

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, JANUARY 24, 2025

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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.*

HOW I SEE IT – by Bruce

Mid-month Reversal/Benefit of doubt/Buy dip is back.

Big equity reversal from mid-month lows -pattern we've seen many times - will we hold for month end - if so, good start for the year - a good sign for the whole year.

Positives: **AAll Investor Sentiment Survey** - 43.4% bullish/ 27.1% neutral/ 29.4% bearish - big jump from 25% bullish reading and Dow has rallied 1000 points or 2 1/2%.

S&P 500 Index Strategist Projections versus actual performance - At the end of every calendar year top strategist in the industries set their S&P 500 targets for the upcoming year end. For the last five years, the high-end projection, 4/5 times was correct. Covid year was the year it did not. This year's projection is 7100.

RBC WM. Jim Allworth - "Global equities have the potential to add to the strong gains of the last two years. We believe this would require that economic and earnings growth don't falter. For now, we would give this uptrend the benefit of the doubt. Portfolio should stay committed to equities up to but not beyond their long-term targeted exposure."

RBC US Equity Strategy. Pulse of the market – "Initial batch of 4Q24 earnings call commentary, which is mostly from financials highlights the optimism and uncertainty that are both embedded in the current outlook for stocks. References to consumer spending have been positive despite the pressures of higher interest rates.

US 30-year mortgage rate declined - first time in 6 weeks.

Stocks and bitcoin fared very well first few months of Trump 1.0 -2017- will we have a repeat this time."

Ed Pennock – "PIMCO wrote that they expect rates to be on hold for the foreseeable future. The return of animal spirits. Analysts expect short term rally - 6500 S&P 500."

Blackrock – "Long-term bond yields have jumped as markets have embraced our previously contrarian higher for a longer view. But it doesn't necessarily spell pain for stocks."

Jim Paulsen - "Several economic indicators have turned more contrary during the last year, including a significant rise in bond yields, a much stronger US dollar, declining factor utilization rate, rising labor market on unemployment rate and a sluggish if not insufficient money supply growth. These forces are likely to slow the pace of overall economic activity and profit. Performance will also likely become less impressive particularly relative to current expectations. Our recession still looks **unlikely** and consequently profits should not collapse, but they may begin disappointing investors as the year progresses."

Dr. Ed Yardeni – "Expectations for more rate cuts this year than previously expected buoyed both bond and stock markets last week. If inflation falls the course, we expect down to 2% the Feds dual mandate would be achieved so it wouldn't need to ease further. Upon reassessing our subjective probabilities for three-alternative outlooks for the economy and markets were sitting pat on our base case scenario- 55% chance remains the roaring 2020s. Supporting that scenario, baby boomers flush with wealth and spending it."

Tommy Lee – "Inauguration marks start pro biz regime. ISM expected to recover to 50 in 2025 reversing longest ever stretch below 50 for 26 months = higher EPS = higher stocks. Bottom line = by the dip is back."

Stanley Druckenmiller - "I've been doing this for 49 years and we're probably going from the most anti-business administration to the opposite. We do a lot of talking to CEOs and companies on the ground. I'd say CEOs are somewhat between relieved and giddy. So, we're a believer in animal spirits."

Negatives: **Trump's** flurry of executive orders on the first day in office upended the playing fields for various industries in a bunch of fell swoops. There are winners and losers. Regulatory roadblocks disappear, trade policies are overhauled, and federal agencies operate under the new rules. Energy policy will now favor oil and

gas over the green fuels and government efficiency efforts will benefit high-tech players. (It does take time and there are legal roadblocks).

Brian Wesbury – “Still feels S&P 500 is 20% over valued - using Capitalized Profit Model. The elephant in the room is the sheer size and growth of the Federal Government. Especially re-distribution. Big government is the problem. The elephants in the room were all built by government. Fixing that would give the economy a chance and return sanity to the markets. (Canada too).”

Investment strategy – “The best time to plant a tree was 20 years ago. The second-best time is now.” **Chinese proverb.**

Table of Contents	
How I see it – By Bruce	1
News and Opinions	2&3
Canadian Markets	4
International Markets	5
Mutual Funds & RBC GAM Private Markets	6
Stock of the day - Top Performers	7
Technical Update – By Bruce	8
Dow Jones Chart since 1789	9
S&P 500 Levels	10
S&P 500 Technical Update	10a
AAll Sentiment Survey Data	10b
S&P500 Generational Cycles	10c
I don't want to invest in market now because.	10d
Andex Chart	10e
S&P 500 Index – Strategist's Projections Vs. Actual Performance	10f
MacKay Group Wealth Management	11
Comprehensive Strategies	12
Client Testimonials	13
The MacKay Group Team Comments	14
Disclaimer	15



Ontario premier calls snap election, gearing up for fight with U.S. on trade

Ontario's premier is calling an early election, saying his government needs a fresh mandate to help Canada's fight against potential tariffs from U.S. President Donald Trump.

Doug Ford confirmed Friday that citizens in Canada's most populous province will go to the polls in late February. It's the second big political shakeup in Canada tied to Trump's return to power in Washington. Prime Minister Justin Trudeau announced his resignation on Jan. 6 after his finance minister quit, citing differences over how to prepare for the new US administration.

Ford has been aggressive in his calls for Canada to retaliate if Trump starts a trade war. "You can't let someone hit you over the head with a sledgehammer without hitting them back twice as hard, in my opinion," he said earlier this month.

<https://www.bnnbloomberg.ca/business/politics/2025/01/24/doug-ford-confirms-early-ontario-election-will-be-called-next-wednesday/>

Trump Order Offers a Chance to Revive Keystone XL Pipeline

President Donald Trump appears to have opened the door for construction of the Keystone XL pipeline, the controversial oil conduit that even its former developer doesn't want to build.

A Biden administration executive order that revoked Trump's March 2019 permit for the pipeline was among the directives rescinded by the newly elected president Monday. The decision appears to have put Keystone XL back in play — even if it may now be little more than symbolic.

It's unlikely that the multibillion-dollar 1,200-mile project to build the pipeline from Canada to Nebraska would proceed anytime soon — if ever. South Bow Corp., the oil pipeline business spun off from TC Energy Corp., hasn't indicated interest in a revival.

<https://www.bnnbloomberg.ca/markets/oil/2025/01/24/trump-order-offers-a-chance-to-revive-keystone-xl-pipeline/>

TD Eyes Selling \$9 Billion of Mortgages as It Faces Asset Cap

Toronto-Dominion Bank is looking to sell about \$9 billion of residential mortgage loans as the Canadian lender adjusts its balance sheet to comply with a new cap imposed by US regulators, part of a plea agreement reached last year for its role in failing to prevent money laundering.

The portfolio for sale consists of so-called jumbo mortgages taken out by US homeowners with relatively high credit scores, according to people familiar with the matter. Bids on the pool are due next week, the people added, asking not to be named because the details are confidential.

<https://www.bnnbloomberg.ca/business/company-news/2025/01/21/td-eyes-selling-9-billion-of-mortgages-as-it-faces-asset-cap/>

Davos Can't Stop Worrying About Inflation Genie Escaping Bottle

Global inflation hasn't yet died and advanced economies outside China can't be complacent at a time of fickle consumers and trade tensions, according to the last Davos panel of 2025.

Luminaries from International Monetary Fund chief Kristalina Georgieva to BlackRock Chief Executive Officer Larry Fink acknowledged that, for all the efforts by central banks to tame consumer prices, policymakers can't afford to take their eye off the ball.

"Most of the body of the genie is in the bottle, kind of getting stuck there," the IMF managing director said. "But the legs are kind of hanging still out. We need to push it all the way down."

<https://www.bnnbloomberg.ca/business/international/2025/01/24/davos-cant-stop-worrying-about-inflation-genie-in-new-trump-era/>

New fires erupt in southern California ahead of Trump visit

New fires have erupted in southern California ahead of US President Donald Trump's visit to the state.

The blazes - named Laguna, Sepulveda, Gibbel, Gilman and Border 2 - flared up on Thursday in the counties of Los Angeles, San Diego, Ventura and Riverside.

