

## MacKay Weekly Investment Report

WEEK ENDING FRIDAY, JANUARY 31, 2025

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

*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

#### January Sign/Small Cap Renaissance/Less Turbulent

Equity markets/indices up this week- ATHs- even with AI disruptors like DeepSeek. January - positive equity month- obviously, a good sign for the year.

**Positives:** **AAll investor sentiment survey** - 41% bullish/ 25% neutral/ 34% bearish- while we're not in bargain buying range we're also not in euphoric range.

**RBC Global Insight** – “Is 2025 the beginning of a Small Cap Renaissance. After years of small cap under performance relative to large cap counterparts the tide looks to be turning. The dynamic of large cap versus small cap cumulative returns over recent years into the yawning gap. Why? Election risk fading in US, more M&A friendly regulators set in place, Easier fed policy to reignite corporate risk-taking and record cash towards being put to use (Canada should follow).

**RBC Economics** – “Bottom line - Message from businesses that participated in the Q4 Bank of Canada quarterly outlook survey were a healthy mix of a thawing in the weak demand conditions as interest rates drop, and broadly slowing inflation pressures. Much of the pickup in sales outlooks is welcome. Thanks to easing monetary policy since June businesses reported cautious optimism in their demand outlooks and investment intentions over the next year, although tariff risks were emerging to offset. Most optimistic was oil & gas sector.”

**Stock trader's Almanac** – “Presidential Cycle- year one best since 1985 bullish for 2025.

**Charts.** For the first time in history, interest rates rose by 100 basis points while the Fed cut by 100 basis points. Now the market sees less rate cuts. The Fed will pause, and President Trump is demanding cut immediately. Who will win?”

**Blackrock Investment Institute** – “We stay overweight US stocks for now and corporate earning strength is likely to

broaden to sectors beyond tech. A strong start to Q1 for earning season.”

**Ed Pennock** – “We do not need to be in a hurry to adjust our policy stance. Obviously, Jay Powell hasn't learned from his experience with Trump in 2018. The rest of the world is cutting rates.”

**Jim Paulsen** – “Animal spirit stocks remain Wimpy. Typically, before any meaningful drop in the overall S&P 500 index animal spirits make themselves known within the stock market -currently though animal spirits stocks remain Wimpy. Although recession this year seems unlikely, I suspect the lagged impact of increasingly contractionary economic policies will result in a surprising economic slowdown as the year progresses reigniting recessionary fears.”

**Dr. Ed Yardeni** - “S&P 500 Transportation Composite has been on the move this year -airline traffic is up to pre-pandemic highs -rail loadings are up. Eurozone stock markets have been performing well and sport much lower valuations than the US stock market- still prefer staying at home investment stance. The current bull market has been driven mostly by valuation expansion- now valuation is historically high - we expect earnings growth to perpetuate the bull market this year – however more valuation expansion could leave the market vulnerable to a meltdown -our target for the S&P 500 is 7000 based on solid rise and earnings with no further valuation expansion. Expect more rate cuts this year than previously expected. Expect inflation down to 2%. Our base case scenario 55% chance remains the roaring 2020s. Baby boomers flush with wealth and spending it.

**Tom Lee** – “January FOMC and 4mag7 EPS reports likely support buy the dip post DeepSeek, AI panic. January barometer positive =89% win ratio. Cyclical leading YTD = risk on signal. Inflation tracking softer than consensus. Bottom line- we see 2025 is tracking better than our base

case. We remain constructive and now see 2025 as less turbulent than we expected.”

**Noah Blankstein** – “If the Deep Seek data is real, which is an important caveat, we are likely embarking on accelerated development of AI at the application layer. This is what innovation and disruption are all about.”

**Negatives: RBC WM-** “Foreigners buying US stocks like there is no tomorrow - previous major purchases took place in 2007 and 2000 before the great financial crisis and the.com bubble burst. Overseas investors piled in the US equities as the S&P 500 outperformed world markets by nearly 4 times - can this momentum continue or is there not much powder left to lift stocks even higher?”

