

# MacKay Weekly Investment Report



WEEK ENDING FRIDAY, JANUARY 4, 2019

[WWW.MACKAYGROUP.COM](http://WWW.MACKAYGROUP.COM)

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MacKay Group Wealth Management. Our mission is to provide our clients superior investment advice, products and service.  
Serving clients and friends at RBC Dominion Securities Inc. – a member of RBC Financial Group since 1983.

**Happy New Year/Predictions for 2019/ S&P 15% yr**  
Volatility continues this week – led by lower US ISM – Apple disappoints – China trade talks – US government shutdown – lots of negative headlines.

**Positives:** Is the storm passing? When we look at 2019 (like 2009) if the DOW takes 3 years to return to all-time highs that's 8-10% rate of return/year. Listened to Byron Wien from Blackstone - his 10 surprises for 2019 include: 1) Fed stops raising Fed's funds rate, 2) S&P 500 up 15% this year, 2) Recession before 2021 unlikely, 4) gold drops below \$1,000, 5) profit outlook for emerging markets brightens, 6) No Brexit deal, 7) US dollar stabilizes, 8) Trump organization indictments, 9) Congress makes progress on trade policy, 10) Growth stock leadership in US. B Wesbury forecasts' include DOW 28,750, S&P 500 3100 – US economy still growing – GDP up 3% in 2018 – for 2019 expects another 3% year due to tax cuts/deregulation – low unemployment continues – inflation and CPI of 2.5% in 2019 the largest gain since 2011 – Fed will have a 2-part test for rate hikes in 2019 – 10-year yield rises to 3.4% - this would leave room for 2 rate hikes – a soaring stock market – capitalized profit model is screaming buy ( model takes governments measure of profits from GDP reports divided by interest rates to measure fair value for stocks ) as a 10-Year Treasury of 2.75% suggests S&P 500 is still massively undervalued – at 3.4% 10-Year Yield model says S&P 500 is 3,100 – and could move higher as profits increase – stay invested in the year ahead and earn substantial rewards. Tom Lee from Fundstrat – market is in a mid-life crisis – like 1950-1972 (22 years), 1980-2000 (20 years) - We had a Kennedy crash and 1987 crash during the cycle – this cycle started in 2009 - then a 2018 correction another example – markets should be much higher in 10 years – don't see a recession. Jim Paulsen on Tuesday – bullish on stocks again - buy the dips.

**Negatives:** Volatility brings out all the negative headlines. David Rosenberg comments Wednesday – lots of uncertainty – Fiscal stimulus of 2018 gone – hangover in 2019 – 2005 & 2006 Fed tightened, then 07/08 correction – Fed started tightening 2016/17 so 18/19 correction likely – US exports down 11 months in a row – stock buybacks in 2019 will be less – lots of bonds maturing in 2019 & corporations will be hit with higher interest charges – expect extremely weak economy and possible recession – there will be a time to invest again and it could be 2020 - Fed priced out of the market – tightening will continue – no 2 business cycles the same – buy the market on last Fed's rate cut – is that 2020?

**Investment Wisdom:** “Your success in investing will depend in part on your character and guts, and in part on your ability to realize at the height of the ebullience and the depth of despair alike that this too shall pass.” - John Bogle

**PORTFOLIO MANAGEMENT-Week's Highlights**  
**Stocks of the Day: SPY**

Have a great weekend. Bruce

Exchange	27-Dec-18	YoY	MoM
S&P/TSX	14,165.21	-12.5%	-4.8%
DJIA	23,138.82	-6.6%	-5.4%
S&P 500	2,488.83	-7.3%	-5.8%
Nasdaq	6,579.49	-5.5%	-4.8%
FTSE 100 Index (UK)	6,584.68	-13.4%	-5.2%
DAX Index (Germany)	10,381.51	-20.8%	-6.2%
Hang Seng Index (HK)	25,478.88	-13.2%	-1.4%
Nikkei 225 (Japan)	20,077.62	-12.2%	-7.0%
Shanghai 180 (China)	6,758.85	-22.6%	-6.6%

**MacKay Weekly Investment Report Contents:**

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## THIS WEEK'S NOTES & QUOTES - News and Opinions Worth Repeating

### **Byron Wien's Ten Surprises for 2019** – Advisor Analyst – Byron Wien

Byron R. Wien, Vice Chairman in the Private Wealth Solutions group at Blackstone, today issued his list of Ten Surprises for 2019. This is the 34th year Byron has given his views on a number of economic, financial market and political surprises for the coming year. Byron defines a “surprise” as an event that the average investor would only assign a one out of three chance of taking place but which Byron believes is “probable,” having a better than 50% likelihood of happening.

Byron started the tradition in 1986 when he was the Chief U.S. Investment Strategist at Morgan Stanley. Byron joined Blackstone in September 2009 as a senior advisor to both the firm and its clients in analyzing economic, political, market and social trends.

1. The weakening world economy encourages the Federal Reserve to stop raising the federal funds rate during the year. Inflation remains subdued and the 10-year Treasury yield stays below 3.5%. The yield curve remains positive. ...

<http://advisoranalyst.com/glablog/2019/01/03/byron-wiens-ten-surprises-for-2019.html/>

### **10 Things Investors Can Expect in 201[9]** – A Wealth of Common Sense – Ben Carlson

I have no idea what’s going to happen – in world events, politics, or the market – in 2018 (and neither does anyone else). This baked in uncertainty is what makes the financial markets equal parts maddening and fun to prepare for.

There’s no way to reduce the uncertainty about the future or know exactly what it holds but I am fairly certain that the following 10 things will happen to investors in 2018:

1. Your results in 2017 will impact how you feel about the markets in 2018. The recency bias affects us all in some way. Some investors will be overconfident based on solid 2017 performance. Others will be gun shy after missing out on big gains. Still others will be waiting for a reversal of fortune. We tend to use our recent experience as a baseline for what will occur in the future, often to our own detriment. ...