Firefighters have made progress in bringing the 10,000-acre Hughes Fire in Los Angeles under control, containing it by 36% since it broke out on Wednesday.

[New fires erupt in southern California ahead of Trump visit](#)

How to make oxygen on the moon

Inside a giant sphere, the engineers pored over their equipment. Before them stood a silvery metal contraption swathed in colourful wires – a box that they hope will one day make oxygen on the moon.

Once the team vacated the sphere, the experiment began. The box-like machine was now ingesting small quantities of a dusty regolith – a mixture of dust and sharp grit with a chemical composition mimicking real lunar soil.

Soon, that regolith was gloop. A layer of it heated to temperatures above 1,650C. And, with the addition of some reactants, oxygen-containing molecules began to bubble out.

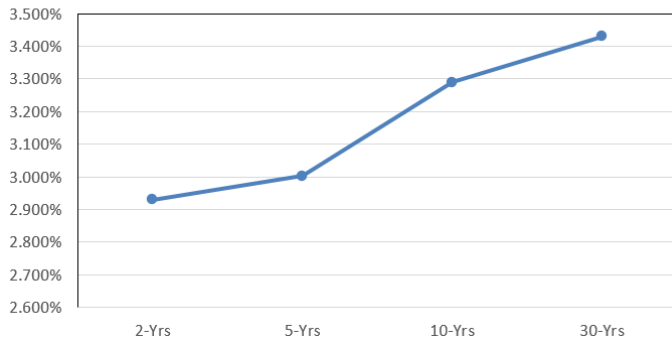
[Space exploration: How to make moon dust into oxygen](#)

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ Jan 24, 2025



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 Veritas V- list - Jan 2025

Agnico Eagle Mines, ARC Resources Ltd., ATCO Ltd., Boardwalk REIT, Canadian Natural Resources, Canadian Pacific Kansas City, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Magna International Inc., Metro Inc., Nutrien Ltd., Restaurants Brands International, Rogers Communications, Stella Jones Inc., Tourmaline Oil Corp, Wheaton Precious Metals.

Research Publications (available upon request)

- Industrials 2025 Outlook
- Medtech 2025 Outlook
- Global Real Estate 2025 Outlook

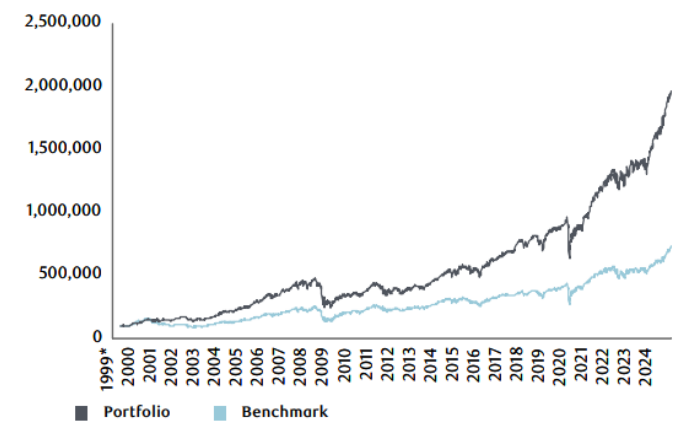
2025 Contribution Limits	Amount (\$CAD)
TFSA	
2025	\$ 7,000
Aggregate until 2025	\$ 102,000
RRSP	
2025	\$ 32,490

III. RBC DS Canadian Equity Focus List - Dec 2024

Royal Bank, Bank of Montreal, National Bank of Canada, Brookfield Corporation, Brookfield Asset Management, Intact Financial, Canadian Imperial Bank, First Capital REIT, Element Fleet Management, Brookfield Infrastructure Partners, TELUS, Dollarama Inc., Alimentation Couche-Tard, Loblaw, CP Rail, Toromont Industries, Waste Connections, Thomson Reuters, WSP Global, GFL Environmental, Bombardier, Constellation Software, Shopify, Canadian Natural Resources, Suncor Energy, Pembina Pipeline, TC Energy, CCL Industries.

Historical total return since inception to November 30, 2024

Cumulative portfolio value (inception \$100,000)



P

Multi-horizon performance (% , since inception, annualized[†])

	1 month	3 months	YTD	1 year	2 years
Canadian Focus List	4.74	9.29	30.53	37.15	19.98
S&P/TSX Composite	6.37	10.66	25.77	30.69	15.61

Mackay Group Portfolio Investment Management (PIM) Models – based on RBC DS Focus Lists.

We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists.

Our models are designed to mirror their performance.

Let’s talk, to see if appropriate for you.

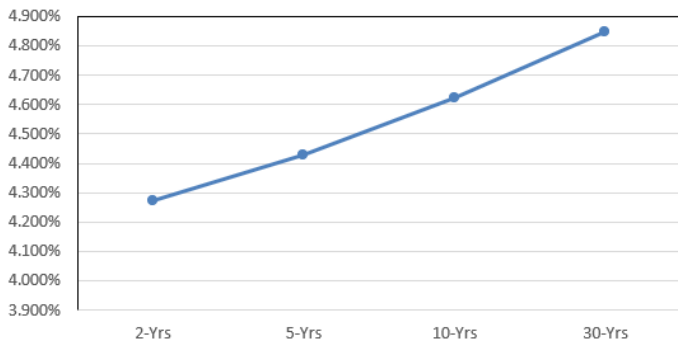


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ Jan 24, 2025



MG US Fixed Income Top Holdings include:

- Government & Corporate Bonds
- High Yield Open & Closed Funds
- Rate Reset/Fixed Floater Preferreds
- IShares Mortgage Plus Index (REM)

II.RBC DS N.A. Focus List – December 2024:

Meta, ServiceNow, Amazon, Alimentation Couche-Tard, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Brookfield Asset Management, Intact Financial, MasterCard, National Bank of Canada, Royal Bank of Canada, S&P Global, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Accenture, Adobe, Apple, Constellation Software, Microsoft, NVIDIA, CCL Industries, Element Fleet Management.

III. RBC DS ADR Focus List November, 2024:

GSK Plc., Vodafone Group, Alibaba, InterContinental Hotels, Sony, Anheuser-Busch InBev, Diageo, Unilever, BP plc, Shell, Barclays, HSBC Holdings, ING Groep, AstraZeneca, Sanofi, RELX, Accenture, Taiwan Semiconductor Manufacturing Co. Ltd., Mitsubishi UFJ Financial Group Inc., ASML Holdings, NICE, STMicroelectronics, BHP group plc, Linde, National Grid

Research Publications (available upon request)

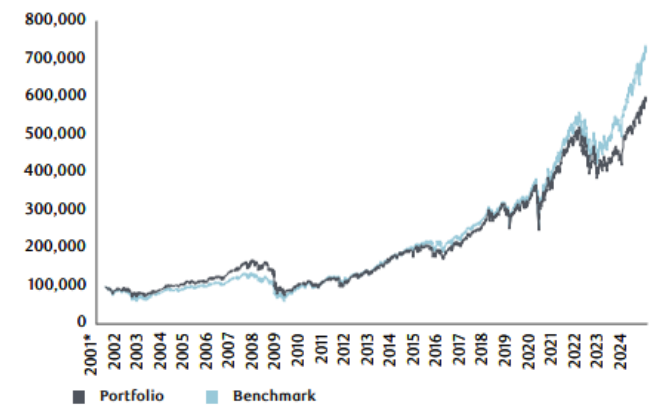
- Insurance 2025 Outlook
- Chemicals & Packaging 2025 Outlook
- Restaurants & Leisure 2025 Outlook

IV. RBC DS US Equity Focus List – October 2024:

Aon Plc., JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Amazon, Home Depot, McDonalds, Johnson & Johnson, Medtronic, Thermo Fisher Scientific, United Health Group, Crown Castle Inc, Constellation Brands, Costco Wholesale, Estee Lauder, Honeywell International, Union Pacific, Xylem, Adobe, Amphenol Class A, Apple, Microsoft, Palo Alto Networks, Service Now, Chevron, Ecolab, Meta Platforms, RTX Corporation.

