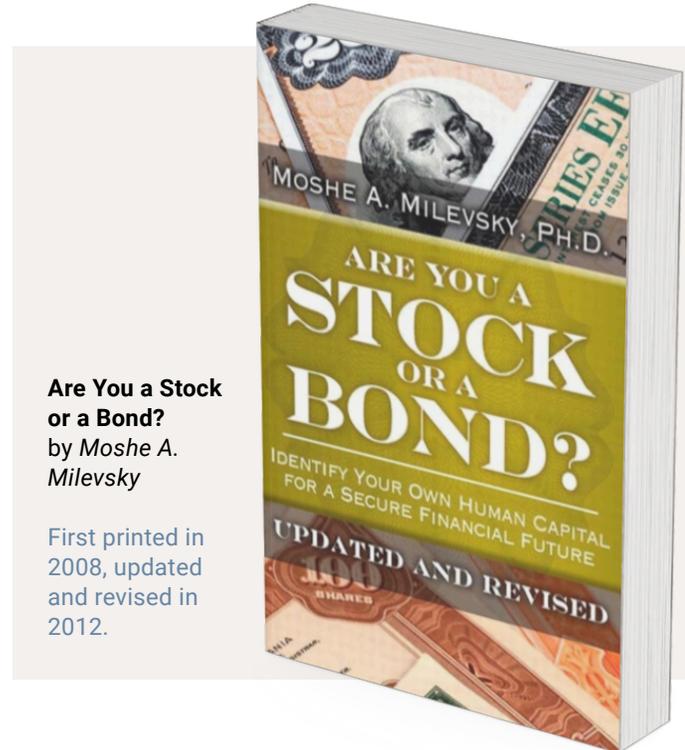
#### Inventory and quantify off-portfolio exposures

The first step is understanding what already exists.

This includes mapping real estate by type, geography, tenancy, and leverage. It includes assessing business exposure by industry, cyclical, and cash flow volatility. It also involves understanding debt by structure, interest rate sensitivity, covenants, and renewal timing, as well as deferred obligations tied to succession, reinvestment, or philanthropy.

This process often reveals that risk is already concentrated—before a single investment decision is made.

## The Total Family Wealth Portfolio



### Diversify by drivers, not labels

Two assets can carry different labels and still move together. What matters are the underlying drivers, including interest rates, inflation, economic growth, commodity prices, and credit conditions.

A Total Family Wealth Approach emphasizes diversification across drivers, not just asset classes. The goal is to ensure that one shock does not impact everything at once and that liquidity exists where and when it is needed.

This framework applies equally to investment management and financial planning, where emphasis is placed on factor diversification, liquidity tiers, and disciplined rebalancing.



### Governance turns insight into discipline

The most effective families put structure around these ideas.

A well-designed Policy Portfolio establishes clear target ranges for equities, fixed income, and diversifiers. It defines liquidity guidelines aligned to known obligations and sets rebalancing rules that reduce reactive decision making.

Governance ensures that decisions are guided by the full balance sheet, not short-term market narratives.

### How this shows up at Tall Oak

Our integrated wealth advisory model starts with a simple idea: your wealth extends beyond what appears on an investment statement.

We begin by mapping the Total Family Wealth Portfolio, including human capital, private assets, liabilities, and deferred commitments, so the investment portfolio is placed in proper context from the outset. From there, we design and manage investment strategies that are meant to *complement* what families already own, rather than mirror it.

### How this looks in practice

- **Business-owning families:** Where capital is already concentrated in cyclical enterprises and leveraged real assets, portfolios are often positioned to emphasize durability, liquidity, and diversification by driver, so capital is available when businesses need it most.
- **Professional and executive families:** With stable, bond-like human capital, portfolios can play a longer-term growth role, emphasizing tax efficiency, surplus management, and future liquidity planning.
- **Farm and land-based families:** With land-heavy balance sheets and sensitivity to interest rates and commodity cycles, portfolio construction focuses on reducing correlated exposure and building liquidity outside the operating base.
- **Property-focused families:** Where real estate dominates net worth, portfolios are designed to diversify away from property cycles, manage refinancing risk, and provide structured liquidity for opportunities and renewals.

**Business Owners**

**Balance Sheet Reality**

- Concentrated business risk
- Cyclical, equity-like cash flows

**Portfolio Focus**

- Counter-cyclical liquidity
- Uncorrelated return drivers

**Professional Families**

**Balance Sheet Reality**

- Stable, bond-like income
- Concentrated human capital

**Portfolio Focus**

- Long-term equity growth
- Tax-efficient compounding

**Farm Families**

**Balance Sheet Reality**

- Land-heavy real assets
- Leverage & interest-rate sensitivity

**Portfolio Focus**

- Rate and commodity resilience
- Liquidity matched to cash flow needs

**Property & Rental Families**

**Balance Sheet Reality**

- Real estate-dominated net worth
- Leverage and refinancing exposure

**Portfolio Focus**

- Liquidity outside real estate
- Diversification beyond property cycles

Across all cases, the goal is the same: to ensure that financial capital supports the family, ownership, and enterprise systems, particularly during periods when off-portfolio assets are under pressure.

### Governance turns approach into discipline

Insight alone is not enough. The families who navigate complexity best put structure around these decisions.

Through clearly defined Policy Portfolios, liquidity frameworks, and rebalancing disciplines, families move from reactive decision-making to deliberate, repeatable practice. Decisions are guided by the full balance sheet rather than short-term market narratives.

### A question worth revisiting

If much of your wealth sits outside your investment portfolio, the most important question may not be how your portfolio is performing, but whether it is positioned to support everything else you already own.

A Total Family Wealth review can help bring that broader picture into focus.



# Market Review

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# Market Review

## Annual Returns

Index or Proxy (Total Return % in Local Currency)	1 Year	3 Year (annualized)	5 Year (annualized)
<b>EQUITIES</b>	%	%	%
S&P 500 Index	17.9	23.0	14.4
Dow Jones Industrial Average	13.0	13.2	9.4
NASDAQ Composite Index	21.1	31.4	13.3
S&P/TSX Composite Index	31.7	21.4	16.1
MSCI All Country World Index (CAD)	17.1	21.6	13.3
MSCI EAFE (CAD)	25.8	18.2	11.1
<b>BONDS</b>			
FTSE Canada Universe Bond Index	2.6	4.5	-0.4
ICE U.S. Treasury 20+ Year Bond Index	4.2	-0.5	-8.4
<b>US SECTORS</b>			
Communication Services	33.6	42.8	16.3
Consumer Discretionary	6.0	25.2	9.0
Consumer Staples	3.9	6.2	7.2
Energy	8.7	13.4	23.8
Financials	15.0	18.9	15.3
Health Care	14.6	6.2	8.2
Industrials	19.4	18.3	13.7
Information Technology	24.0	38.7	20.9
Materials	10.5	7.5	6.8
Real Estate	3.1	6.8	5.7
Utilities	16.0	10.0	9.7

# Market Review

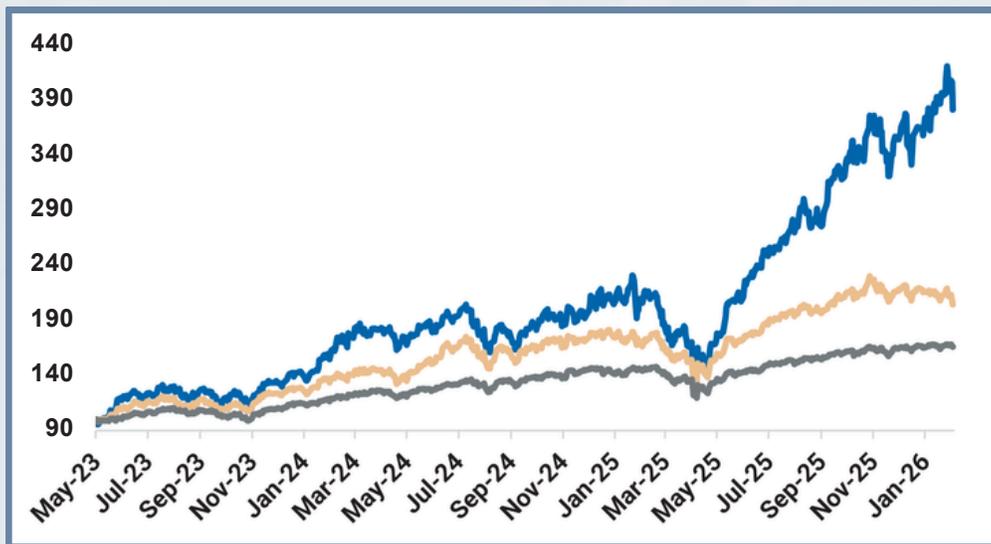
## United States

The U.S. economy remained resilient through 2025, even as signs of moderation began to emerge. Labour market conditions softened modestly, inflation continued to cool from post-pandemic highs, and financial conditions remained relatively supportive. While economic growth expectations remain constructive, policy uncertainty and elevated starting valuations suggest a wider range of possible outcomes for U.S. markets in 2026.

U.S. equities delivered another strong year in 2025, with the S&P 500 up 17.9% in U.S. dollar terms. This marked the third consecutive year of double-digit returns. Performance was supported by solid earnings growth and continued investment tied to artificial intelligence and digital infrastructure. A mid-year drawdown driven by trade and tariff headlines proved short-lived, with markets recovering quickly, particularly in technology-linked areas. For Canadian investors, returns were partially offset by a strengthening Canadian dollar.

Beneath the headline numbers, market leadership remained narrow. A small group of large-cap companies accounted for a disproportionate share of index returns, reinforcing both the strength of dominant platforms and the risks of concentration at elevated valuations. Looking ahead, we see a reasonable path toward broader market participation in 2026, particularly among small- and mid-cap companies, where valuations are more compelling and earnings growth expectations remain solid.

### AI-related stocks remain a key market driver



Source: Bloomberg L.P., Morgan Stanley Research. As of December 31, 2025.