<https://awealthofcommonsense.com/2018/01/10-things-investors-can-expect-in-2018/>

**Geoffrey Hinton and Demis Hassabis: AGI is nowhere close to being a reality** – Venture Beat – K. Wiggers ... It was only three decades ago that a foundational weight-calculating technique – backpropagation – was detailed in a monumental paper (“Learning Representations by Back-propagating Errors”) authored by David Rumelhart, Geoffrey Hinton, and Ronald Williams. Backpropagation, aided by increasingly cheaper, more robust computer hardware, has enabled monumental leaps in computer vision, natural language processing, machine translation, drug design, and material inspection, where some DNNs have produced results superior to human experts.

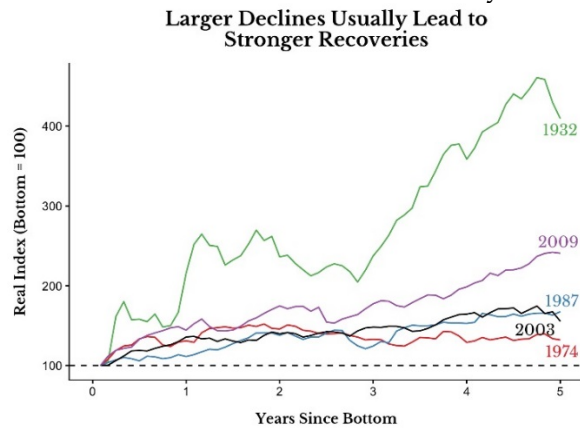
#### The Challenges of AGI

So are DNNs the harbinger of superintelligent robots? Demis Hassabis doesn’t believe so – and he would know. He’s the cofounder of DeepMind, a London-based machine learning startup founded with the mission of applying insights from neuroscience and computer science toward the creation of artificial general intelligence (AGI) – in other words, systems that could successfully perform any intellectual task that a human can. ...

<https://venturebeat.com/2018/12/17/geoffrey-hinton-and-demis-hassabis-agi-is-nowhere-close-to-being-a-reality/>

## Post-Traumatic Growth in Life and Markets – Of Dollars & Data – Nick Maggiulli

... While markets don't have the same personal reactions to trauma as individuals, there is evidence that some of the strongest recoveries occur after the largest declines. Though this "market post-traumatic growth" won't be true for all markets across all time periods (i.e. Japan, Greece, etc.), we see some indication of this in the U.S. For example, below I have aligned the major market bottoms of 1932, 1974, 1987, 2003, and 2009 and how the market recovered over the *next* 5 years:



Source: <http://www.econ.yale.edu/~shiller/data.htm> (OfDollarsAndData.com)  
 Note: Real return includes reinvested dividends.

There have been 42 years since 1920 that the market has started a new year down 14.75% (or more). The following table compares the 6 and 12 month returns for these years with the years where the market was down 14.75% (or less) going into a new year:

Group	Number of Years	Return Over Next	
		6 Months	12 Months
Years Down -14.75% (or more)	42	2.3%	7.9%
Years Down -14.75% (or less)	57	5.4%	10.3%

As you can see, when the market is down 14.75% (or less) it tends to outperform those markets when it is down 14.75% (or more) over the next 6 to 12 months. However, if we subset to those years where the market is down a lot more, the story changes. ...

<https://ofdollarsanddata.com/the-rise-after-the-fall/>

## The 10 Most Intriguing Inventions of 2018 – Technology Review – TR Staff

- Artificial synapses - An electronic synapse that fires millions of times faster than the ones in your brain could be used to build artificial neural networks.
- Anti-aging medicines - A clinical trial of drugs called mTOR inhibitors found that they boosted elderly people's immune systems, potentially extending their life spans. Another trial in progress is testing senolytics, drugs that eliminate the senescent cells that make aging bodies break down.
- Electric planes with no moving parts - Instead of propellers, this aircraft uses electroaerodynamic propulsion. A high-voltage electric field generates ions and accelerates them, creating an "ionic wind" that pushes the plane forward. ...

<https://www.technologyreview.com/s/612683/the-10-most-intriguing-inventions-of-2018/>

## 99 Good News Stories You Probably Didn't Hear About in 2018 – Medium.com – Future Crunch

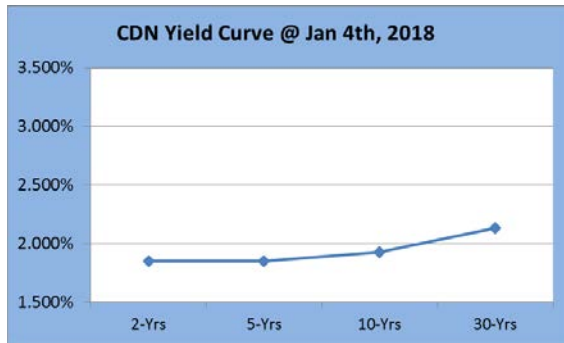
For the last 12 months, the global media has been focused on a lot of bad news. But there were other things happening out there too: conservation successes, huge wins for global health, more peace and tolerance, less war and violence, rising living standards, some big clean energy milestones, and a quiet turning of the tide in the fight against plastic. Stories of human progress, that didn't make it into the evening broadcasts, or onto your social media feeds. ...

<https://medium.com/future-crunch/99-good-news-stories-you-probably-didnt-hear-about-in-2018-cc3c65f8ebd0>

## CANADIAN MARKETS

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds



#### MG Canadian Fixed Income Top Holdings

- Government & Corporate Bonds
- Convertible Debentures
- High Yield Open End & Closed End Funds
- Rate Reset/Fixed Floater Preferreds
- Perpetual Preferreds

### II. MG Top Holdings, RBC DS Winter CDN 2018

#### Equity Focus List, and Veritas V-List

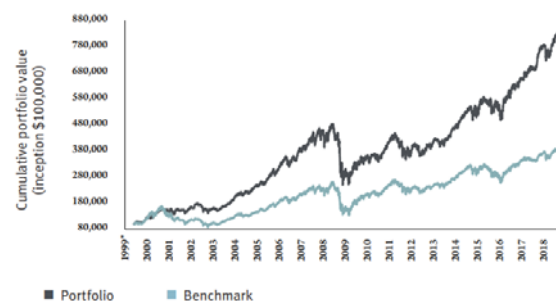
**MG Favs:** CAP REIT, Plaza Corp, Fortis Inc, Hydro One, BCE Inc, Canadian Tire.