**Brian Westbury** – “We still believe the odds of a recession are higher than most investors think. Monetary policy tightening started back in 2022 and inflation remain above the Federal Reserve’s 2% target which means the Fed will be reluctant to get loose anytime soon. We get a 2.8% an annual real US GDP growth rate for the fourth quarter. As we’ve been saying, not a recession yet, but that doesn’t mean the US economy is out of the woods.”

**Investment strategy** – “Always solved for the big picture not the problem.” **Gyan Nagpal**

## Table of Contents

How I see it – By Bruce	1
News and Opinions	2&3
Canadian Markets – Focus Lists	4
International Markets – Focus Lists	5
Mutual Funds & RBC GAM Private Markets	6
Stock of the day - Top Performers, 2011 - Present	7
Technical Update – By Bruce – NDR Roadmap	8
Dow Jones Chart since 1789	9
S&P 500 Index Snapshot 2007 - Present	10
S&P 500 Technical Update	11
AAII Sentiment Survey Data	12
NDR - Monte Carlo and Long-Run Stock Market Uncertainty	13
S&P500 Generational Cycles	14
Andex Chart	15
S&P 500 Index – Strategist’s Projections Vs. Actual Performance 2020 - Present	16
I don’t want to invest in market now because.	17
MacKay Group Wealth Management	18
Comprehensive Strategies	19
Client Testimonials	20
The MacKay Group Team Comments	21
Disclaimer	22



## **Booze, oil and orange juice: How Canada could fight Trump tariffs**

Canada will react forcefully and immediately if Donald Trump imposes tariffs, Prime Minister Justin Trudeau said on Friday.

The US president has said he could levy a 25% tariff on Canadian imports as soon as Saturday.

"It's not what we want, but if he moves forward, we will also act," Trudeau said.

Tariffs are a central part of Trump's economic vision. He sees them as a way of growing the US economy, protecting jobs and raising tax revenue.

[Booze, oil and orange juice: How Canada could fight Trump tariffs](#)

## **Here's how the BoC rate cut could affect Canadians' pocketbooks**

Canadians may find it easier to cover debt payments now that the Bank of Canada has cut its [key interest rate](#) for the sixth straight time, according to financial experts.

"It will make money cheaper for anybody that is borrowing for anything -- for a house, for a car, taking money out of a line of credit," Rubina Ahmed-Haq, a personal finance expert based in Toronto, said in an interview with CTVNews.ca. "All of that money is going to get cheaper to not just borrow but also for those who already have that debt, it's going to be easier for them to service it."

The country's central bank slashed the key rate to three per cent Wednesday as it projected stronger GDP growth in 2025 if the United States doesn't get into a trade war with Canada.

[Bank of Canada interest rates: Are pocketbooks affected?](#)

## **Soaring housing costs limiting population mobility across Canada: CMHC**

Canada Mortgage and Housing Corp. says high housing costs are restricting population mobility in the country, as Canadians are finding that it's too pricey to buy or rent in cities where they seek jobs.

The federal housing agency said its analysis shows that a one per cent increase of housing prices in a destination city leads to a corresponding one per cent decline in the number of people moving there.

Since 1990, the percentage of households in Canada moving each year — including within municipalities — has dropped from nearly 17.8 per cent to just 10.1 per cent in 2020.

"This trend reflects many factors including population aging and technological changes, but housing costs have a role to play as well," said CMHC deputy chief economist Aled ab Iorwerth in an online post.

[Soaring housing costs limiting population mobility across Canada: CMHC](#)

## **Statistics Canada reports economy contracted 0.2 per cent in November**

Statistics Canada says real gross domestic product decreased 0.2 per cent in November, the largest monthly contraction since December 2023.

However, the agency said Friday its preliminary estimate for December pointed to an increase of 0.2 per cent for the final month of the year.

The advance estimate suggests an annualized growth rate of 1.8 per cent in the fourth quarter of 2024.

The economic report came as the U.S. threatens to impose tariffs on goods coming from Canada as soon as Saturday.

[Economy contracted 0.2 per cent in November: StatCan](#)

## **Can robots like Roxy revolutionise cancer surgery?**

In operating theatre D at Glasgow's Royal Infirmary, gynaecological oncologist Dr Kevin Burton is directing four arms of a robot, affectionately named Roxy.