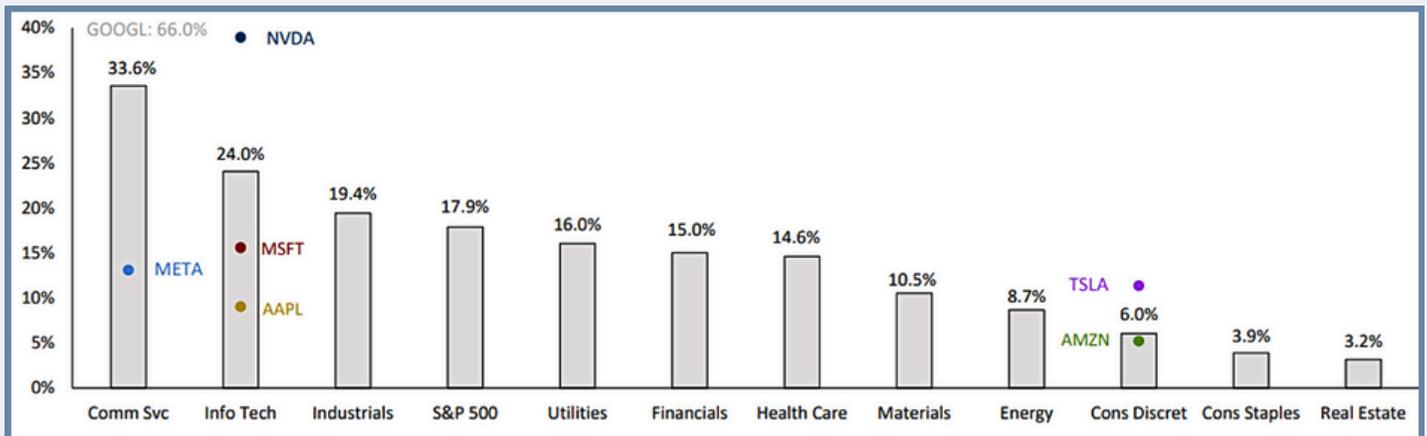
Returns indexed to 100 as of May 2023.

# Market Review

## Update on the Magnificent 7

The so-called “Magnificent Seven” (Apple, Amazon, Google, Meta, Microsoft, Nvidia, and Tesla) continued to dominate U.S. equity markets in 2025, accounting for roughly half of the S&P 500’s total return despite representing closer to one-third of its market capitalization. Performance within the group was uneven. Companies most directly tied to AI infrastructure and monetization delivered the strongest results, while others lagged despite still generating positive returns.

### S&P 500 sector and Magnificent Seven 2025 total returns



Source: FactSet, Raymond James Ltd.

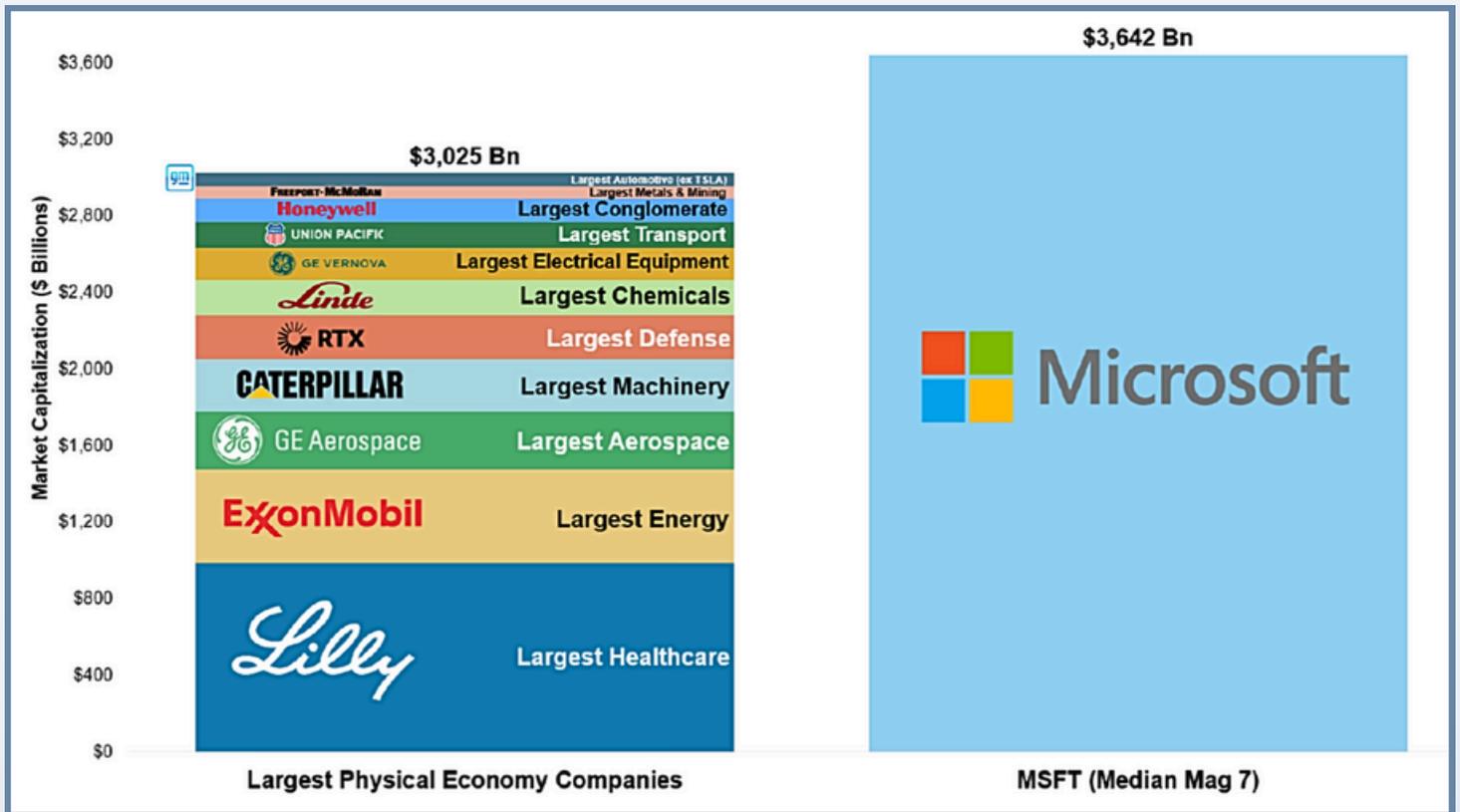
Earnings growth remained the primary driver of performance. Profits for the group continued to grow faster than the broader market, reinforcing investor preference for scale, balance-sheet strength, and exposure to long-term secular trends. At the same time, capital investment remained elevated, with the group accounting for a disproportionate share of total S&P 500 capital expenditures. Spending was concentrated in data centres, semiconductors, energy infrastructure, and automation.

Looking ahead, we expect the Magnificent Seven to remain an important driver of market returns. However, future performance is likely to depend less on valuation expansion and more on execution, capital discipline, and the ability to translate investment spending into durable cash flows. Importantly, the scale of this investment cycle is also creating opportunities beyond the largest companies themselves, supporting a potential broadening of leadership across industrial, materials, and infrastructure-related businesses.

# Market Review

## Update on the Magnificent 7

### Magnificent 7 dwarfs the US physical economy



Source: FactSet, Morgan Stanley Research. Data as of December 2, 2025.

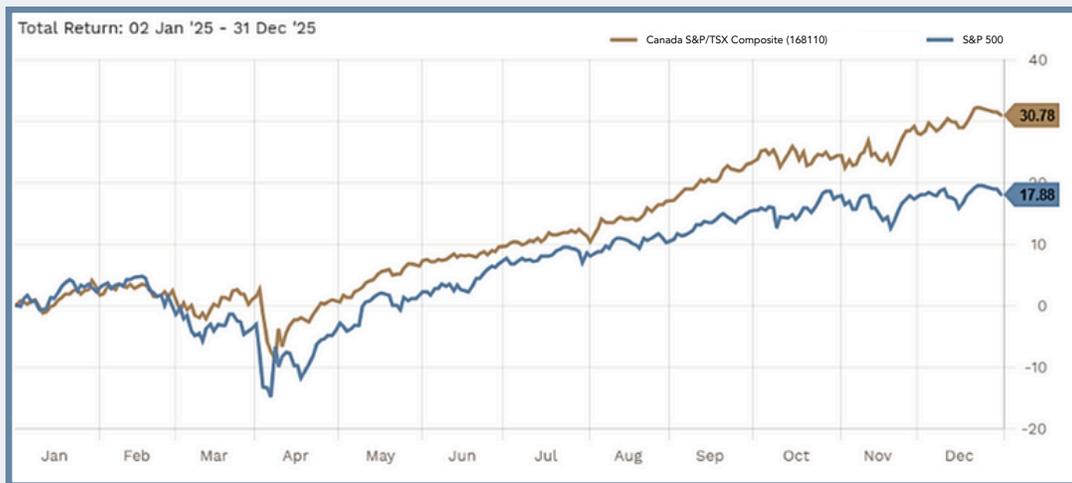
# Market Review

## Canada

Canada's economy slowed through 2025 as population growth moderated and interest rates remained restrictive. Inflation continued to ease and unemployment rose modestly. After significant rate cuts last year, policy rates now appear closer to neutral, making a pause in 2026 a reasonable base case.

Despite a softer economic backdrop, Canadian equities delivered a strong year, **significantly outperforming U.S. markets**. Returns were driven primarily by financials and materials, which together make up roughly 40% of the S&P/TSX Composite Index. Financials benefited from improving sentiment and depressed starting valuations, while materials were supported by higher precious metals prices and growing investor focus on resource security.

### The S&P/TSX Composite Index significantly outperformed the S&P 500 in 2025



Source: FactSet, Tall Oak Capital Advisors. Both indices are shown on a local currency, total return basis.