**RBC CM Focus List:** TD Bank, Royal Bank, Bank of Nova Scotia, Bank of Montreal, National Bank, Brookfield Asset Management, Intact Financial, Onex Corp, Brookfield Property Partners, Telus, Restaurant Brands, Dollarama, Magna International, Couche-Tard, CP Rail, CN Rail, Toromont, Waste Connections, Finning Constellation Software, Canadian Natural Resources, Suncor, Pembina, TransCanada, Nutrien, Franco-Nevada.

**Veritas V-List:** Allied Properties, CP Rail, Capital Power, Cenovus Energy, CGI Group, Dollarama, Enbridge, Granite REIT, Husky Energy, Hydro One, Metro Inc, New Flyer Industries, Open Text, Premium Brands Holdings Corp, Quebecor, Shaw Comm, Sun Life Financial, TransAlta, ...

#### RBC Canadian Focus List Performance

Historical total return since inception to September 30, 2018



### III. News We Recommend On Our CDN Holdings

Market prices as of market close on Jan 3<sup>rd</sup>, 2018

#### **Brookfield Property Partners LP (BPY.un)**

**In for a Penny, in for a Pound; rating moved to Top Pick on big NAV Discount**

Ranking: **Outperform (RBC CM)**

Price: \$22.32 CAD - Target: \$32.00 CAD

#### **Granite REIT (GRT.un)**

**Liquidity Primed and Aimed at Accelerated Execution**

Ranking: **Outperform (RBC CM)**

Price: \$54.18 CAD - Target: \$62.50 CAD

#### **WPT Industrial REIT (WIR/U-T)**

**Attractive Fundamentals and Potential Return Prospects**

Ranking: **Outperform (RBC CM)**

Price: \$12.90 CAD - Target: \$14.50 CAD

#### Research Publications (available upon request)

- RBC CM 2018 Outlook: CDN Equities
- RBC Strategy CDN Focus List: Winter '18
- RBC CM FEW Portfolio - Winter 2018
- RBC CDN Sm Cap Conviction List - Winter'18

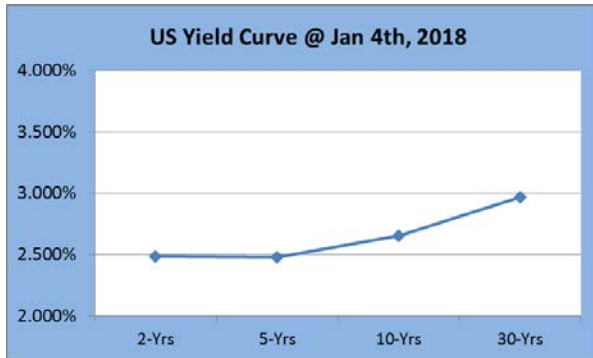




## INTERNATIONAL MARKETS

### I. US Fixed Income

#### **Benchmark USA Government Bonds**



#### **MG US Fixed Income Top Holdings include**

- Government & Corporate Bonds
- High Yield Open & Closed Funds
- Rate Reset/Fixed Floater Preferreds
- SPDR Barclays High Yield Bond (JNK) **Yield 6.0%**
- iShares Mortgage Plus Index (REM) **Yield 9.7%**

### **II. MG Favs, RBC DS Winter 2018 US Equity List**

#### **RBC DS Winter '18 Global Equity Focus List**

**MG Favs:** Berkshire Hathaway, Bank of America, Visa, Home Depot, Verizon, Apple, and Johnson & Johnson.

**RBC DS US Equity Focus List:** PNC Financial, JP Morgan Chase, US Bancorp, Berkshire Hathaway, Walt Disney, Amazon, Netflix, Johnson & Johnson, UnitedHealth Group, Thermo Fisher, Costco Corp, Kraft Heinz, Union Pacific, Honeywell, 3M Co, Raytheon, Alphabet, Apple, Microsoft, Facebook, DowDuPont, EOG Resources

**RBC DS Global Equity Focus List:** Couche-Tard, Amazon.com, InBev, Costco, Kraft, Restaurant Brands, Berkshire Hathaway, Canadian Nat Res, Pembina Pipeline, Suncor, TransCanada, Brookfield Asset Mgmt, Intact Financial, JP Morgan, Royal Bank, TD Bank, US Bancorp, Johnson & Johnson, Thermo Fisher, UnitedHealth Group, 3M Co, CNR, Toromont, Raytheon, Waste Connections, DowDuPont, Alphabet, Microsoft, SAP SE, Telus...

**RBC DS ADR Focus List:** Honda Motor Co, WPP Plc, Diageo, Unilever, China Petroleum & Chem Corp, Eni SpA, Royal Dutch Shell, Barclays, HSBC Holdings, INCG Groep, Prudential PLC, Wespac Banking Corp, Fresenius Medical Care, Sanofi, Teva Pharmaceutical, AerCap Holdings, Nice Systems...

### **III. News We Recommend on our Intl Holdings**

Market prices as of market close on **Dec 3<sup>rd</sup>, 2018**

#### **Honeywell International (HON)**

##### **Ascending the Quality Curve**

Ranking: **Outperform (RBC CM)**

Price: \$130.07 USD - Target: \$148.00 USD

#### **Apple Inc (AAPL)**

##### **From China with Love**

Ranking: **Outperform (RBC CM)**

Price: \$142.19 USD - Target: \$185.00 USD

#### **Amazon.com (AMZN)**

##### **Amazon Go: The World's Most Advanced Shopping Technology**

Ranking: **Outperform (RBC CM)**

Price: \$1,500.28 USD - Target: \$2,300.00 USD

#### **Stock of the Day Picks this Week:**

##### **- Prepared by Ryan**

- SPDR S&P 500 ETF Trust (SPY)