Historical total return since inception to November 30, 2024

Cumulative portfolio value (inception \$100,000)



Multi-horizon performance (% , since inception, annualized†)

	1 month	3 months	YTD	1 year	2 years
U.S. Focus List (USD)	5.61	4.81	21.35	26.33	17.54
S&P 500	5.87	7.15	28.07	33.89	23.56

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Let’s talk, to see if appropriate for you.



MUTUAL FUNDS Closed/Open- Top Holdings
-By Christopher

I. CANADIAN

Canadian Fixed Income

Canso Credit Income
Dynamic Strategic Yield
PH&N Total Return Bond Fund

Canadian Equity

Fidelity - Global Innovation/CDN Large Cap/Growth /Special Opp
Mackenzie - Ivy CDN / Cundill
Middlefield - CDN Dividend Growers/REIT Plus
Franklin Templeton - Bissett CDN Div/CDN Equity
RBC -CDN Div/CDN Equity/

ETFS - Top Holdings

Canada - Fixed Income

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

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

II. US/INTERNATIONAL

US Fixed income

Franklin High Yield
Fidelity American High Yield

US Equity

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

ETFS - Top Holdings

US ETF Fixed Income

US Bonds - XIG, TLT
US Preferred Shares - PFF

US ETF 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 ETF 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

III. GLOBAL

GLOBAL Equity

Fidelity - Global Div/Monthly Income
GQG- Partners Global Quality Equity Fund
Middlefield - Health Care/Global Div Growers
Franklin Templeton - Growth / Intl
RBC - Global Fund / Int. Div G
Manulife- Climate Action

GLOBAL ETF 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

RBC GAM Private Markets

RBC Canadian Core Real Estate Fund
RBC Commercial Mortgage Fund
RBC Global Infrastructure Fund LP
RBC Canadian Core Real Estate
RBC Canadian Private Placement Corporate Debt



STOCK OF THE DAY – TOP PREFORMERS since 2011 – as of Dec 19/2024.

There are many ways to invest. We offer many choices.

From Fixed income to Equity to Private placements and Tax assisted investments.

One way we communicate our ideas is through our daily Stock of the Day, since 2011.

These are well researched and our top recommendations for the long term.

We have had some very impressive results.

1. Fixed income investment products with high yields and some with tax efficient yields.
2. Select equities with increasing income and growth potential.
3. Our favorite top performing open and closed mutual funds with superior managers performance.
4. ETFs that are well diversified and some with specialized sectors, offering low management fees.

Hope you find this list useful.

While we cannot guarantee same future results, we will do our best give you our best ideas.

Rate of returns does not include dividends.

Email Date	Symbol	Company Name	Stock Price at the time of email	Current Stock Price (Dec 18,2024)	Rate of Return (%)	Sector
14-05-12	CSU-CA	Constellation Software Inc.	\$88.75	\$ 4,610.00	5094.4%	Technology
12-12-11	AAPL-US	Apple Inc.	\$13.99	\$ 252.60	1705.6%	Wireless Mobile Equipment
05-12-12	URI-US	United Rentals, Inc.	\$42.38	\$ 748.52	1666.2%	Industrials
28-04-20	NVDA-US	NVIDIA Corporation	\$7.63	\$ 134.17	1658.5%	Technology
12-01-12	MSFT-US	Microsoft Corporation	\$27.87	\$ 448.64	1509.8%	Technology
17-12-13	ZJG-CA	BMO Junior Gold Index ETF	\$6.20	\$ 96.10	1450.0%	Prec. Met.
23-07-12	DOL-CA	Dollarama Inc.	\$10.14	\$ 139.17	1272.5%	Consumer
21-06-12	BIN-CA	Waste Connections, Inc.	\$19.60	\$ 252.35	1187.5%	Industrials
20-01-12	V-US	Visa Inc. Class A	\$25.60	\$ 317.50	1140.4%	Comm. Serv.
18-12-12	TFII-CA	TFI International Inc.	\$19.00	\$ 212.51	1018.4%	Industrials
29-11-11	GE-US	GE Aerospace	\$14.91	\$ 163.98	999.8%	Industrials
27-09-17	LLY-US	Eli Lilly and Company	\$84.31	\$ 773.14	817.0%	Health Care
22-02-12	HD-US	Home Depot, Inc.	\$46.80	\$ 402.67	760.4%	Consumer
05-02-13	KKR-US	KKR & Co Inc	\$17.79	\$ 149.20	738.7%	Financials
07-12-11	GIB.A-CA	CGI Inc. Class A	\$19.30	\$ 156.62	711.5%	Technology
13-08-13	BX-US	Blackstone Inc.	\$23.38	\$ 178.59	663.9%	Investment Services
27-01-12	ETN-US	Eaton Corp. Plc	\$48.93	\$ 343.87	602.8%	Industrial Manufacturing
10-03-14	MRVL-US	Marvell Technology, Inc.	\$15.83	\$ 110.62	598.8%	Specialized Semi-conductors
23-06-15	COST-US	Costco Wholesale Corporation	\$139.99	\$ 974.16	595.9%	Consumer
19-03-18	CCO-CA	Cameco Corporation	\$11.93	\$ 76.94	544.9%	Energy
16-08-12	MCK-US	McKesson Corporation	\$88.80	\$ 568.63	540.3%	Health Care
11-07-17	COST-US	Costco Wholesale Corporation	\$152.89	\$ 974.16	537.2%	Consumer
10-12-19	NOW-US	ServiceNow, Inc.	\$184.23	\$ 1,089.70	491.5%	Technology
14-06-12	VLO-US	Valero Energy Corporation	\$22.10	\$ 123.98	461.0%	Energy
13-04-12	DE-US	Deere & Company	\$78.00	\$ 435.01	457.7%	Industrial Manufacturing
09-10-13	SYK-US	Stryker Corporation	\$68.55	\$ 364.71	432.0%	Health Care
06-11-12	BRK.B-US	Berkshire Hathaway Inc. Class B	\$87.04	\$ 454.15	421.8%	Finance
16-02-16	FSV-CA	FirstService Corp	\$51.40	\$ 265.41	416.4%	Consumer
16-11-11	L-CA	Loblaw Companies Limited	\$38.03	\$ 191.39	403.3%	Grocery Stores
09-07-14	CJT-CA	Cargojet Inc.	\$21.77	\$ 107.75	394.9%	Industrials
08-09-21	AVGO-US	Broadcom	\$49.65	\$ 229.43	362.1%	Technology
12-12-16	QQQ-US	Invesco QQQ Trust Series I	\$118.89	\$ 531.31	346.9%	Technology
16-09-16	TOL-US	Toll brothers, Inc.	\$29.68	\$129.95	337.8%	Home Builders