The robot's mechanical arms, with surgical instruments attached to them, have been placed inside Dr Burton's patient through small cuts in the abdomen.

The surgeon crosses the operating theatre to a console that would look more at home in an arcade and sits down.

Dr Burton looks through a viewfinder and, with a joystick and foot pedals, he begins manipulating instruments.

[Can robots like Roxy revolutionise cancer surgery in Scotland?](#)

## **How an AI-written book shows why the tech 'terrifies' creatives**

For Christmas I received an interesting gift from a friend - my very own "best-selling" book.

"Tech-Splaining for Dummies" (great title) bears my name and my photo on its cover, and it has glowing reviews.

Yet it was entirely written by AI, with a few simple prompts about me supplied by my friend Janet. It's an interesting read, and very funny in parts. But it also meanders quite a lot, and is somewhere between a self-help book and a stream of anecdotes.

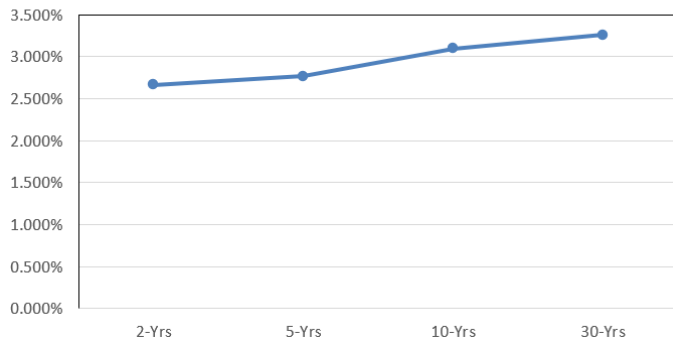
[How an AI-written book shows why the tech 'terrifies' creatives](#)

## CANADIAN MARKETS - By Andrew

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds

##### CDN Yield Curve @ Jan 31, 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

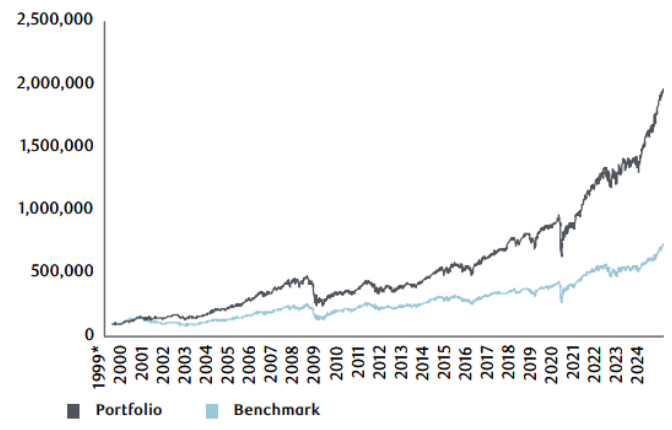
2025 Contribution Limits	Amount (\$CAD)
<b>TFSA</b>	
2025	\$ 7,000
Aggregate until 2025	\$ 102,000
<b>RRSP</b>	
2025	\$ 32,490

### 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<sup>†</sup>)

	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.