#### **Research Publications (available upon request)**

- RBC GAM - Global Investment Outlook
- RBC CM - Top 30 Global Ideas for 2018

## MUTUAL FUNDS Closed/Open- Top Holdings

### **Canadian Fixed Income**

Canso Credit Income  
Dynamic Strategic Yield  
Atrium Mortgage Fund  
Ridgewood Investment Grade Fund

### **Canadian Equity**

Fidelity - Global Innovation/CDN Large Cap/Growth /Special Opp  
Mackenzie - Ivey CDN / Cundhill  
Middlefield - CDN Dividend Growers/REIT Plus  
Franklin Templeton - Bissett CDN Div/CDN Equity  
RBC -CDN Div/CDN Equity/ O'Shaughnessy  
Dynamic - Strategic Yield  
Jarislowsky - Select CDN Div  
Trimark - CDN

### **US Fixed income**

Franklin High Yield  
Fidelity American High Yield  
Annaly Capital (NLY)

### **US Equity**

Fidelity - American Eq/Small Cap American/Euro  
Mackenzie - US Mid-Cap  
Middlefield - US Div Growers / American Core  
Franklin Templeton - Growth  
RBC - NA Value  
Dynamic - Strategic Yield  
Trimark - Trimark /Fund

### **GLOBAL Equity**

Fidelity - Global Div/Monthly Income  
Mackenzie - Ivey Foreign  
Middlefield - Health Care/Global Div Growers  
Franklin Templeton - Growth / Intl  
RBC - Global Fund / Int. Div G  
Dynamic - Global Value  
Trimark - Global

## ETFS - Top Holdings

### **Canada - Fixed Income**

Bonds - XBB, XCB, XGB  
Preferred Shares - CPD, PSF.UN

**Canadian Equity** - iShares TSX Large Cap 60, iShares Canada Equity Income, iShares Canadian Dividend, iShares Canadian Select Dividend, iShares TSX Small Cap, iShares TSX Composite

**Canadian Sectors** - iShares TSX Financials, iShares TSX REITs, BMO Equal Weight Utilities, iShares TSX Info Tech, iShares TSX Energy, iShares TSX Materials

### **US - Fixed Income**

US Bonds - XIG, TLT,  
US Preferred Shares - PFF

**US Equity** - S&P 500, Dow Jones Index, Nasdaq 100, S&P 500 Dividend Index, iShares Dow Jones Select Dividend Index, Vanguard Dividend Appreciation Index, iShares High Dividend Equity Fund, iShares Russell 2000 Index, S&P 500 Value Index, S&P 500 Growth Index, S&P Small Cap 600 Index

**US Sectors** - SPDR Financial Index, iShares Real Estate, iShares, SPDR Utilities Index, iShares Telecom Index, SPDR Consumer Discretion, iShares US Healthcare, iShares Nasdaq Biotech, iShares Industrials Index, NASDAQ Index, Vanguard Energy Index, DJ Basic Materials Index, iShares Homebuilders Index

### **GLOBAL Equity**

China ETF, Europe ETF, Germany ETF, India ETF, iShares Emerging Mkts, iShares International Dividend

### **Unique ETFs**

Horizons Robotics & Automation, ETFMG Prime Cyber Security, Blockchain Technologies, Active AI Global Equity, Marijuana Life Sciences, Healthcare Leaders Income, Tech Achievers Growth & Income, Just ETF US Large Cap ETF  
ROBO/HBLK/VGT/MIND/HA/HHL/HTA/JUST






# Technical Update

Portfolio Advisory Group

**Testing time.** The indexes have been pulling back again in what appears to be a testing of the low that was made on December 24. There are several ways a bottoming pattern can be made with the most important part of that being a second low that comes on less negative readings in the broader list of stocks than were made at the initial low. That includes the advancing-declining number of stocks, the number of new lows, and the volume, among other indicators. It's so-far so-good as far as Thursday's pullback is concerned, with the big point drop coming with less internal force. We suspect that any bottom we're looking at here will not be the start of a big uptrend, but more likely be marking the low end of a range that we think the indexes will be in for the next several months. We think it is still possible the indexes could score lower lows during this process, as the market continues its volatile and confusing pattern.

 <b>American Association of Individual Investors</b>			
Reported Date	Bullish	Neutral	Bearish
January 3:	33.02%	24.21%	42.77%
December 27:	31.55%	18.15%	50.30%
December 20:	24.86%	27.84%	47.30%
December 13:	20.90%	30.23%	48.87%
December 6:	37.94%	31.56%	30.50%
November 29:	33.88%	26.64%	39.47%
November 22:	25.25%	27.61%	47.14%
November 15:	35.09%	28.95%	35.96%
November 8:	41.28%	27.52%	31.19%
November 1:	37.93%	27.59%	34.48%