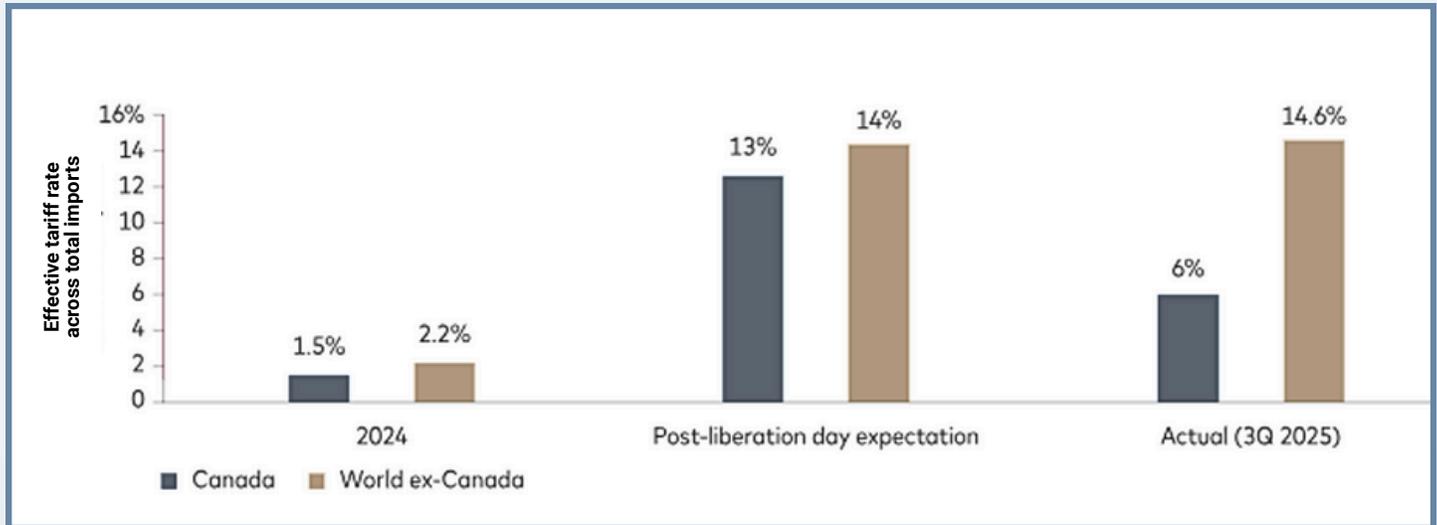
Trade uncertainty remained elevated globally, but Canada has been partially shielded through USMCA carve-outs. As a result, Canada's relative trade position improved unexpectedly, reinforcing its role as a stable, resource-rich partner within North American supply chains. With USMCA renegotiations approaching, trade policy will remain an important consideration in 2026.

Looking ahead, structural challenges such as low productivity remain, but in a world increasingly focused on supply-chain resilience and critical resources, Canadian equities remain reasonably positioned. We expect returns to be driven more by income, valuation discipline, and sector selection than broad market expansion.

# Market Review

## Canada

### Relative U.S. trade advantage has improved for Canada



Source: Oxford Economics and US International Trade Commission as of December 9, 2025. Post-liberation day expectation measured using all announced tariffs as of May 27, 2025. Tariff rates are measured using trade volumes and import duties from Q4 2024.

# Market Review

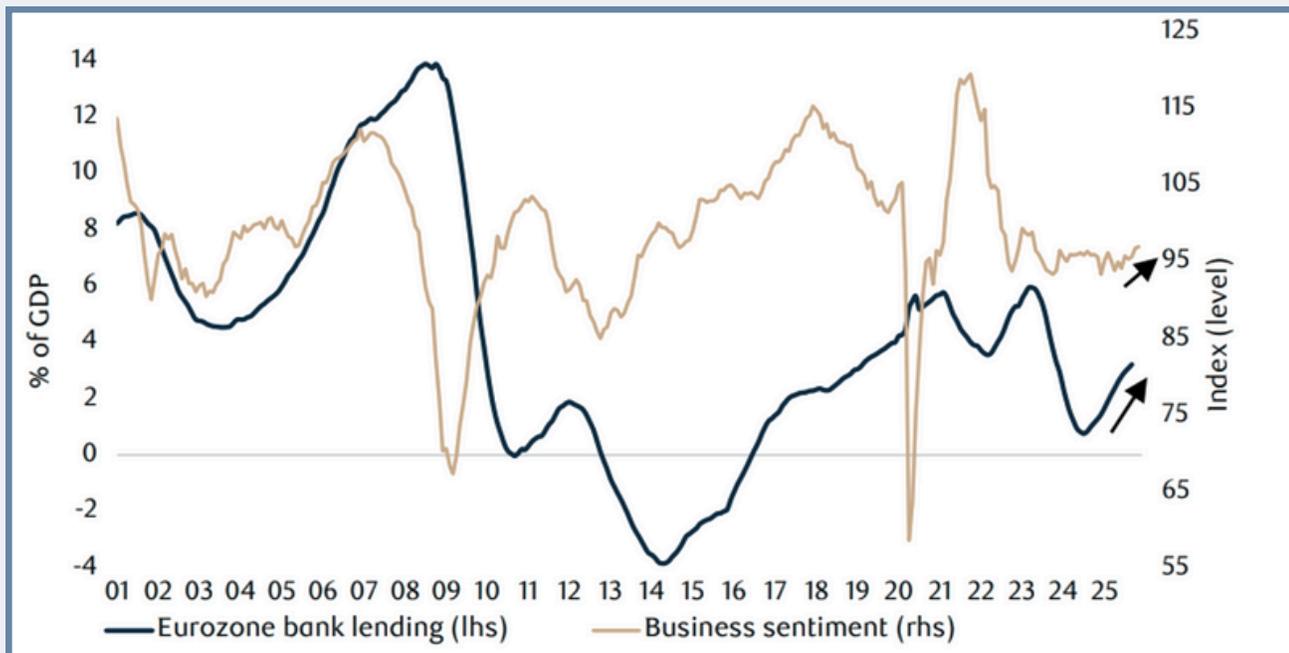
## Europe

European equities delivered a strong year in 2025, with the **MSCI Europe Index up 36.3%** (total return). Performance was driven primarily by lower starting valuations and a more stable policy backdrop, rather than a sharp acceleration in economic growth.

Economic conditions across the region remained uneven, with core economies such as Germany lagging while parts of southern Europe showed more resilience. Fiscal spending, particularly in infrastructure, defence, and energy transition, played an increasingly important role in supporting economic activity. Meanwhile, signals that the European Central Bank's tightening cycle was largely complete helped improve financial conditions.

Market leadership reflected these dynamics, with industrials, defence-related companies, materials, and financials among the strongest performers. Looking ahead, expectations for 2026 are more measured, but valuations remain supportive and earnings growth is expected to improve from a low base. In our view, Europe remains well positioned in areas aligned with fiscal investment and re-shoring trends.

### Eurozone economic indicators show improvement



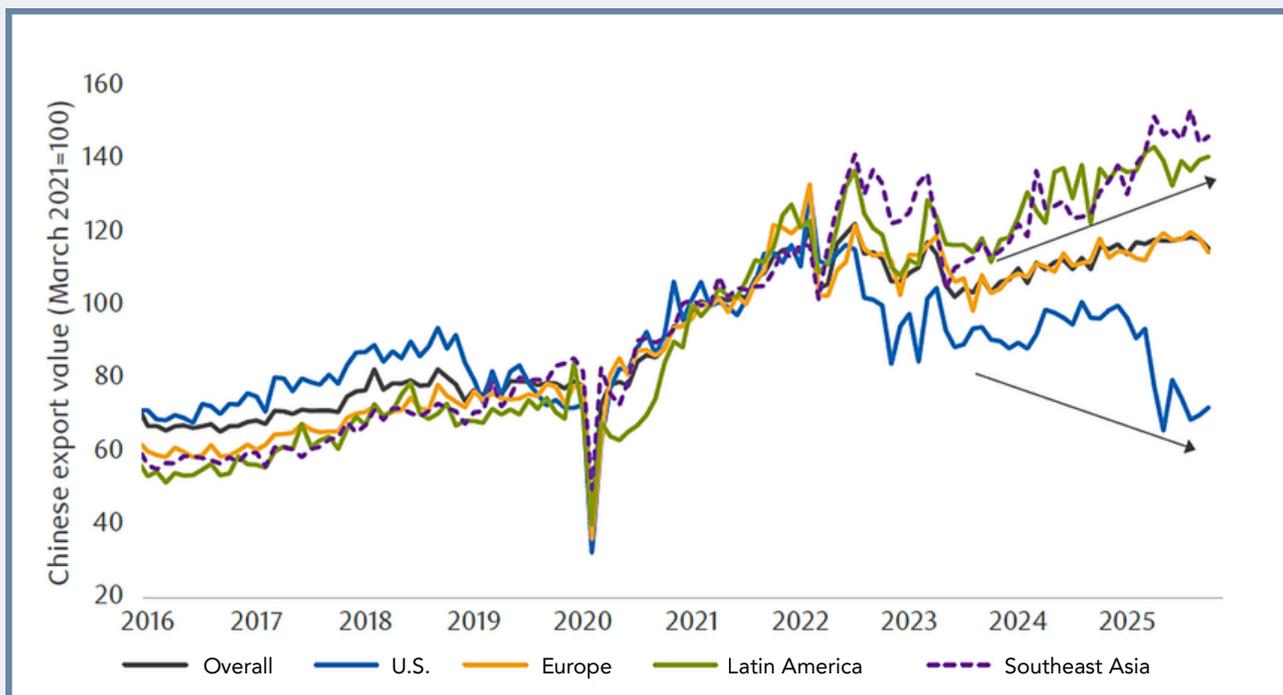
Source: European Commission, Gavekal, RBC GAM

# Market Review

## Asia

Asian equity markets delivered strong performance in 2025, supported by improving policy conditions, resilient trade activity, and leadership from technology-oriented markets. For Canadian investors, Asia was among the strongest-performing regions on a currency-adjusted basis.

### China has already begun pivoting from US to other export markets



Source: China General Administration of Customs, Macrobond as of October 2025.