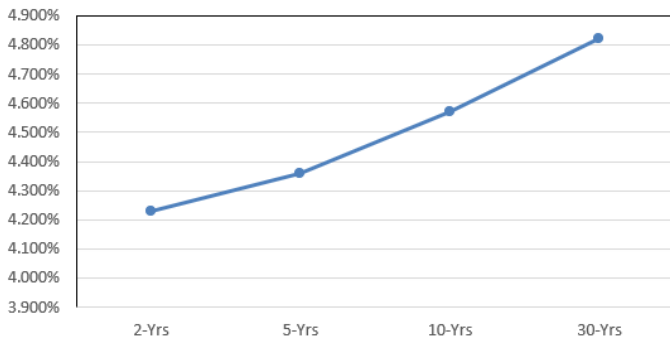


**INTERNATIONAL MARKETS – By Andrew**

**I. US Fixed Income**

**Benchmark Canada Government Bonds**

**US Yield Curve @ Jan 31, 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)**

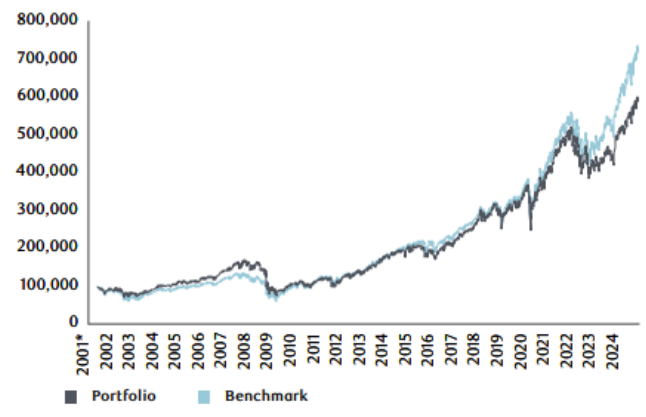
- Insurance 2025 Outlook
- Chemicals & Packaging 2025 Outlook
- Restaurants & Leisure 2025 Outlook

**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

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.