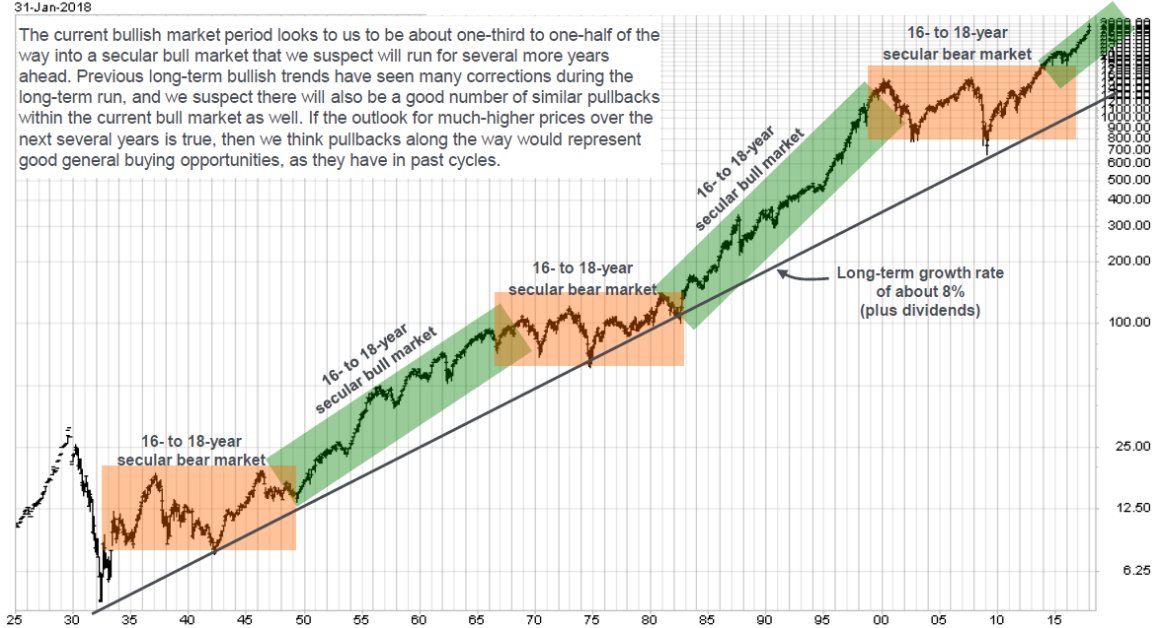
# FAVOURITE CHARTS

## Long-term market cycles 1925–2018

SPX S&P 500 Large Cap Index: INDX  
31-Jan-2018

© StockCharts.com

The current bullish market period looks to us to be about one-third to one-half of the way into a secular bull market that we suspect will run for several more years ahead. Previous long-term bullish trends have seen many corrections during the long-term run, and we suspect there will also be a good number of similar pullbacks within the current bull market as well. If the outlook for much-higher prices over the next several years is true, then we think pullbacks along the way would represent good general buying opportunities, as they have in past cycles.