China was a notable contributor, as markets responded to signs that policymakers have stabilized the property downturn without triggering broader financial stress. Despite ongoing trade tensions, China continued to demonstrate its central role in global manufacturing. Export growth remained resilient, and equity performance was led by large technology and internet platform companies as earnings expectations improved.

Japan also delivered very strong returns, extending its multi-year recovery. Corporate governance reforms, rising shareholder activism and accommodative financial conditions continued to support equity performance. Importantly, Japan plays a critical role in global supply chains tied to semiconductors, automation, and power infrastructure. This positioning is highlighted later in the report through our security spotlight on FANUC, a global leader in industrial automation.

# Market Review

## Asia

### South Korea and Taiwan have had strong earnings growth over the last 5 years

Country Index	2025 MSCI EM Index Weight %	2021	2022	2023	2024	2025	2026 (Expected)	Avg. Earnings Growth Over the last 5 years
MSCI China	28.8%	9.0%	-15.5%	1.5%	13.6%	3.7%	11.2%	2.5%
MSCI Taiwan	20.0%	66.0%	13.0%	-31.4%	26.6%	24.0%	22.5%	19.6%
MSCI India	15.8%	7.50%	28.5%	9.0%	28.8%	16.1%	8.0%	18.0%
MSCI Korea	12.2%	108.20%	-6.0%	-41.4%	43.1%	33.9%	63.6%	27.5%

Source: Bloomberg Finance L.P., MSCI. Data as of December 15, 2025.

Elsewhere in Asia, South Korea and Taiwan stood out as major beneficiaries of the global technology cycle, driven by a sharp rebound in semiconductor earnings. Together, these markets underscore how the current investment cycle extends well beyond U.S. mega-cap technology into critical suppliers across Asia.

Overall, Asia remains a key source of selective opportunity for Tall Oak. The next phase of the technology and automation cycle is being driven by a broader set of companies and regions, reinforcing the importance of diversification beyond the narrow leadership that has defined recent market returns.

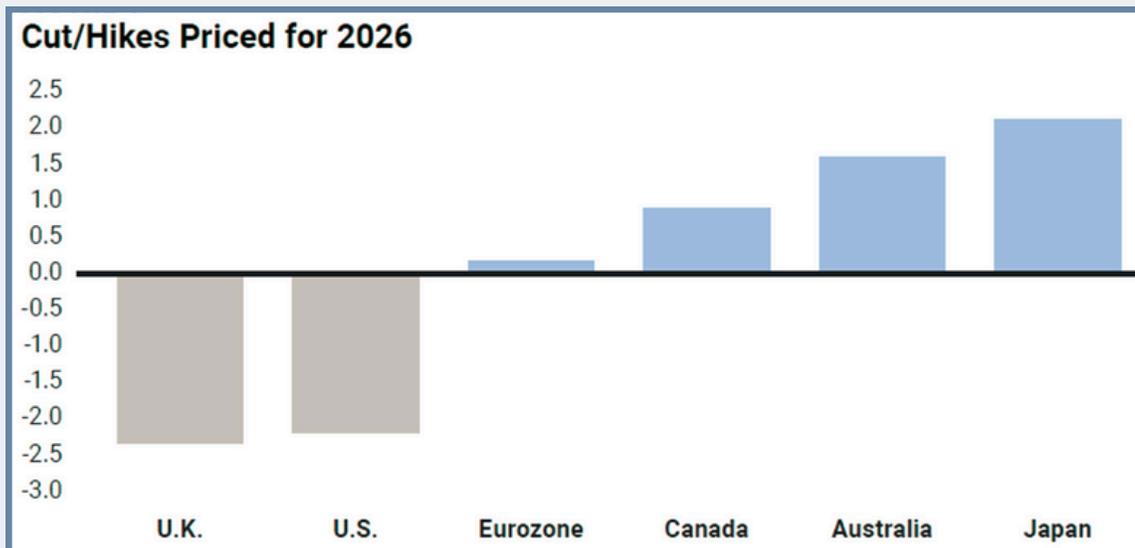
# Market Review

## Fixed Income

Fixed income delivered modest positive returns in 2025, but longer-term results remain challenged following the sharp rise in interest rates over recent years. While bonds again provided income, they offered limited downside protection and did little to offset losses experienced earlier in the cycle.

Central bank policy remained the dominant driver. The U.S. Federal Reserve held rates steady through much of the year, while markets began to price a gradual easing cycle into 2026. In Canada, rate cuts were more aggressive, reflecting greater sensitivity to housing and household leverage. With inflation moderating and unemployment rising, policy rates in both countries now appear closer to neutral.

### Markets are now pricing diverging paths for 2026 central bank interest rate cuts/hikes



Source: Bloomberg L.P., Picton Mahoney Asset Management Research. Data as of December 16, 2025.

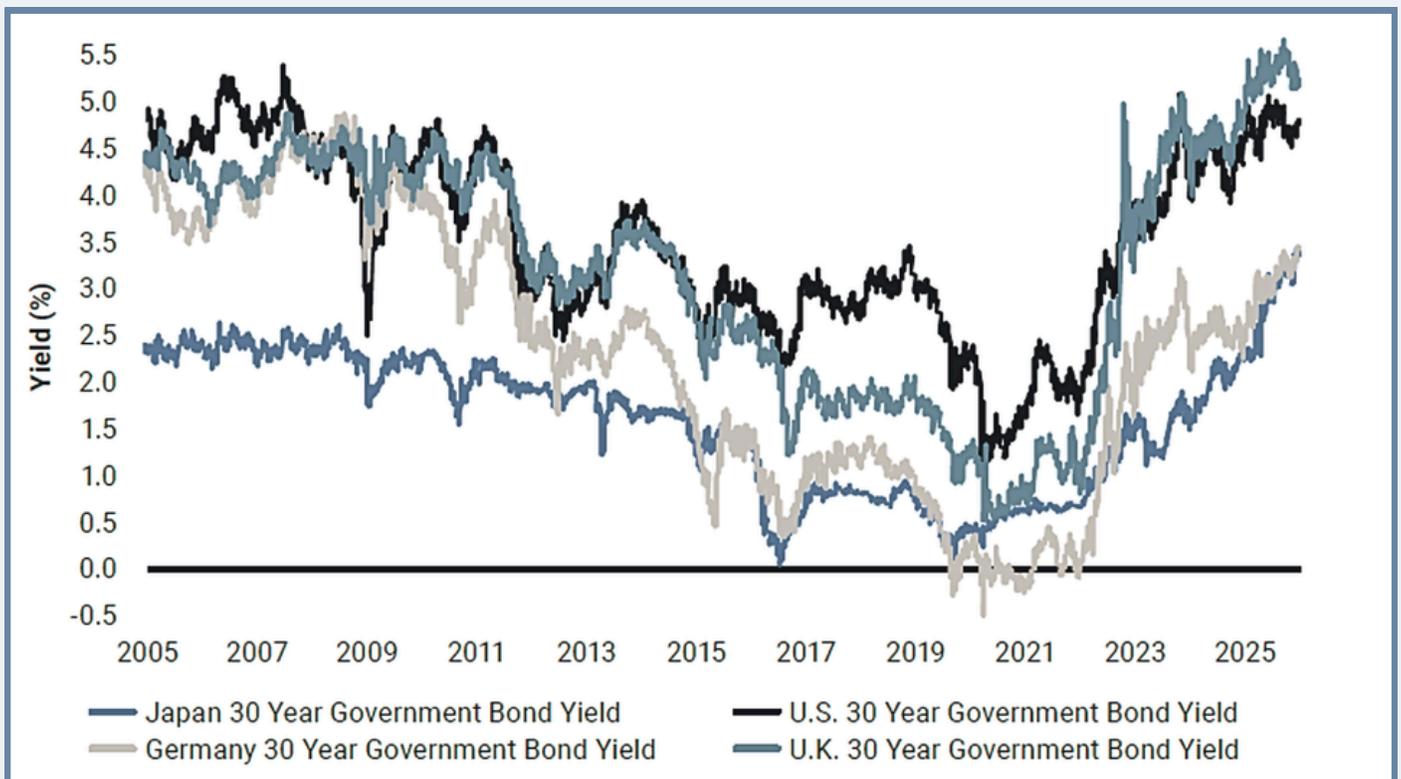
Credit markets remained tight, supported by stable corporate fundamentals and low default activity. In private markets, private credit continued to attract capital, benefiting from higher base rates and reduced bank lending. However, the experience of the past several years has reinforced an important lesson: **traditional fixed income has been a less reliable diversifier in this cycle**, particularly during periods of equity stress.

# Market Review

## Fixed Income

Against this backdrop, Tall Oak continues to view fixed income as one component of a broader **Total Portfolio Approach**, rather than a standalone defensive solution. Diversification across multiple risk drivers – including equities, alternatives, real assets, and downside protection strategies – remains essential in a market environment where correlations can rise unexpectedly.

### Global long-dated bond yields have climbed to multi-year highs



Source: Bloomberg L.P., Picton Mahoney Asset Management Research.