**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



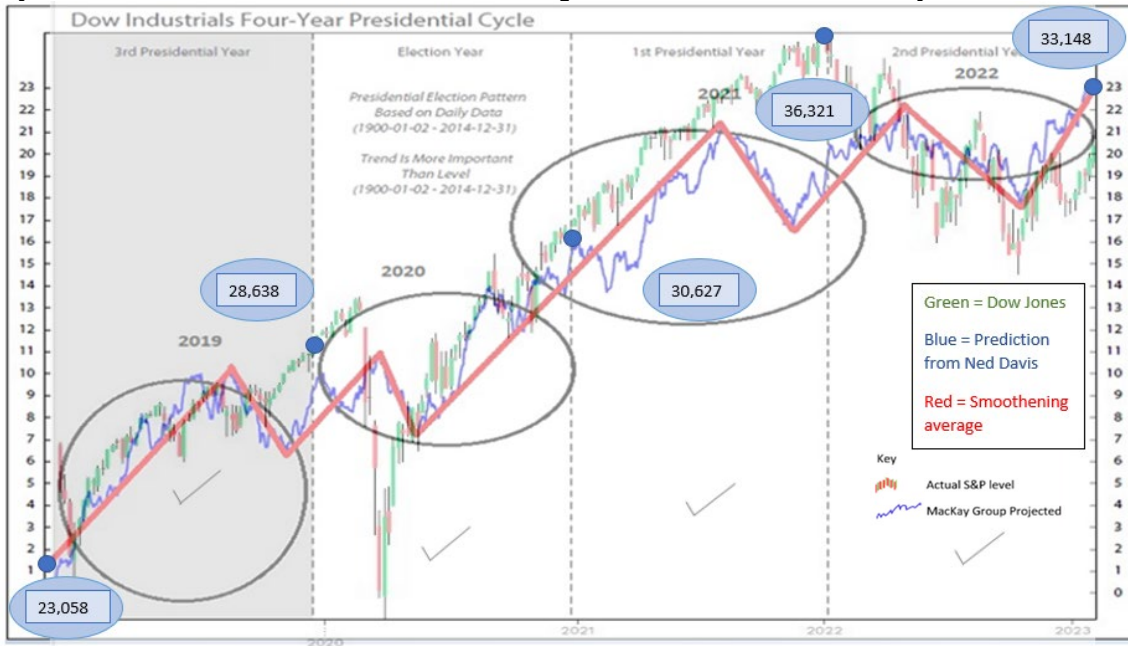




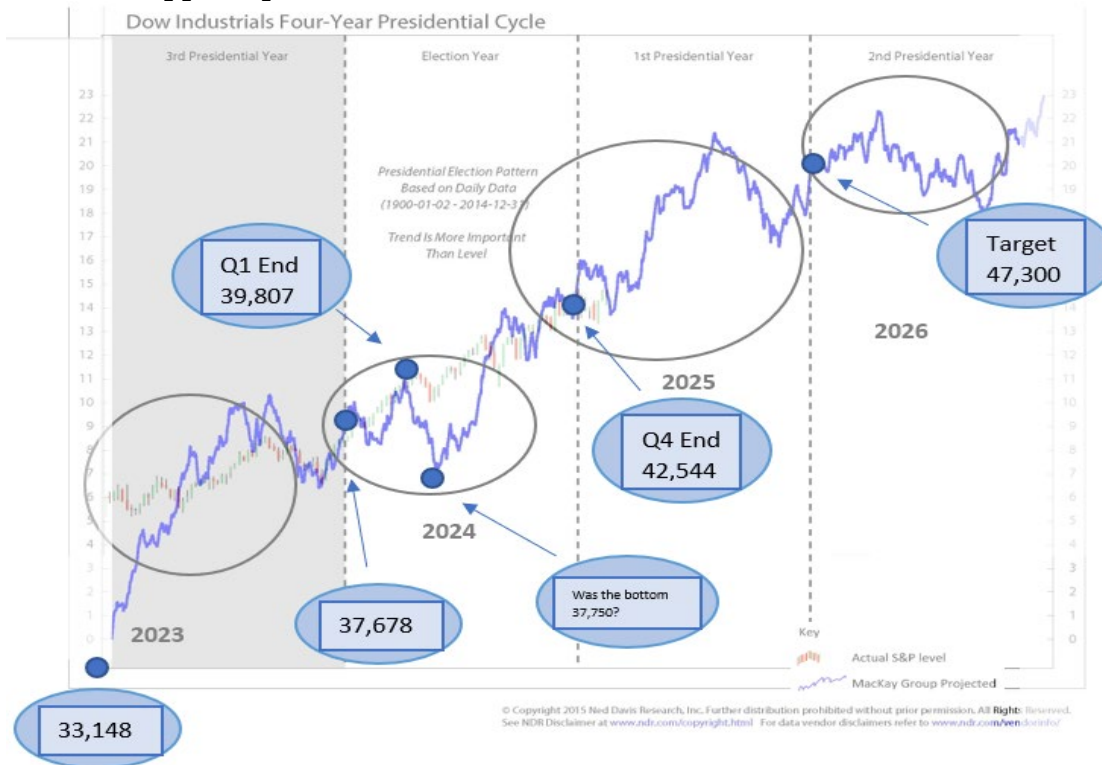
# Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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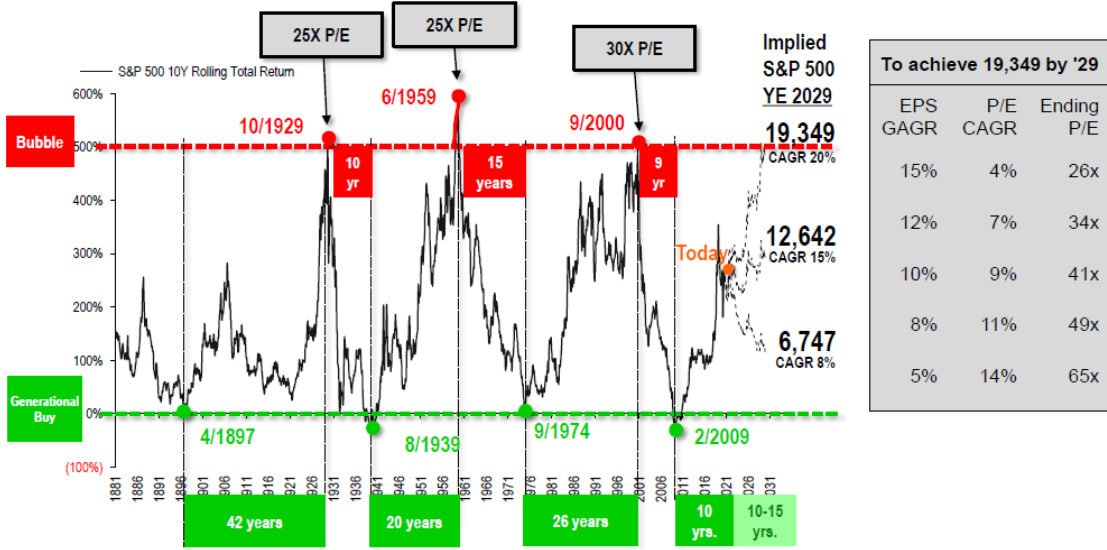
# FAVOURITE CHARTS