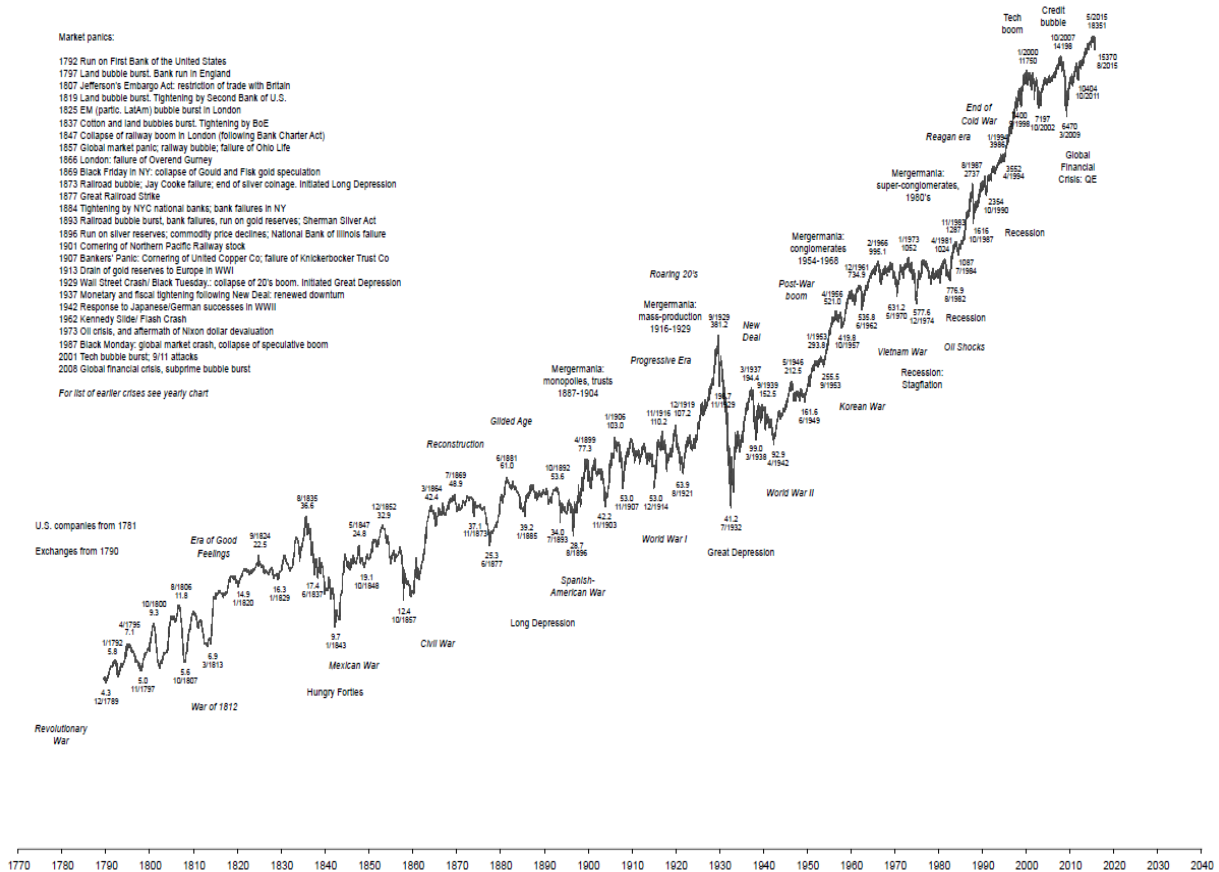


## Dow Jones Industrial Average - 1789 to Date

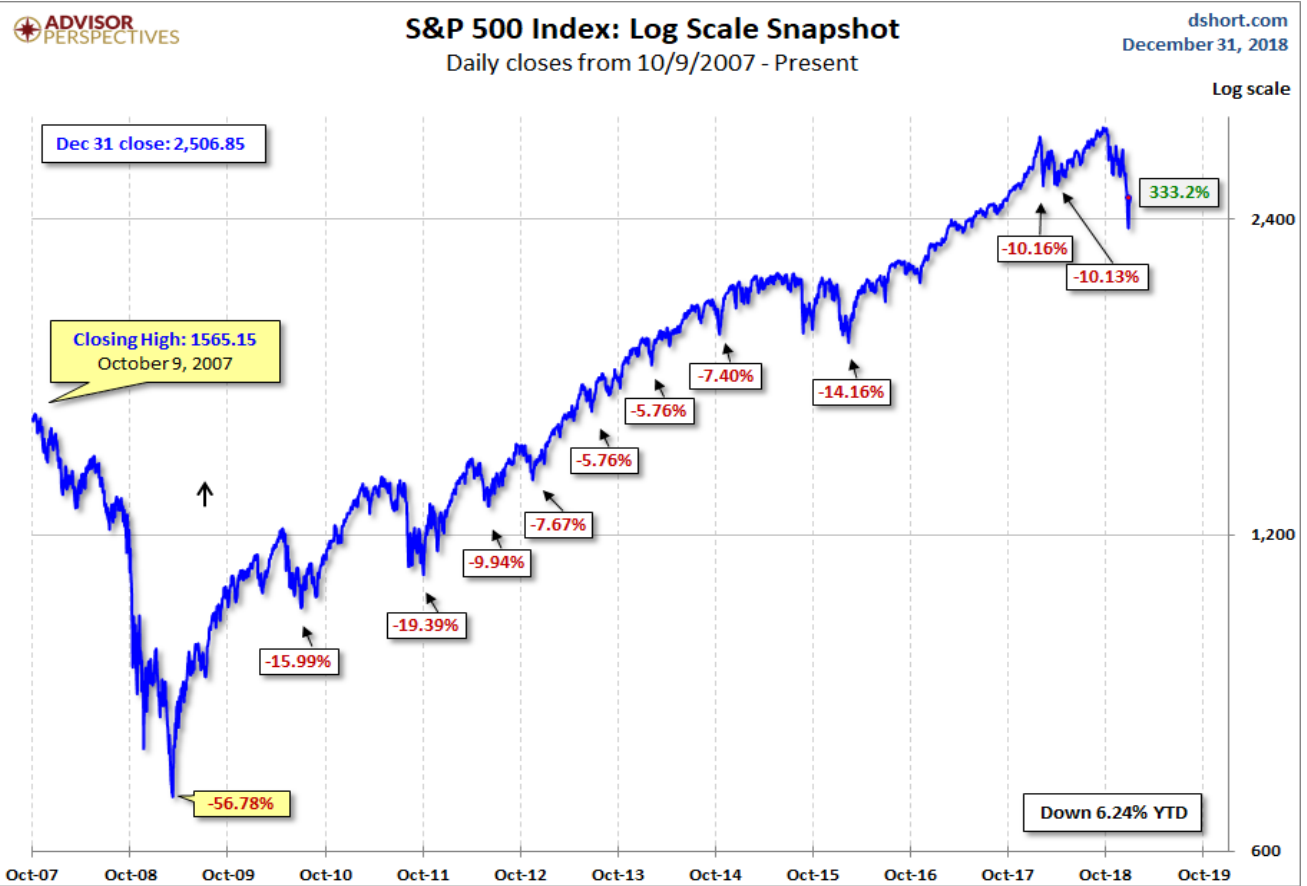
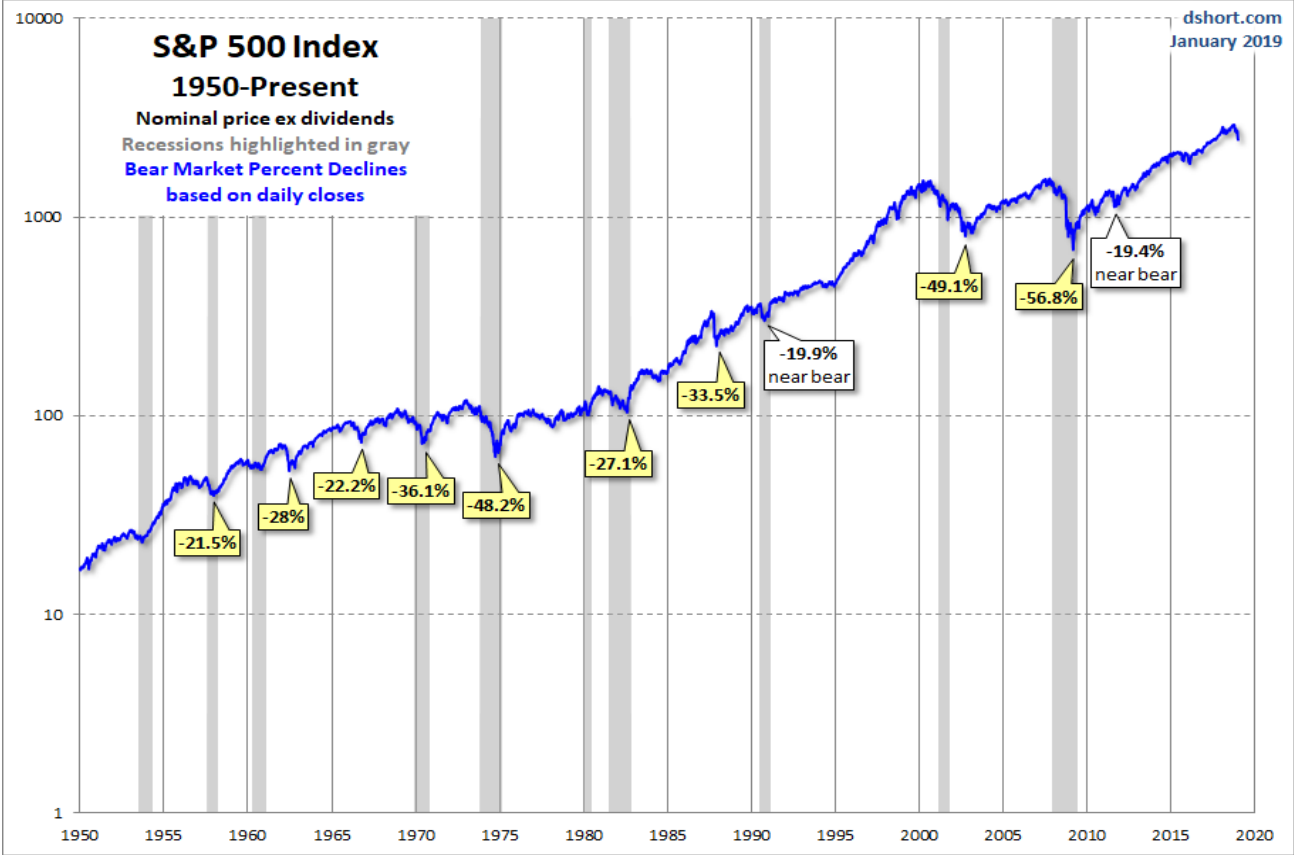
Market panics:

- 1792 Run on First Bank of the United States
- 1797 Land bubble burst, Bank run in England
- 1807 Jefferson's Embargo Act: restriction of trade with Britain
- 1819 Land bubble burst, Tightening by Second Bank of U.S.
- 1825 EM (partic. LatAm) bubble burst in London
- 1837 Cotton and land bubbles burst, Tightening by BoE
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1857 Global market panic; railway bubble, failure of Ohio Life
- 1866 London: failure of Overend Gurney
- 1869 Black Friday in NY; collapse of Gold and Flak gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage. Initiated Long Depression
- 1877 Great Railroad Strike
- 1884 Tightening by NYC national bank; bank failures in NY
- 1893 Railroad bubble burst, bank failures, run on gold reserves; Sherman Silver Act
- 1896 Run on silver reserves; commodity price declines, National Bank of Illinois failure
- 1901 Cornering of Northern Pacific Railway stock
- 1907 Bankers' Panic: Cornering of United Copper Co; failure of Knickerbocker Trust Co
- 1913 Drain of gold reserves to Europe in WWI
- 1929 Wall Street Crash! Black Tuesday: collapse of 20's boom. Initiated Great Depression
- 1937 Monetary and fiscal tightening following New Deal: renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1962 Kennedy Slide/Flash Crash
- 1973 Oil crisis, and aftermath of Nixon dollar devaluation
- 1987 Black Monday: global market crash, collapse of speculative boom
- 2001 Tech bubble burst; 9/11 attacks
- 2008 Global financial crisis, subprime bubble burst

For list of earlier crises see yearly chart







## MACKAY GROUP WEALTH MANAGEMENT

**Introduction** Serving over 300 families and friends since 1981. We provide the investment solutions you need to achieve specific goals, whether investing for yourself, family, your business or your organization.

**Our Team** Helping to provide comprehensive wealth management is an extensive team of professionals, including Portfolio Managers, Financial Planners, Estate Planning Specialists, Consultants, Tax Strategists and Research Analysts.

### THE MG WEALTH MANAGEMENT APPROACH

- 1: Learning about each other
- 2: Developing your personalized IP investment plan.
- 3: Putting your plan into action
- 4: Integrating complementary wealth services
- 5: Taking care of your lifelong needs
- 6: Monitoring and reporting results

#### **Portfolio Management Highlights:**

1. Learning about each other. Questionnaire on investment needs, objectives, and risk.
2. Investment Policy Statement. The IPS statement expresses your personal investment objectives in a document to guide the content of your portfolio, including making decisions, reporting on progress and regularly reviewing your objectives.
3. Action Plan. Detailed proposal to get us started.
4. Reviewing all our Wealth Management services including a financial plan and estate plan.
5. Taking care of lifelong needs, including creating detailed income projections.
6. Monitoring and reporting results. Ongoing portfolio analysis, reviews and prompt service.
  - ✓ Investment Policy Statement (IPS)
  - ✓ Portfolio Valuation Report
    - Asset Allocation, Income Projection, Rate of Return, Capital Gains/Loss
  - ✓ Tax reporting, T5 and T3 etc. (See kit)
  - ✓ RBC CM Quarterly Strategy, MG Weekly Newsletter, Focus List and Stock of the Day

#### ACCOUNTS & SERVICES WE OFFER

Investment Account, Options, Equity Credit Line, Corporate, Holding Co., Charitable Foundation, Tax Free Savings Account (TFSA)  
Registered Education Savings Plan (RESP)  
Registered Retirement Savings Plan (RRSP)  
Registered Retirement Income Fund (RRIF)  
Individual Pension Plan (IPP) DS Family Trust Acct  
Registered Charity Gift of Stock Account  
Annual Tax-Assisted Flow-Through Share Program

## PORTFOLIO MANAGEMENT PROGRAMS

Our team manages clients' portfolios on an individual basis. Portfolios are custom designed to meet your personal objectives. Investment disciplines used include asset allocation, geographic & sector diversification and risk management to maximize your portfolio returns. Programs include:

**1. Private Investment Management - PIM** our premium level of discretionary wealth management. Highlights include: Freedom, custom portfolio, segregated securities, IP statement, asset mix for life stage, model portfolio tracking, growth and income needs, risk tolerance, top & bottom up management.

**2. Professional Discretionary Investment Portfolios.** A+ Investment Program: is our institutional level platform with 40+ Investment Manager choices. Global money managers including Beutel Goodman, Franklin Bissett, Guardian, Jarislowsky Fraser, RBC GAM, Caldwell, Brandes, & Franklin Templeton.

**3. Professional Non-Discretionary Management - Advisor** our premium level of non-discretionary investment wealth management. Highlights include: Discussion on each investments, custom portfolios, IP statement, asset mix, growth & income needs, risk tolerance, top & down management.

Management fees are tax deductible for non-registered accounts.

#### **4. Traditional Transactional based accounts.**

Available for special situation accounts.

#### Advantages of Annual Management Fee Program.

- ✓ Premium money market and bond rates
- ✓ mutual funds with lower management fees
- ✓ Hedging through use of option strategies
- ✓ Easier tax planning - tax loss switches
- ✓ Stop loss + Re-entry without extra fees to average into and out of stock positions
- ✓ No transaction commission places the focus on merits of investing instead of its cost.
- ✓ Fee % decreases as value increases

#### INVESTMENT VEHICLES WE USE:

Allocation includes CDN, US, and International  
Fixed Income                      Equity Income & Growth  
MM, GICs                              Small Cap.  
Bonds, Converts                      Medium Cap.  
Preferreds                              Large Cap.  
High Income                              Balanced  
ETFs & Mutual Funds (open and closed),  
Option Strategies, Tax assisted investments



## COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES

### 1. Financial Planning

**Ted Chan** – our Financial Planning Consultant provides solutions for simple or complex financial planning:

- Comprehensive financial plan
- Addressing all aspects of your financial affairs
- Including cash and debt management
- Tax and investment planning
- Risk management
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively
- Taxation of the corporation at death and more.