Thematic Highlight -  
Investing in a  
Multi-Polar World

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# Thematic Highlight - Investing in a Multi-Polar World

## Identifying Enduring Investment Themes

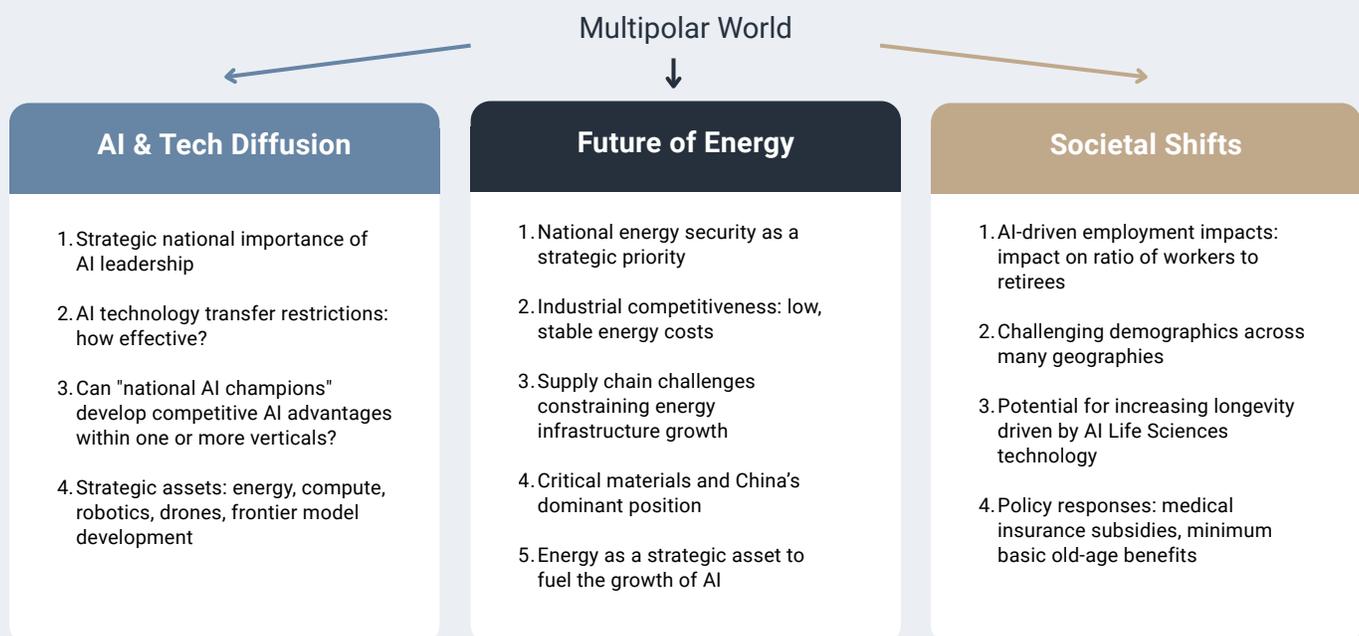
At Tall Oak, our thematic work is focused on identifying long-term structural forces that play out over years and decades, rather than short-term market narratives or investment fads. We look at how capital is likely to be deployed over time as technology evolves, supply chains adapt, and geopolitical priorities shift. These themes provide a durable foundation for security selection and help anchor portfolios through changing market cycles.

This approach was reflected in our 2024 Annual Report, where we highlighted *The Future of Energy* as a core investment theme. Within that section, we featured Arista Networks and GE Vernova as companies positioned to benefit from rising power and infrastructure demands tied to AI and electrification.

In 2025, those two holdings rose 19% and 99%, respectively. While individual stock outcomes will naturally differ over time, the results underscore how pairing long-term thematic insight with disciplined, quantitative stock selection can add meaningful value for clients.

This report's thematic highlight builds on that same philosophy, focusing on a structural shift that has received increasing attention in recent years but has been shaping global capital allocation for much longer.

### The intersections between a sample of themes we track



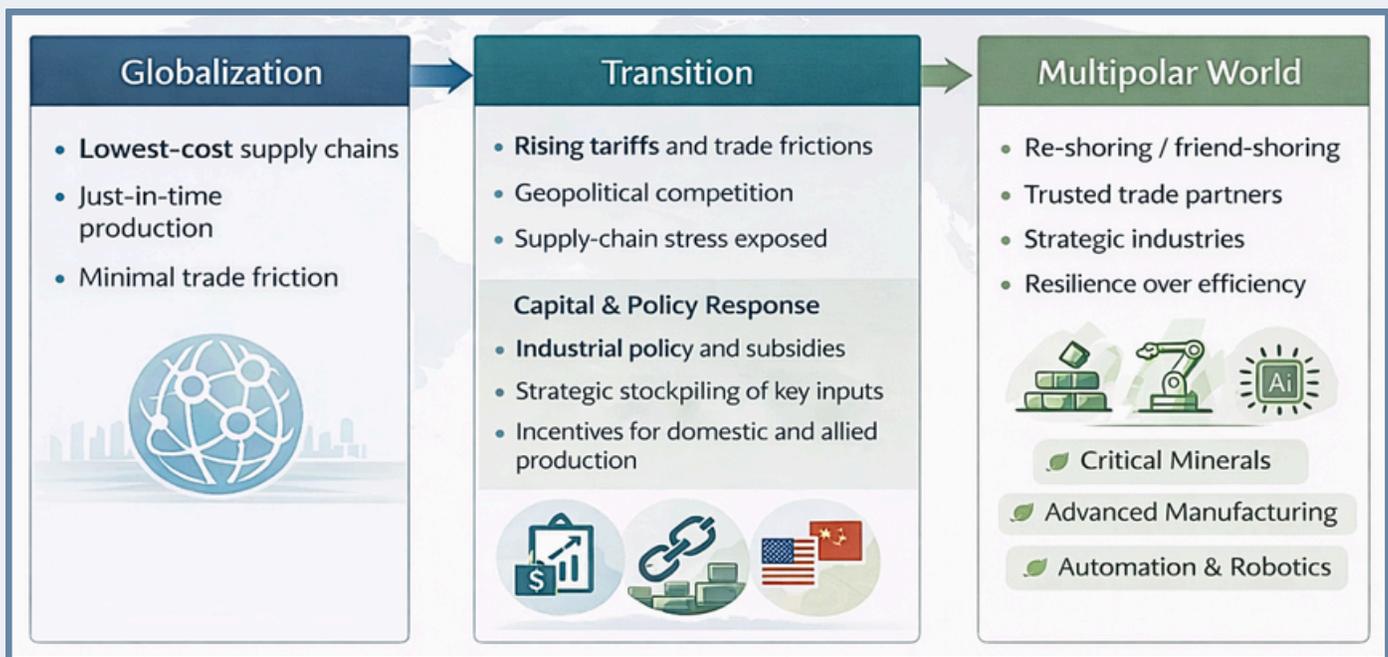
Source: Morgan Stanley Research.

# Thematic Highlight - Investing in a Multi-Polar World

## From Global Efficiency to Strategic Resilience

The global investment backdrop is changing. For decades, markets benefited from a highly globalized system optimized for efficiency and low trade barriers. That framework is now evolving. A more multipolar world is emerging, shaped by rising geopolitical competition, trade frictions, and a renewed focus on economic and national security.

**From Globalization to a Multipolar World: Global economies are currently moving through the transition phase, with profound implications for investors.**



Source: Tall Oak Capital Advisors.

## Industrial Policy Is Reshaping Capital Allocation

This shift is already influencing how and where capital is deployed. Governments and corporations are prioritizing re-shoring and friend-shoring, placing greater emphasis on supply-chain resilience across technology, manufacturing, energy infrastructure, and critical minerals. Rather than reversing globalization, supply chains are being re-engineered around strategic alignment and political reliability.

# Thematic Highlight - Investing in a Multi-Polar World

## Canada's Position: Opportunity with Constraints

For **Canada**, this environment presents both opportunity and complexity. While Canada remains deeply integrated with the **United States**, that relationship is evolving as U.S. industrial policy increasingly emphasizes domestic production and “America First” priorities. Re-shoring initiatives, tariffs, and subsidies introduce new uncertainty for Canadian exporters, even as Canada remains a critical supplier of energy, critical minerals, and industrial inputs.

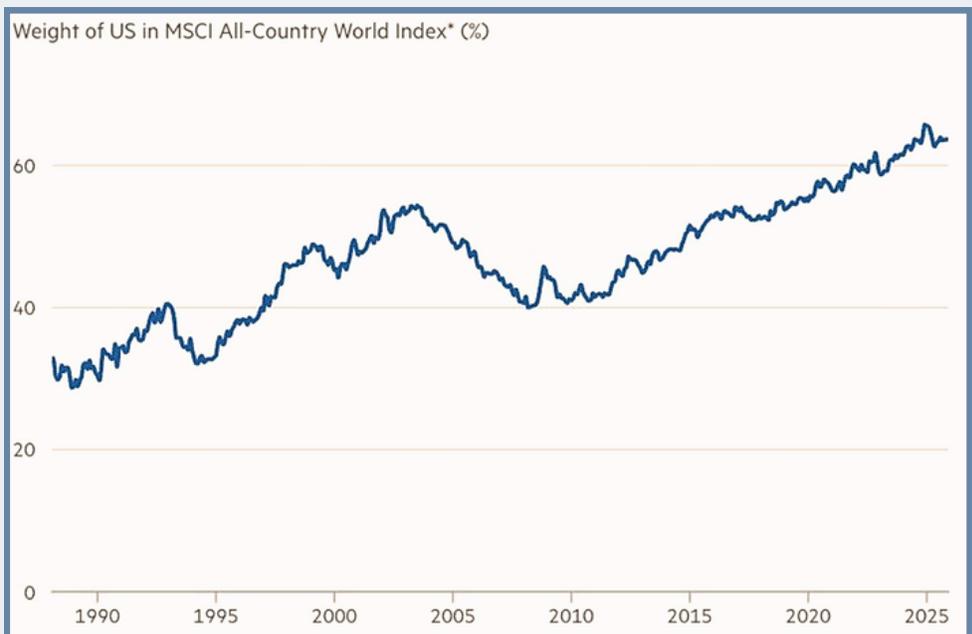
As a result, Canada's role is shifting from a frictionless extension of U.S. supply chains to a strategically important, but more conditional, partner. This is reinforcing the need for diversification, resilience, and domestic capacity, both at the policy level and within portfolios.

## Implications for Investors

Against this backdrop, Tall Oak focuses on identifying enablers of long-term global trends, rather than relying on assumptions of stable trade relationships. Many of the most compelling opportunities today sit in areas such as automation, supply-chain retooling, critical minerals, and AI infrastructure, often outside the U.S. and beyond traditional “big tech.”

This thematic lens supports a more diversified and resilient portfolio in a world where geopolitics and industrial policy increasingly shape investment outcomes.