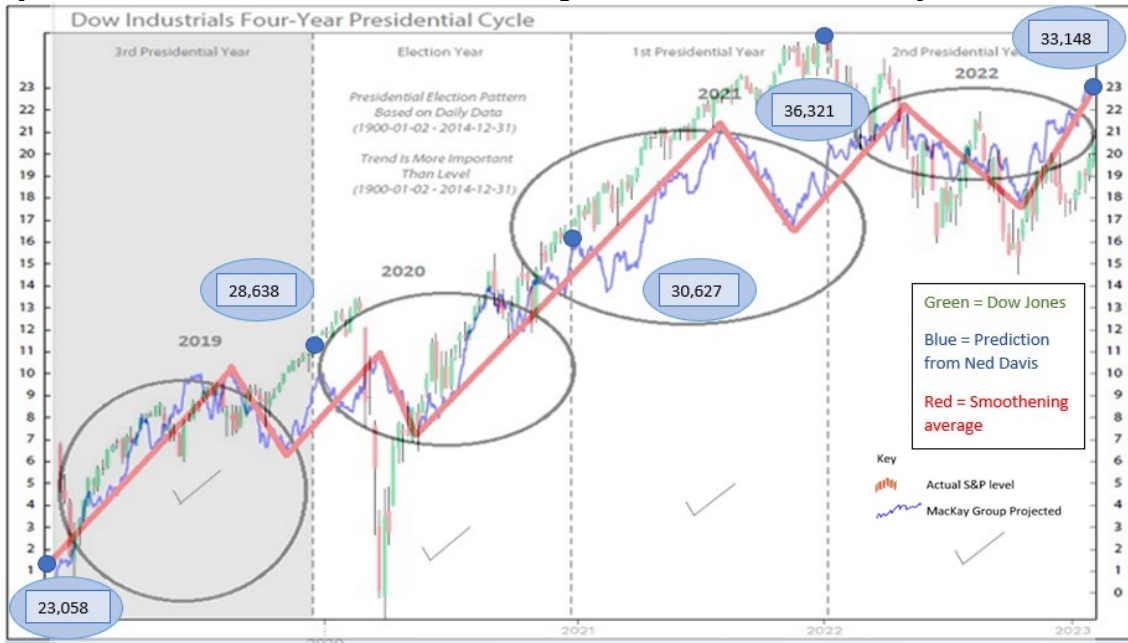




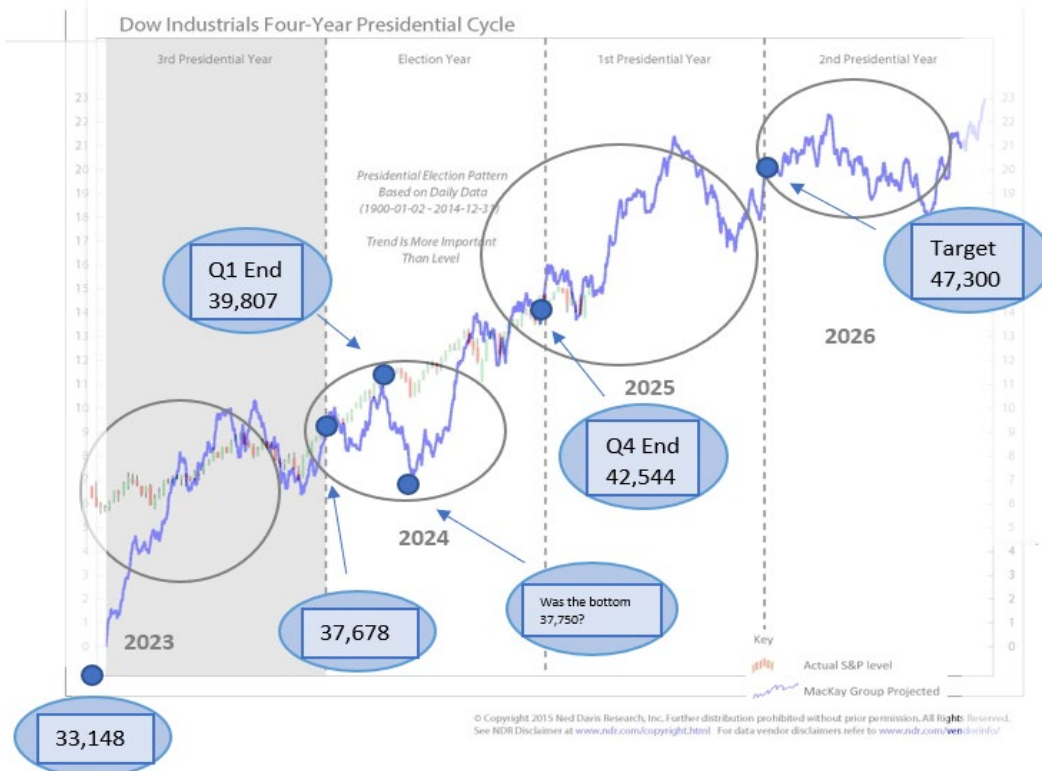
Technical Update - By Bruce

Portfolio Advisory Group

By - Ned Davis S&P500 - Sector Road Map - Good Track Record - By Bruce



Will this happen - possible?



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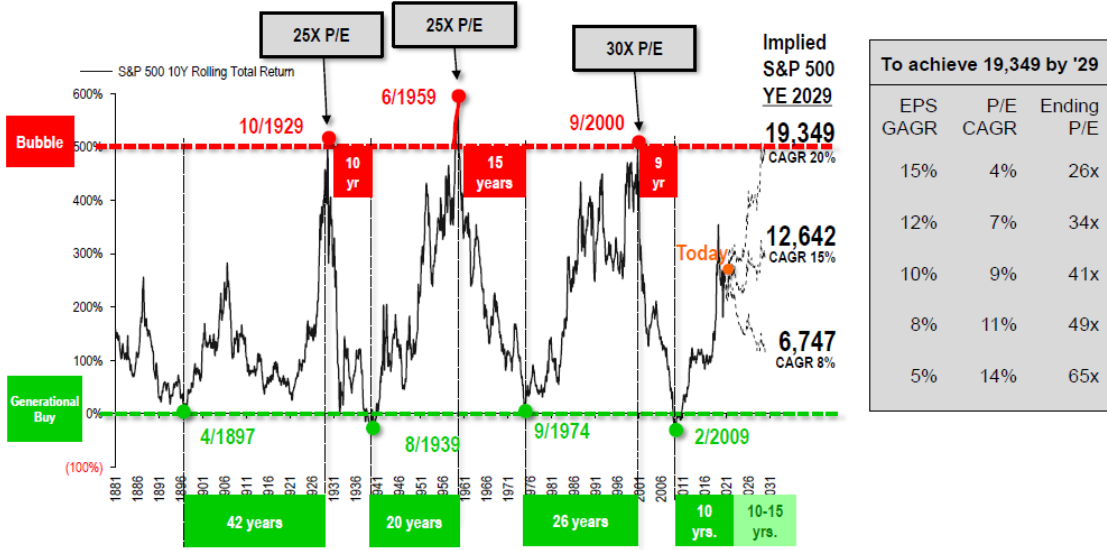
FAVOURITE CHARTS

Long-term bull markets see peak acceleration to 500% 10-yr returns

Long-term bull markets last 20-42 years and peak returns accelerate to cumulative gain 500%...

- **The current bull market has risen for 10 years and if the history plays out, S&P 500 could reach 19,000 YE 2029 vs. 3,000 now.**

Figure: 10-year rolling returns of the US equities Since 1881



Source: Fundstrat, Bloomberg.

Dow Jones Industrial Average - 1789 to Date

Stock Prices

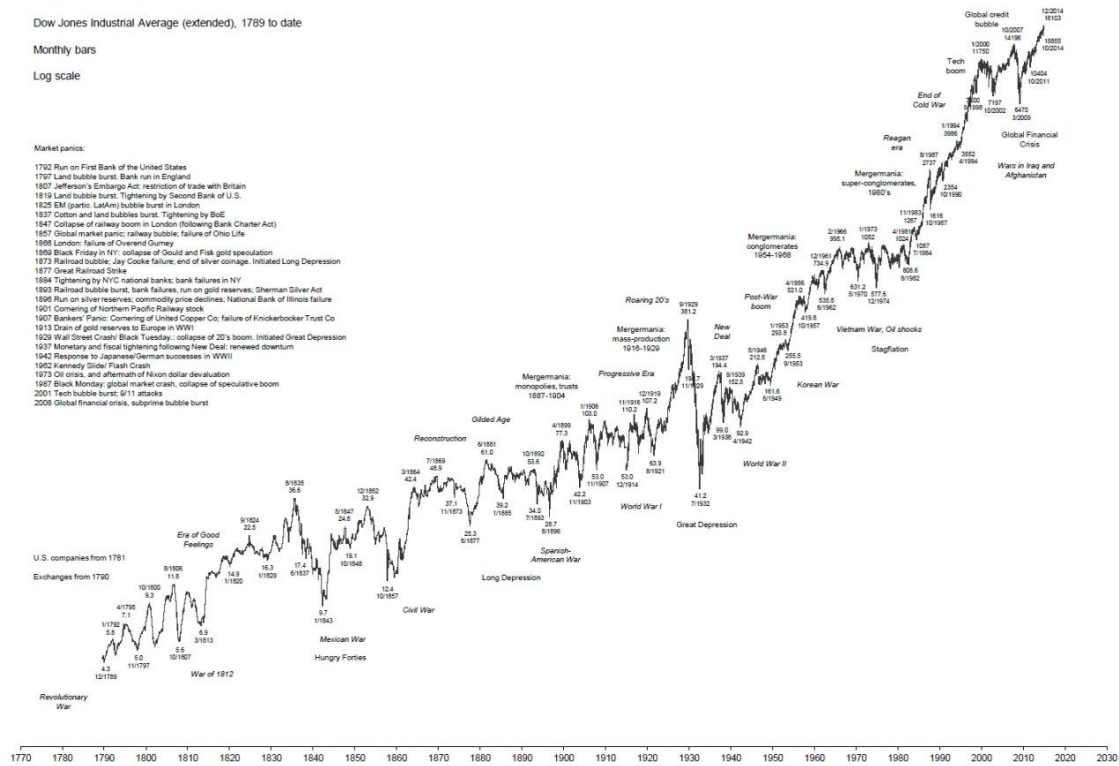
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