**Also:**

- Business planning
- Estate planning
- Children’s education and inheritance
- Family trusts for disabled dependents
- Retirement planning

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### 2. Insurance Planning

**Andrew Sipes** – As estate planning specialists, they will focus on:

- Personal and corporate insurance solutions to increase your net worth and reduce the impact of taxation.
- He can also ensure your wealth is transferred to your heirs in accordance with your wishes.

Insurance Strategies include:

- Whole life
- Term life
- Long Term Care
- Keyperson Insurance
- Corporate Estate Bond
- Insured Retirement Plan (IRP)
- Critical Illness
- Insured Annuity

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### 3. Wills & Estate Planning

**Ariel-Charles Guigui** – Our Will and Estate Consultant offering information on structuring your estate in an efficient and tax-effective manner, providing you with a report outlining various estate planning issues:

- To explore in further detail with your own lawyer or accountant
- Valid & Current Wills for All in Family
- Use of living trusts
- Planned Gifting
- Reduce the taxes and expenses of an estate
- Simplify and speed the transition of assets to the next generation
- Ensure that your beneficiaries are protected.
- Different types of Power of Attorney

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### 4. Tax Planning

**Prashant Patel** – A number of solutions that can simplify the tax planning process including;

- Tax-efficient charitable giving
- Family income splitting strategies
- Eligible Retiring Allowance
- LIRA Conversion to LIF/RLIF
- 2015 Home Buyer’s Plan Withdrawals
- Consider Paying Yourself a Bonus
- Sale of Private Business Shares
- US Estate Tax Planning for Canadians

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### 5. RBC Estate & Trust Services, Royal Trust

**Greg Woolston** – provides individuals, families and businesses with valuable estate, trust and incapacity services:

- Assistance in the preservation, management and transfer of wealth between generations by providing solutions to implement clients’ estate and trust plans
- Financial security and peace of mind to elder Canadians who require assistance in the management of their affairs as they grow older
- Professional and impartial expertise in delivering estate and trust services
  - Strong history and legacy in managing fiduciary businesses
  - Professionals who have technical and practical experience
  - Compassion and understanding of the client’s family’s experience

## THE MACKAY GROUP NEWS

### **Bruce's Comments**

#### **Is it time for a Financial Checkup?**

Tax rates are increasing, financial solutions are evolving and RBC's suite of services has expanded to meet our clients' needs. We'll review your investment portfolios and introduce you to our expanded team of Wealth Management professionals and the full range of services we offer.

### **Andrew's Portfolio Managements Comments**

We continually monitor your investments. Our objective is your objective - to maximize your returns given your risk parameters. We have a wide range of investment choices available for you. Just look at our MG weekly Focus List.

### **Harry's Discretionary Managements Comments**

I help the team manage Discretionary Investment accounts. Glad to talk to you about the advantages of this portfolio management program. Also, will be managing clients TFSA's to maximize returns.

### **Ryan's Research and PM Comments**

I focus on research, MG Weekly & Daily Stock of the Day. For over 5 years, we have sent these well researched reports. Returns have been very impressive - I can send you our track record. I can also provide target & rank analysis on your investments.

### **Kristi's Wealth Management Comments**

Would you like a Financial Plan, Will & Estate Consultation and Insurance review? We can also provide you RBC banking, private banking and mortgage lending assistance.

### **Melissa's Administration Comments**

Is your account information up to date - including investment objectives & risk parameters, beneficiary information, dividend reinvestment plan, monthly payment plan and banking information?

### **Suzanne's Admin and Charities Comments**

Will provide clients with custom investment portfolio reports which include rates of returns, tax reporting and income projections. Help clients support their favorite charity with RBC foundation.

## Our Mission

"To provide our clients superior investment advice, products and service at RBC Wealth management Dominion Securities since 1981."

### **Bruce MacKay, BA, HBComm, CIM**

*Associate Portfolio Manager, Investment Advisor,  
Vice President and Director*

**Andrew Slivinsky, PFP, Senior Associate Advisor**

**Harry Sale, BA, Associate Wealth Advisor**

**Ryan MacKay, BA, Associate Advisor**

**Kristi MacKay, MBA, Associate Wealth Advisor**

**Melissa Crawford, BA, Associate Advisor**

**Suzanne Reid-Skidmore, BA, Associate Advisor**

### **Estate + Financial Planning Advisors**

**Ted Chan, Financial Planner**

**Ariel-Charles Guigui, Will and Estate Consultant**

**Prashant Patel, Tax Consultant**

**Andrew Sipes, Estate Planning Specialist**

### **MacKay Group Wealth Management**

[www.mackaygroup.com](http://www.mackaygroup.com)

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181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

### **MacKay Group & RBC Foundation**

**We have contributed \$500,000+ over the years. Charities we support in 2017 -** Jewish National Fund, Canadian Wildlife Federation, Canadian Civil Liberties, Toronto Public Library Foundation, ABC Life Literacy, Prostate Cancer Research, Canadian Canoe Museum, Erin Oak Kids, Trillium Hospital Foundation, CAMMAC, JVS Toronto, Operation Walk, Kids Cops & Computers, Ontario Track III, Camp Winston & The Barth Foundation.



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The model portfolio reflects the actual investment recommendations (buys, sells) of the strategy as they were communicated historically; however, a number of implementation assumptions (which may include but are not limited to the timing and diligence with which the portfolio is rebalanced, the execution price for securities transactions, and any trading and account related costs, fees, or commissions) have been made when calculating the model returns that may be difficult or impossible for any investor to exactly replicate the model portfolio. For this reason, there is no expectation that the model returns will perfectly replicate the actual performance of any client following the same guided portfolio strategy. 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