### Has it peaked? US share of global stock markets fell in 2025



Source: FactSet



# Security Highlight

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# Security Highlight

## FANUC - Automation as a Strategic Supply-Chain Enabler

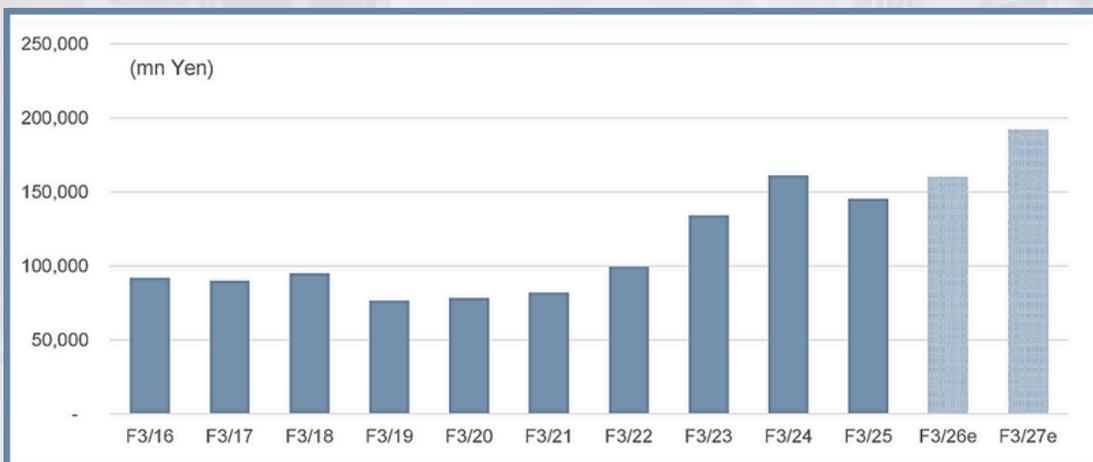
**FANUC** is a Japanese-based global leader in industrial automation, best known for its factory robots and CNC (computer numerical control) systems. Its technology underpins manufacturing across industries such as automotive, electronics, semiconductors, and precision machinery.

Fanuc's systems are deeply embedded in production lines and typically remain in place for decades, supported by high-margin service and replacement revenue. As labour costs rise and supply chains are reconfigured, manufacturers are increasingly turning to automation to support re-shoring and friend-shoring while maintaining productivity.

In a more multipolar world, automation has become a strategic necessity rather than a cost optimization tool. Fanuc exemplifies Tall Oak's focus on investing in **enablers of long-term structural change**. By supporting resilient, flexible manufacturing across regions, the company offers exposure to supply-chain retooling and industrial investment without reliance on any single country or geopolitical outcome.



### US sales trend of FANUC's robot business



Source: Company data, Morgan Stanley Research.

# Security Highlight

## Critical Minerals and Precious Metals in a Multipolar World

In recent client conversations, we've seen growing interest in whether portfolios have meaningful exposure to precious metals and critical minerals. That question reflects broader global dynamics. As supply chains are re-engineered, infrastructure investment accelerates, and geopolitical considerations increasingly shape industrial policy, materials have re-emerged as a strategically important asset class rather than a purely cyclical one.

Within Tall Oak's **Total Portfolio Approach**, materials play a deliberate role by offering exposure to global growth drivers while providing diversification benefits alongside technology and innovation holdings.

Near-shoring, electrification, and infrastructure investment are driving sustained demand for copper, silver, and other critical inputs. At the same time, precious metals can act as partial hedges during periods of geopolitical stress and market uncertainty, making materials a natural complement to growth-oriented exposures.

Two holdings that illustrate this positioning are **Pan American Silver** and **Southern Copper**.

**Pan American Silver** provides diversified exposure to silver and gold across the Americas. Our position was established following Pan American's acquisition of a long-standing pool holding, MAG Silver, in May 2025, which expanded the company's scale and reserve base. Even excluding recent price volatility, company all-in silver production costs remain around US\$15 per ounce, supporting profitable production across a wide range of price environments.

### Precious metals have far outstripped stocks since late 2024



Source: Bloomberg L.P. Data normalized with factor 100 as of November 2024.

### Global silver demand growth is primarily driven by rising industrial needs



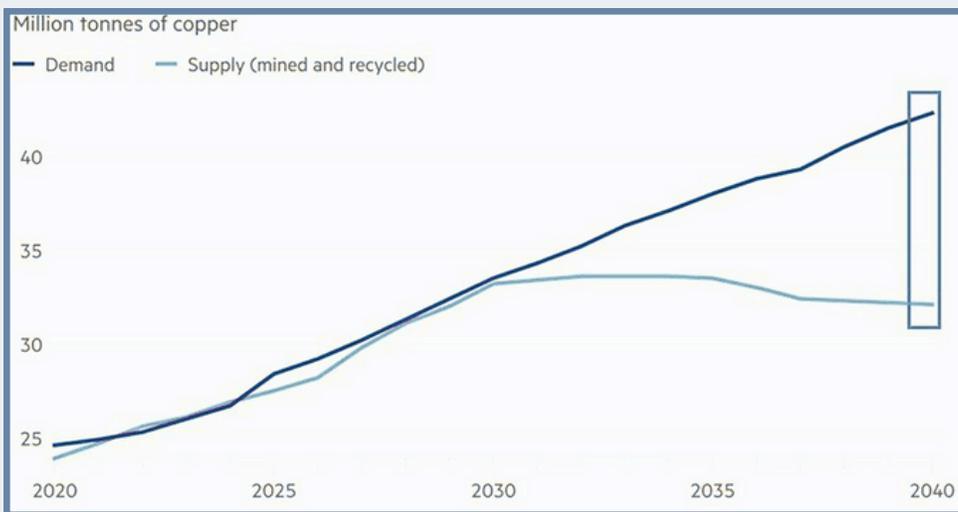
Source: Metals Focus, Bloomberg L.P.

# Security Highlight

## Critical Minerals and Precious Metals in a Multipolar World

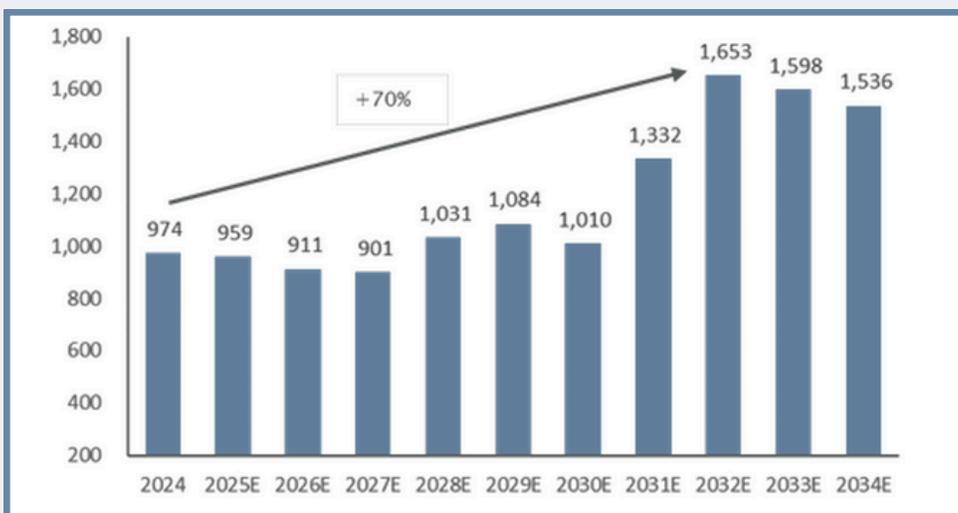
Meanwhile, **Southern Copper** offers direct exposure to one of the most critical inputs underpinning electrification and industrial renewal. Copper demand is being driven by grid expansion, electric vehicles, and data-centre infrastructure, while supply growth remains constrained by long development timelines. Southern Copper's long reserve life and low-cost, integrated operations provide direct exposure to these long-term trends.

### Global copper demand is forecast to outstrip supply by a wide margin



Source: S&P Global, Financial Times.

### Southern Copper is well positioned to take advantage of the global copper shortage



Source: Company projections as of Q4 2025.

## Conclusion

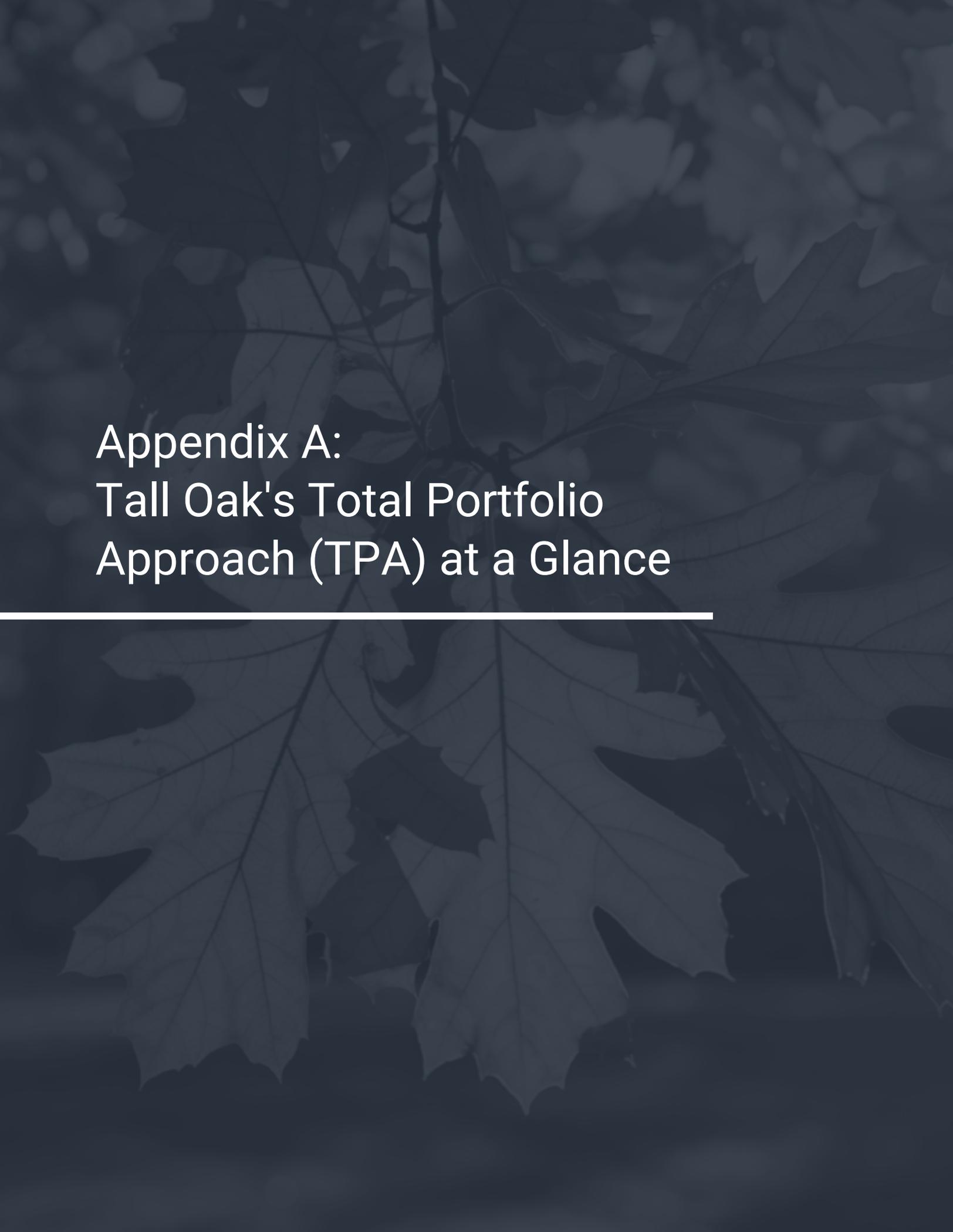
The transition toward a more multipolar global economy is reshaping how capital is deployed, how supply chains are structured, and how risk must be managed within portfolios. As efficiency gives way to resilience and industrial policy plays a larger role in investment decisions, long-term outcomes will increasingly be driven by strategic positioning rather than short-term market narratives.