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 (paris; LaAm) bubble burst in London
- 1837 Cotton and land bubbles burst; Tightening by B&E
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1847 Global market panic; railway bubble; failure of Ohio Life
- 1898 London: failure of Overend Gurney
- 1898 Black Friday in NY; collapse of Gould and Fish gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage; Initiated Long Depression
- 1877 Great Railroad Strike
- 1894 Tightening by NYC national banks; 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% boom. Initiated Great Depression
- 1927 Monetary and fiscal tightening following New Deal; renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1982 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



S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

— Current Index Price — 50-Day MA — 200-Day MA



S&P 500 notches first record close of 2025



[S&P 500 notches first record close of 2025](#)

S&P 500 – Monthly – Uptrend intact but cycle momentum is peaking as a yellow flag to monitor in 2025.



Source: RBC Wealth Management, Bloomberg, Optuma

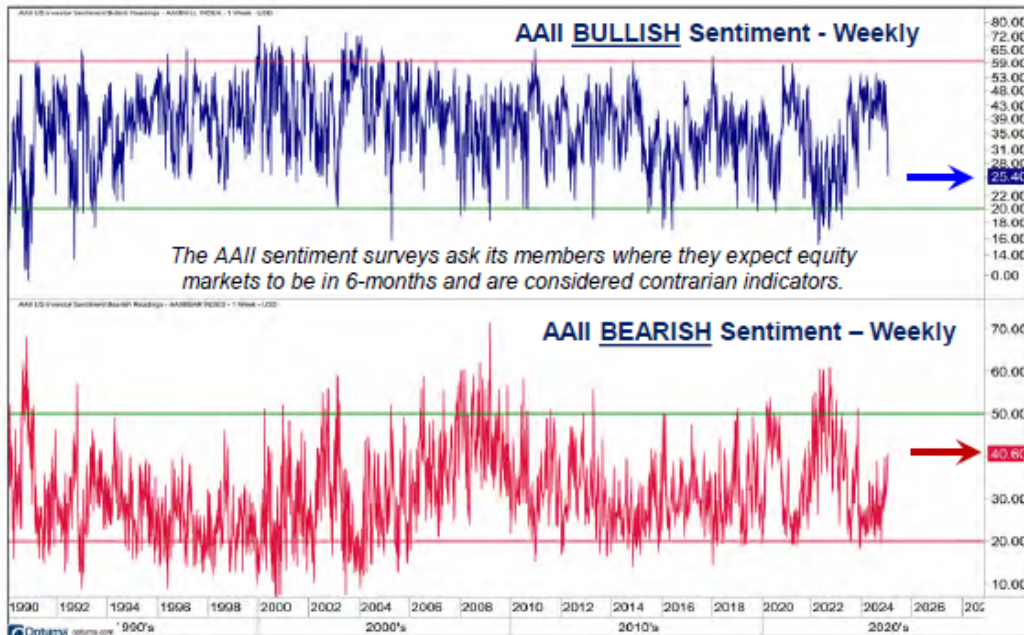
- The S&P's uptrend remains intact from the lows that developed in Q4 2022 but the monthly momentum indicators (top panel) we use to track the cycle have begun to peak and turn down.
- Although momentum downturns can often precede market peaks by 1-2 quarters, it is a yellow flag that the equity market cycle is peaking.
- The silver lining in early Q1 is that most tactical indicators are now oversold (see next slide) which should support further upside in this quarter.
- Resistance is at the recent highs of 6100 with minor resistance near 6300 (see slide 8) followed by 6966 coinciding with the 262% extension level.
- Support begins at 5638 then at a major band of support between 4584-4818 that we expect will hold should volatility accelerate in the coming weeks/months.

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Jan 22	43.4%	27.1%	29.4%
Jan 15	25.4%	34.0%	40.6%
Jan 8	34.7%	28.0%	37.4%
Jan 1	35.4%	30.4%	34.2%
Dec 25	37.8%	28.0%	34.1%
Dec 18	40.7%	27.9%	31.4%
Dec 11	43.3%	25.0%	31.7%
Dec 4	48.3%	21.0%	30.7%
Nov 27	37.1%	24.3%	38.6%
Nov 20	41.3%	25.5%	33.2%
Nov 13	49.8%	21.8%	28.3%
Nov 6	41.5%	30.9%	27.6%
Oct 30	39.5%	29.6%	30.9%
Oct 23	37.7%	32.4%	29.9%
Oct 16	45.5%	29.2%	25.4%
Oct 9	49.0%	30.4%	20.6%
Oct 2	45.5%	27.3%	27.3%
Sep 25	49.6%	26.7%	23.7%
Sep 18	50.8%	22.8%	26.4%
Sep 11	39.8%	29.3%	31.0%
Sep 4	45.3%	29.8%	24.9%
Aug 28	51.2%	21.9%	27.0%

The sentiment survey measures the percentage of individual investors who are bullish, bearish, and neutral on the stock market short term; individuals are polled from the AAI Web site on a weekly basis. Only one vote per member is accepted in each weekly voting period.

AAII US Bullish and Bearish Sentiment Survey – Contrary indicators – Optimism declining = (+)



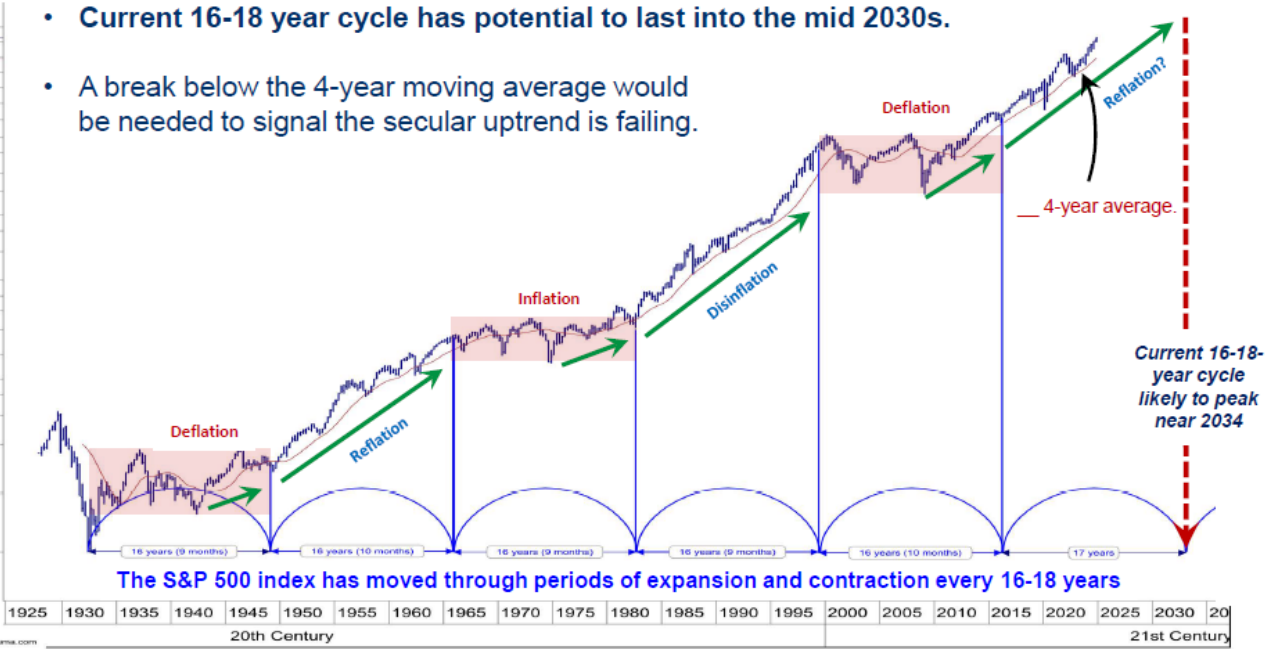
- (+) Bullish Sentiment has materially declined from advanced levels
...while...
-(+) bearish sentiment has risen to levels not seen in over a year.
- While these levels are not extreme, they have significantly improved from a contrarian perspective which should support further upside for equities.

S&P 500 – Generational cycles lasting roughly 16-18 years



7000.00
6,032.38
4,520.11
3700.00
3000.00
2400.00
1900.00
1500.00
1200.00
900.00
700.00
500.00
400.00
300.00
200.00
160.00
130.00
100.00
70.00
50.00
40.00
30.00
20.00
10.00
-900.00

- Current 16-18 year cycle has potential to last into the mid 2030s.
- A break below the 4-year moving average would be needed to signal the secular uptrend is failing.



The S&P 500 index has moved through periods of expansion and contraction every 16-18 years

Optuma optuma.com
Source: RBC Wealth Management, Bloomberg, Optuma

S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth

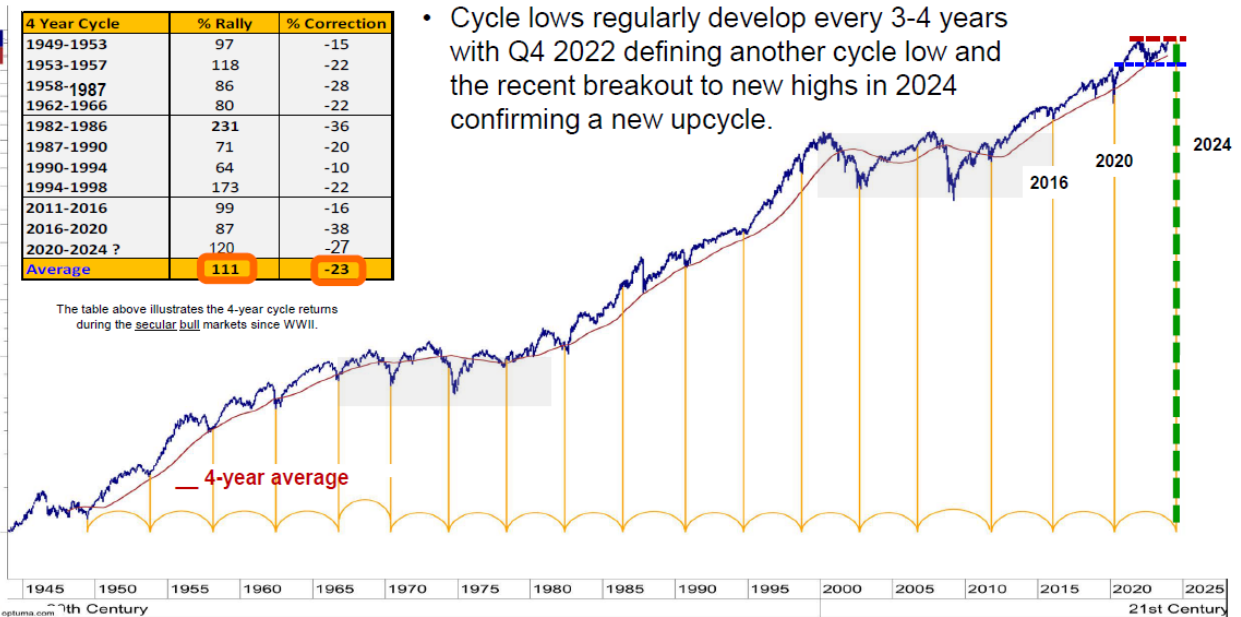


4,769.83
3,956.17
3300.00
2800.00
2400.00
2000.00
1700.00
1400.00
1200.00
1000.00
800.00
600.00
500.00
400.00
300.00
240.00
200.00
170.00
140.00
120.00
100.00
80.00
60.00
50.00
40.00
30.00
20.00
0.00

4 Year Cycle	% Rally	% Correction
1949-1953	97	-15
1953-1957	118	-22
1958-1987	86	-28
1962-1966	80	-22
1982-1986	231	-36
1987-1990	71	-20
1990-1994	64	-10
1994-1998	173	-22
2011-2016	99	-16
2016-2020	87	-38
2020-2024 ?	120	-27
Average	111	-23

The table above illustrates the 4-year cycle returns during the secular bull markets since WWII.

- Cycle lows regularly develop every 3-4 years with Q4 2022 defining another cycle low and the recent breakout to new highs in 2024 confirming a new upcycle.



Optuma optuma.com
Source: RBC Wealth Management, Bloomberg, Optuma

"I DON'T WANT TO INVEST MY MONEY NOW BECAUSE..."



Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession
	1959	679	Castro takes over Cuba
1960's	1960	616	USSR downs U-2 spy plane
	1961	731	Berlin Wall erected
	1962	652	Cuban Missile Crisis
	1963	763	JFK assassinated
	1964	874	Gulf of Tonkin Incident
	1965	969	Civil rights marches
	1966	786	Vietnam War escalates
	1967	905	Newark race riots
	1968	944	USS Pueblo seized - "market too high"
	1969	800	Money tightens, market falls
1970's	1970	839	Conflict spreads to Cambodia
	1971	890	Wage & price freeze
	1972	1020	Large st. trade deficit in U.S. history
	1973	851	Energy crisis
	1974	616	Steepest market drop in 40 years
	1975	852	Clouded economic prospects
	1976	1005	Economy slowly recovers
	1977	830	Market slumps
	1978	805	Interest rates rise
	1979	839	Oil sky rockets, 10%+ unemployment
1980's	1980	964	Interest rates hit all-time high
	1981	875	Deep recession begins, Reagan shot
	1982	1,047	Worst recession in 40 years, debt crisis
	1983	1,259	Market hits record - "market too high"
	1984	1,212	Record U.S. federal deficits
	1985	1,547	Economic growth slows
	1986	1,896	Dow nears 2000 - "market too high"
	1987	1,939	The Crash - Black Monday
	1988	2,169	Fear of recession
	1989	2,753	Junk bond collapse
1990's	1990	2,634	Gulf War worst market decline in 16 years
	1991	3,169	Recession, "market too high"
	1992	3,301	Elections, market flat
	1993	3,754	Businesses continue restructuring
	1994	3,834	Interest rates are going up
	1995	5,117	"The market is too high"
	1996	6,448	Fear of inflation
	1997	7,908	"Irrational Exuberance"
	1998	9,374	Asia Crisis
	1999	11,497	Y2K

Year*	DJIA		
2000's	2000	10,787	Technology Correction
	2001	10,021	Recession, World Trade Center attack
	2002	8,342	Corporate Accounting Scandals
	2003	10,454	War in Iraq
	2004	10,783	U.S. has massive trade and budget deficits
	2005	10,718	Record oil & gas prices
	2006	12,463	Housing bubble bursts
	2007	13,265	Sub-prime mortgage crisis
	2008	8776	Banking and credit crisis
	2009	10,428	Recession, "credit crunch"
2010's	2010	11,578	Sovereign debt crisis
	2011	12,218	Eurozone crisis
	2012	13,104	U.S. fiscal cliff
	2013	16,577	Federal Reserve to "taper" stimulus
	2014	17,823	Oil prices plunge
	2015	17,425	Chinese stock market sell-off
	2016	19,763	Brexit, U.S. presidential election
	2017	24,719	Stocks at record highs; bitcoin mania
	2018	23,327	Trade wars, rising interest rates
	2019	28,538	Trade war escalation, stocks at record highs
2020's	2020	30,606	COVID-19 crisis and recession
	2021	36,338	Decades high inflation
	2022	33,147	Aggressive rate hiking cycle