Tall Oak is responding to this environment by focusing on **enablers of durable global trends**. Companies such as **FANUC** support automation and supply-chain resilience as manufacturing footprints evolve, while holdings like **Pan American Silver** and **Southern Copper** provide exposure to the critical materials underpinning electrification, infrastructure investment, and industrial retooling. Together, these investments reflect our emphasis on diversification across risk drivers and alignment with how capital is increasingly deployed in a less predictable global system.



As always, our approach is grounded in disciplined security selection, thoughtful portfolio construction, and a Total Portfolio framework designed to balance growth, resilience, and downside protection.

**If you would like to discuss how these themes are reflected in your portfolio, or how we think about navigating this evolving global landscape, we encourage you to reach out to your Tall Oak team.**



Appendix A:  
Tall Oak's Total Portfolio  
Approach (TPA) at a Glance

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# Appendix A: Tall Oak's Total Portfolio Approach (TPA) at a Glance

## What it means

**We manage assets as one connected portfolio, not separate buckets.**

Instead of starting with a preset mix like 60% equities/40% bonds, we start with what each of our pooled funds are trying to achieve, then build the portfolio around that goal. Each investment across asset classes earns its place based on how it improves the overall portfolio's return potential, resilience, and liquidity.

## How we implement it in practice

### 1. One portfolio, one scoreboard.

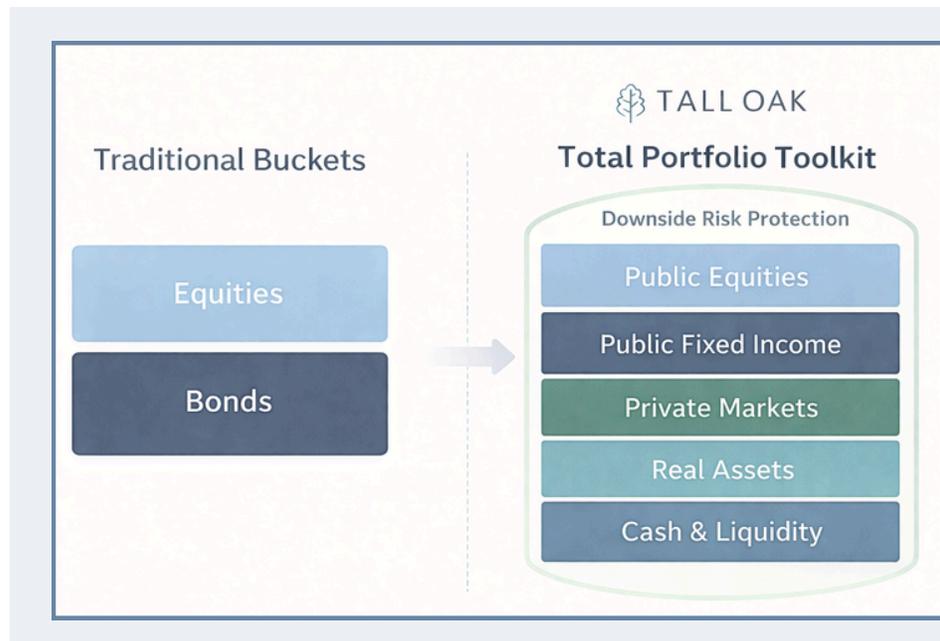
We focus on total outcomes, not whether each bucket "won" or "lost" on its own.

### 2. Competition for capital across the full opportunity set.

Public markets, private markets, and real assets all compete for capital. We look for the best mix of return sources and risk drivers, not the most familiar labels.

**3. Diversify by what actually drives risk and return.** True diversification comes from combining exposures that behave differently across economic environments, not just owning "more things."

**4. Downside protection is built in.** We incorporate specific forms of portfolio insurance, including tail risk hedging, designed to help protect capital during severe market stress so clients can stay invested through tough periods.

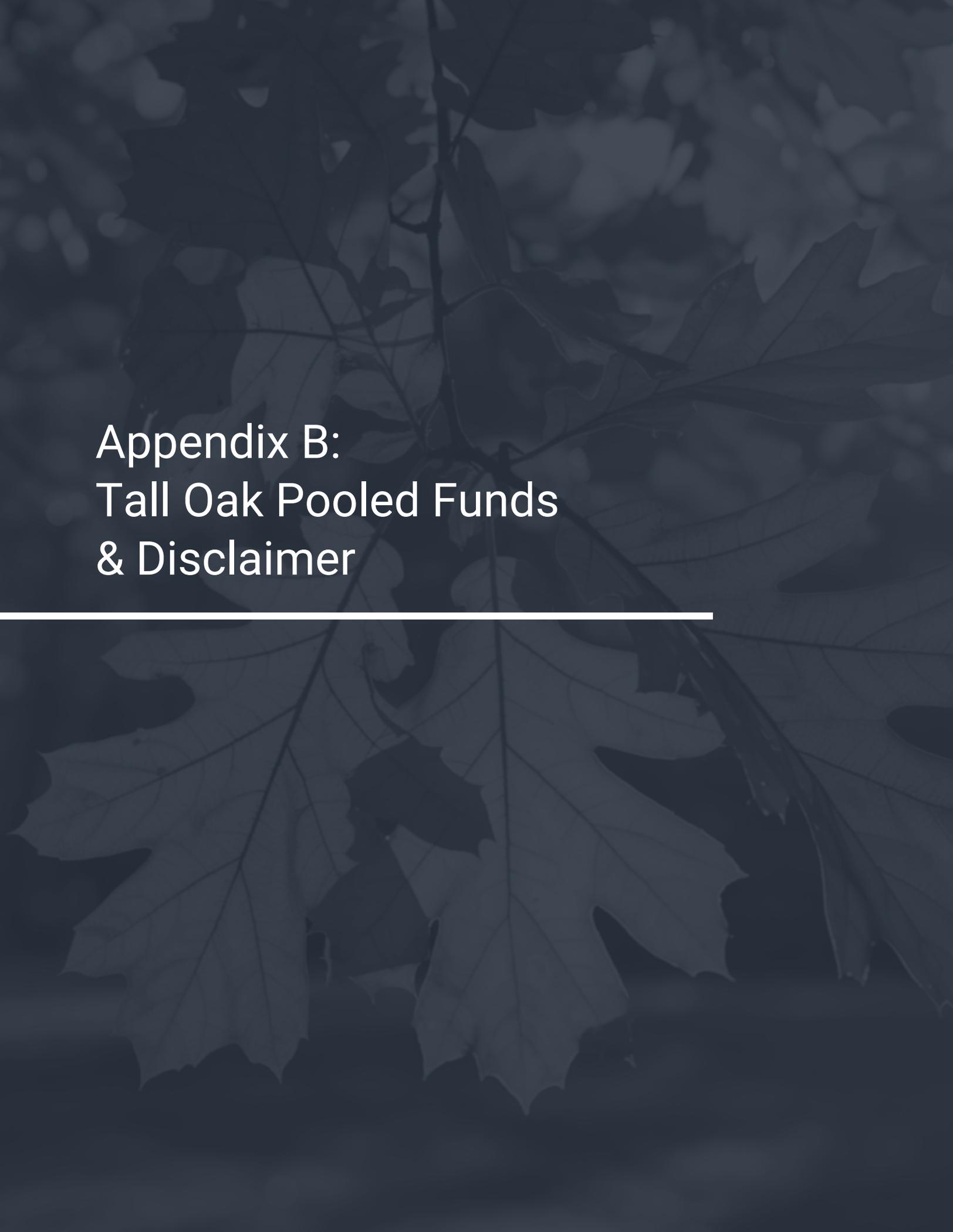


# Appendix A: Tall Oak's Total Portfolio Approach (TPA) at a Glance

## What this means for our clients

- **More flexibility when markets change** (we are not locked into a rigid asset mix).
- **More resilient portfolios** (diversification across risk drivers, not just asset labels).
- **A clearer focus on real-life outcomes** (income needs, long-term growth, and protecting purchasing power).
- **Better preparedness for market drawdowns** (risk management is a design feature, not an afterthought).