Source: DJIA - Dow Jones Industrial Average * Dec. 31 close

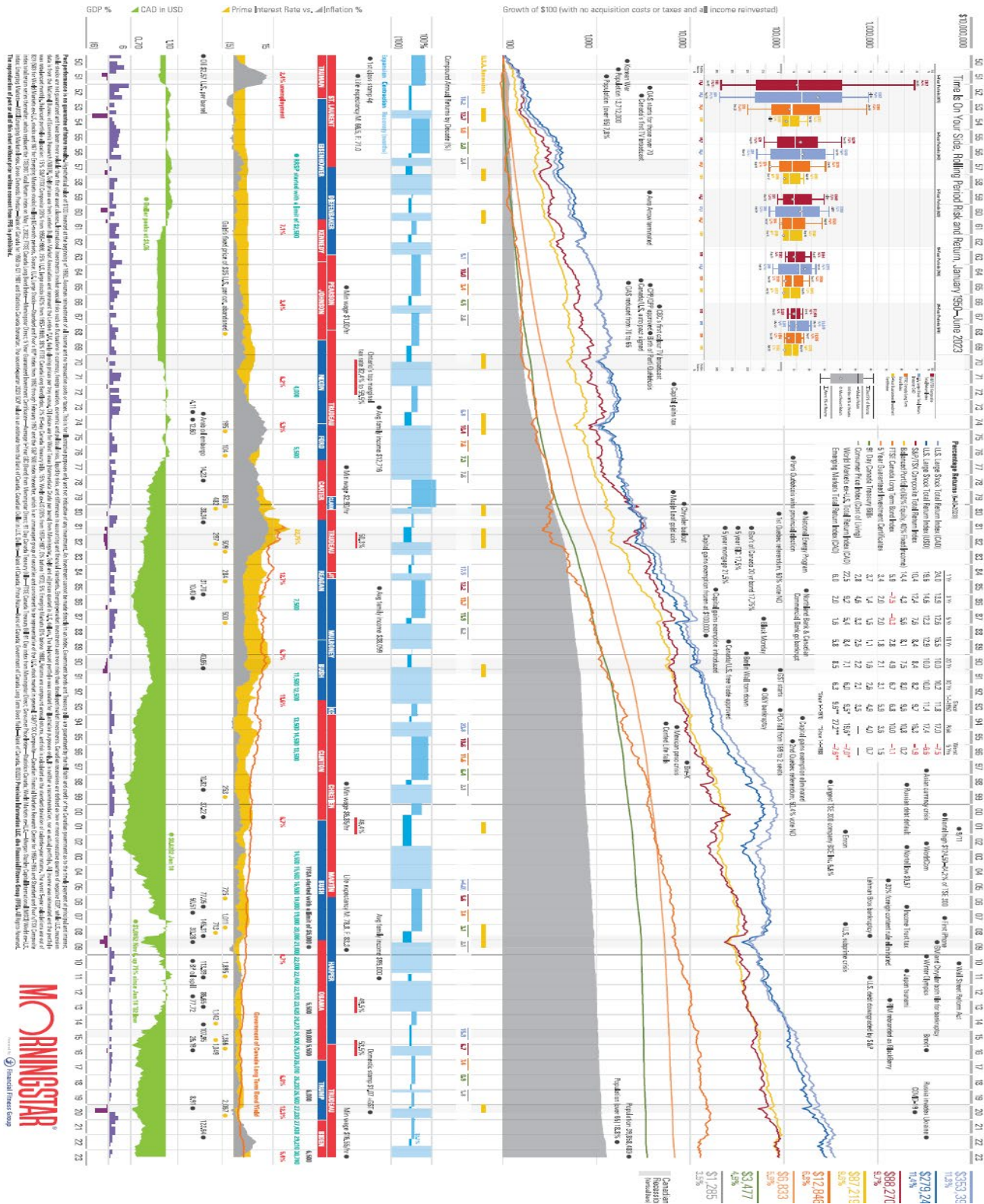
DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

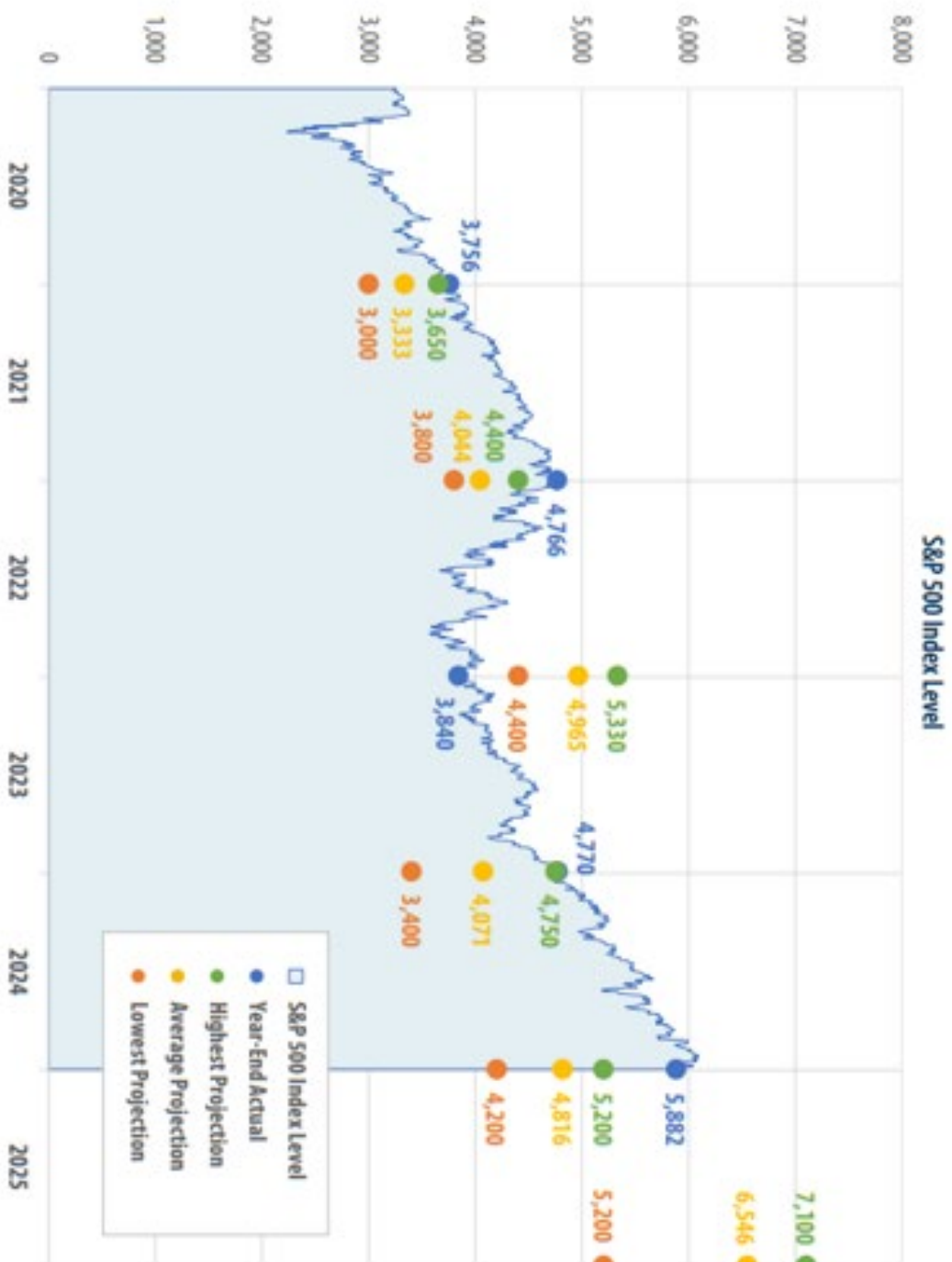
Index Chart

The Index Chart tracks the performance of \$100 invested over a 72-year period in different types of investments amid the context of significant historical, political, economic and social developments. It helps you consider current events through a long-term lens and, as a result, make informed investment decisions. Each coloured line in the Index Chart represents the performance of a different investment type or asset class. While each type of investment has charted an upward course over time, their movements differed under the same economic circumstances, underscoring the importance of diversification.