Appendix B:  
Tall Oak Pooled Funds  
& Disclaimer

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# 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, FEA

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.

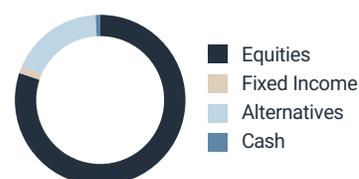
## Investment Objective

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.

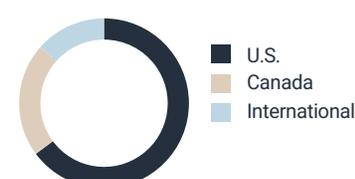
## Investment Philosophy

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.

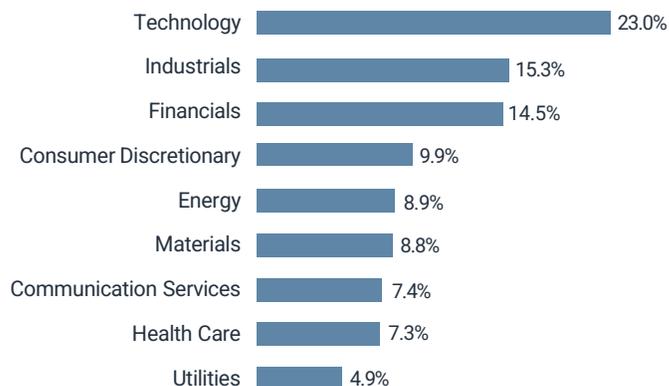
## Asset Allocation



## Regional Breakdown



## Equity Sector Breakdown



# Portfolio Insights

Top Equity Holdings	Sector	%
Alphabet	Communication Services	2.2%
Cameco	Energy	1.9%
Microsoft	Technology	1.9%
Apple	Technology	1.7%
EQT	Energy	1.7%
Morgan Stanley	Financials	1.6%
Shopify	Technology	1.6%
Pan American Silver	Materials	1.6%
Endeavour Mining	Materials	1.6%
Mercadolibre	Consumer Discretionary	1.6%
Arista Networks	Technology	1.5%
GE Vernova	Industrials	1.5%
Merck	Health Care	1.4%
Alibaba	Consumer Discretionary	1.4%
Parker Hannifin	Industrials	1.4%
NRG Energy	Utilities	1.4%
Broadcom	Technology	1.3%
Agnico Eagle Mines	Materials	1.3%
Canadian Natural Resources	Energy	1.3%
Palo Alto Networks	Technology	1.3%

## Fixed Income and Alternative Investments



### Types

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

### Subtypes

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

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

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# Fact Sheet

Tall Oak Diversified Income Pool



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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.

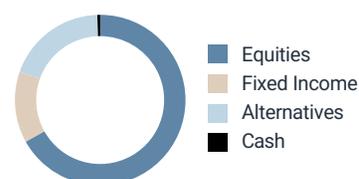
## Investment Objective

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.

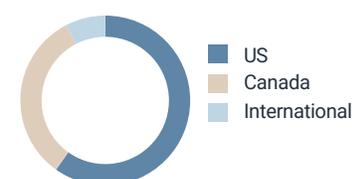
## Investment Philosophy

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.

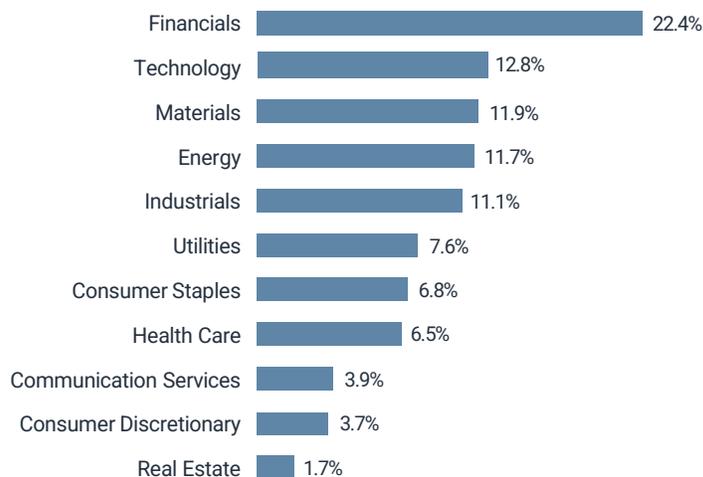
## Asset Allocation



## Regional Breakdown



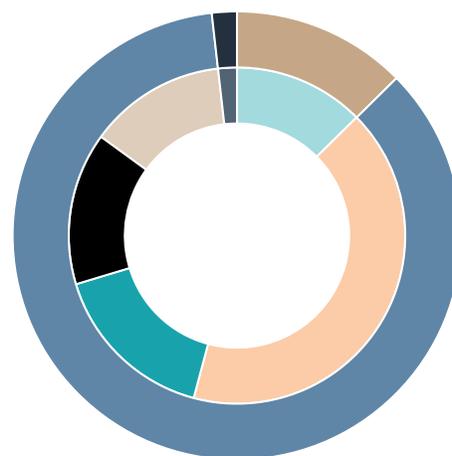
## Equity Sector Breakdown



# Portfolio Insights

Top Equity Holdings	Sector	%
Agnico Eagle Mines	Materials	1.8%
Taiwan Semiconductor	Technology	1.6%
BHP	Materials	1.6%
Goldman Sachs	Financials	1.6%
Barrick Mining	Materials	1.5%
Southern Copper	Materials	1.5%
Broadcom	Technology	1.5%
Gilead Sciences	Health Care	1.5%
Royal Bank of Canada	Financials	1.5%
Power Corp	Financials	1.5%
TD Bank	Financials	1.5%
Cenovus	Energy	1.5%
Merck	Health Care	1.5%
Citigroup	Financials	1.4%
JPMorgan Chase	Financials	1.4%
Parker Hannifin	Industrials	1.4%
S&P Global	Financials	1.4%
Alphabet	Communication Services	1.4%
Brookfield Infrastructure	Utilities	1.4%
Cisco	Technology	1.4%

## Fixed Income and Alternative Investments



### Types

- Real Assets
- Fixed Income
- Hedge Funds

### Subtypes

- Infrastructure
- Investment Grade
- Mortgage Funds
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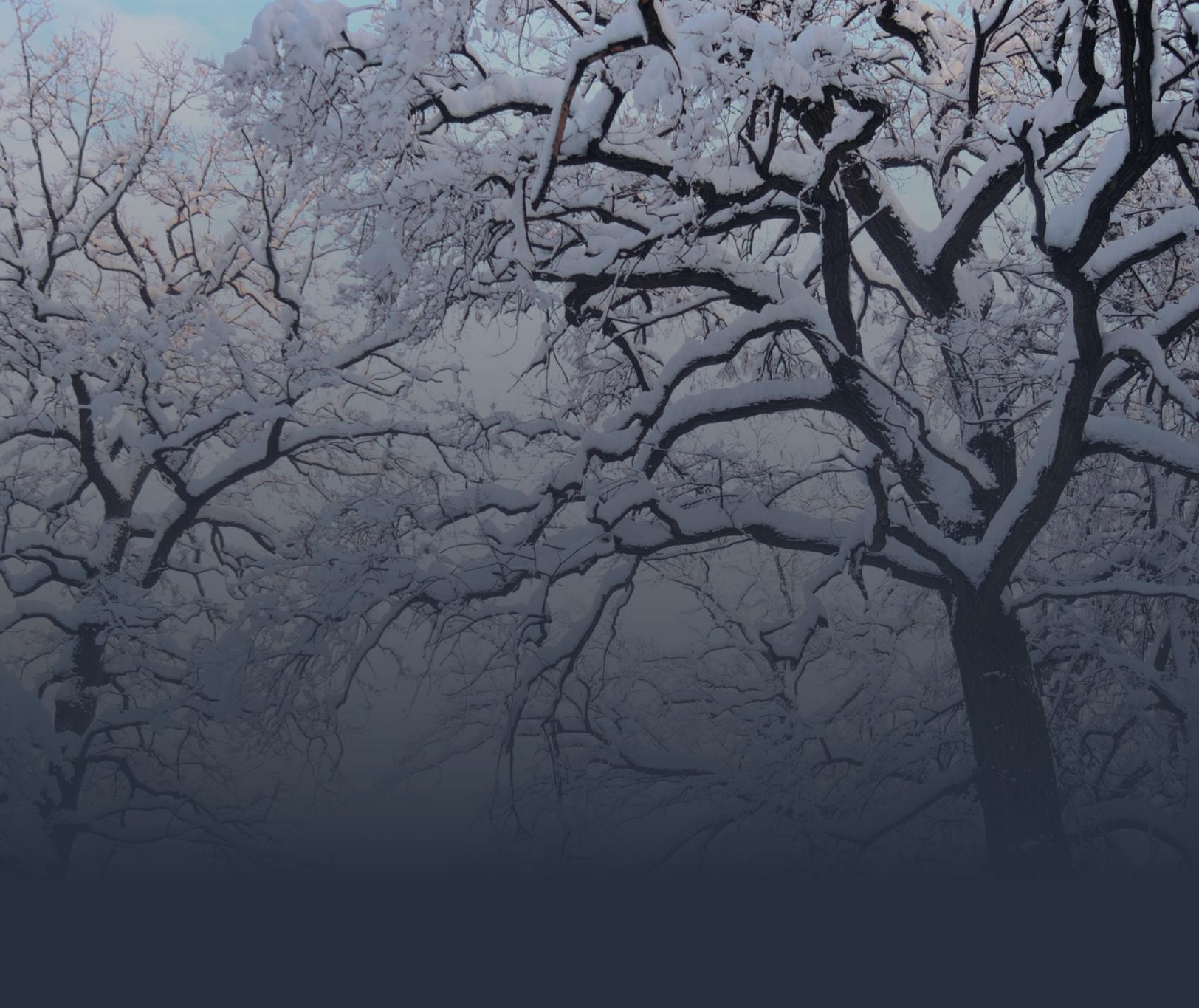
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