S&P 500 Index: Strategists' Projections vs. Actual Performance

At the end of every calendar year, top strategists in the industry set their S&P 500 price targets for the upcoming year-end. Below are their projections and how the S&P 500 index performed over the last several years.



S&P 500 Index Annual Return

Year	Average Projection	Actual Return	Difference
2020	3.2%	16.3%	+13.1%
2021	7.7%	26.9%	+19.2%
2022	4.2%	-19.4%	-23.6%
2023	6.0%	24.2%	+18.2%
2024	1.0%	23.3%	+22.3%
2025	11.3%	?	?

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 Acct, Annual Tax-Assisted Flow-Through Share Program

PORTFOLIO MANAGEMENT PROGRAMS

Our team manages clients' portfolios on an individual basis (AUM \$1.81B). 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. MG Private Investment Management - PIM (AUM \$200M)-Discretionary portfolio 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.

RBC DS-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, Templeton.

3.MG Non-Discretionary Advisory Management (AUM \$300M)- Non-discretionary investment portfolio management.

Highlights include: Discussion on each investment, 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)



COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES - By Kristi and Kyle

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
- Taxation of the corporation at death and more.
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively

2. Insurance Planning - Andrew Sipes and Barrington Grey

As estate planning specialist, 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
- Critical Illness
- Insured Annuity

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

4. Tax Planning- Prashant Patel and Bobby Hinduja

Several 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

5. RBC Estate & Trust Services, Royal Trust - Karen Snowdon-Steacy

It 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.
- 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.

6. RBC Premier Banking and Private Banking- Niaz Dharas & Margaret Caponio

Premier Banker works as a single point of contact providing banking and credit solutions for select clients of Wealth Management Canada and their families. Tailored banking & credit package to complement the best-in-class investment management and wealth planning.

- Providing one of RBC's most comprehensive banking packages – special rates, exclusive cross border package, high daily access limits on cash withdrawals and direct payments, RBC Avion Visa Infinite Privilege Card with a \$120 rebate off the annual fee and more.

What clients have to say about us

Client Testimonials & Comments

Portfolio Management comments:

“Bruce and his team have been managing our financial lives for years. Always available, never too busy for a question or to allow us to pick their brains. We recently had the experience of sitting down in their office with them to review our up-coming retirement plans. Starting with the worksheet (homework as I called it) to the preparation and presentation of the fully detailed reports it was all handled in a most professional, yet personal and informative manner. During this current turmoil caused from COVID19, we have had our melt-downs but we have always known that Bruce and Andrew and the rest of the team were there for us and managing the mysteries of the market of 2020. Thanks to all of you” - **Bill & Deb.**

“I am very grateful for all your input and guidance that you provided to us. We could not have done this without the RBC information-very grateful, very thankful” – **Elaine.**

“We value Andrew's input and advice when making our investment decisions. He is always available to answer our questions and deal with any concerns we have regarding our investments. His tax saving suggestions have also been very helpful. He is a very valuable asset to the MacKay team.” – **Frances & Paul.**

“MacKay Group Wealth Management have been our family advisers for over ten years, through a financial crisis and now a pandemic. They are a knowledgeable and capable team that have provided us with sound advice through bad markets and good. They are always pro-active and available to discuss options and markets. We are very thankful that they are our team.” -**Gail & Ken.**

“I want you to know how happy Gail and I are with the MacKay Group Wealth Management. Your hands on advice and your constant returns are very much appreciated. I sleep very well at night. Thank you. What a wonderful team of talented, knowledgeable, helpful and friendly advisors you have in your office. You should be proud. You and your team deserve a big pat on the back.” – **Paul & Gail.**

“The MacKay Wealth Management Group always provides constructive information on investments I am considering or currently hold. They are responsive and informed. As well, on three separate occasions they have provided expert help in Estate and Will matters pertaining to my investments and financial institution. I would not hesitate to recommend the MacKay Group Wealth Management to potential clients” – **Paul.**

“The MacKay Group Wealth Management has been managing my investments for over 20 years. During that time, I have benefited from their collective knowledge of the markets; they have given me sage advice to protect and grow my assets. I have found the team to be knowledgeable, approachable and responsive. I have always been able to get my questions answered; no query of mine has ever been too trivial or time consuming not to elicit a timely response from the team. In dealing with the Mackay Group Wealth Management, I have the benefit of highly personalized service backed up by the security of the Royal Bank.” – **Jay.**

Financial and Will & Estate Planning comments:

“It was a good process to go through and Ted did a great job capturing all the information and formulating it into a coherent plan” – **Susan.**

“I appreciate how thorough Ted was, and how he seemed to drill down and get a better handle on our situation. I hadn't gone into such details with the discovery process before and value how deep our group wanted to dig to ensure the projections were accurate. A great start to the relationship.” **Ray.**

THE MACKAY GROUP TEAM COMMENTS

Our Mission

“To provide our clients superior investment advice, products and service at MacKay Group Wealth Management RBC Dominion Securities since 1981.”

Portfolio Management

Bruce-Senior Portfolio Manager/Investment Advisor

Portfolio Management & Team Management

We'll review your investment portfolios, offer second opinions and proposals. Introduce you to our expanded team of Wealth Management professionals and the full range of services we offer.

Andrew - Associate Portfolio Manager & Wealth Advisor

Portfolio Management & Research

Proper portfolio construction is the key to meeting your financial goals. The variety of investment choices can be daunting. Let our team help simplify the approach, narrow your focus, mitigate tax, and plan for financial success throughout retirement.

Christopher - Associate Advisor

Portfolio Management & Research

I will work with you and our team to manage your accounts, provide recommendations, identify opportunities and assist with client service to ensure all your needs are met.

Administration

Shannon - Senior Associate

Portfolio Administration

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

Melissa - Associate Advisor

Senior Portfolio Administration

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

Administration & Research

Waras - Associate

Portfolio Administration & Research

We are especially proud of our MacKay Weekly & Focus List, Stock of the Day research and RBC Wealth Management Research. Let me know if you would like to receive additional research.

Wealth Management

Kristi - Associate Wealth Advisor

Over 100 of our clients and their families have found tremendous value in having a Financial Plan, Will & Estate Consultation and Insurance review.

Estate + Financial Planning Advisors

Ted Chan, Financial Planner

Available to create a comprehensive financial plan.

Ariel-Charles Guigui, Will and Estate Consultant

Available for information on structuring your estate.

Prashant Patel, Tax Consultant

Solutions that can simplify your tax planning.

Andrew Sipes, Estate Planning Specialist

To review your estate and insurance plans.

Karen Snowdon-Steacy, Senior Trust Advisor

Provide with valuable estate and Royal Trust services.

RBC Banking

Kyle - Associate Advisor

Having worked in RBC Private banking, I am able to help clients with their banking needs as well as our many investment wealth products and services.

Melissa R Rodrigues, Insurance Specialist

Conducts Personal Risk Assessment to provide holistic personal advice.

Niaz Dharass, Premier Banking

Provide banking and credit solutions for our clients.

MG and RBC Foundation Charitable Gifts

Please let us know if you have a charity you would like us to support.

Charities we support in 2024 - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, Alzheimer's & Dorothy Ley Hospice.

MacKay Group Wealth Management

www.mackaygroup.com

Brookfield Place

181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

Available to meet at all RBC branch locations, like Etobicoke, Mississauga, Collingwood, Muskoka Etc.



**Wealth Management
Dominion Securities**

Disclaimer

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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. Specifically, the following assumptions have been made when calculating model portfolio returns: the portfolio is rebalanced monthly and any time a change to portfolio holdings is made; market close prices are used for all valuations; and returns are gross of all account fees and transaction costs. Insurance products are offered through RBC Wealth Management Financial Services Inc. ("RBC WMFS"), a subsidiary of RBC Dominion Securities Inc.* RBC WMFS is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc., RBC WMFS and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. and RBC WMFS are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2018 RBC Dominion Securities Inc. All rights reserved.