## 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

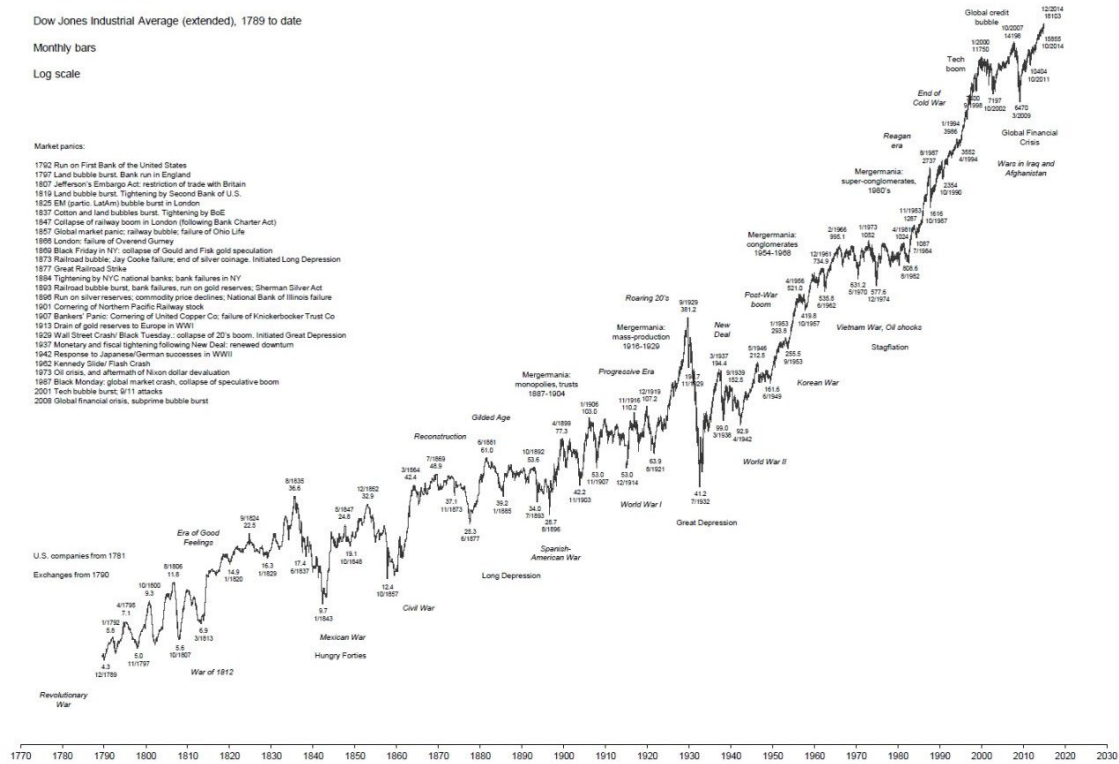
Dow Jones Industrial Average (extended), 1789 to date

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



## Key Fed measure shows core inflation at 2.8%, in line with expectations

**TREASURYS**

<b>U.S. 30 YEAR TREASURY</b>	<b>YIELD:</b>	<b>4.783%</b> ▼
<b>U.S. 10 YEAR TREASURY</b>	<b>YIELD:</b>	<b>4.535%</b> ▼
<b>U.S. 5 YEAR TREASURY</b>	<b>YIELD:</b>	<b>4.333%</b> ▼
<b>U.S. 2 YEAR TREASURY</b>	<b>YIELD:</b>	<b>4.216%</b> ▼

**BREAKING NEWS | PCE PRICES M/M**  
+0.3% VS. +0.3% EST.

**CNBC**

## Key Fed measure shows core inflation at 2.8%, in line with expectations

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



- 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.

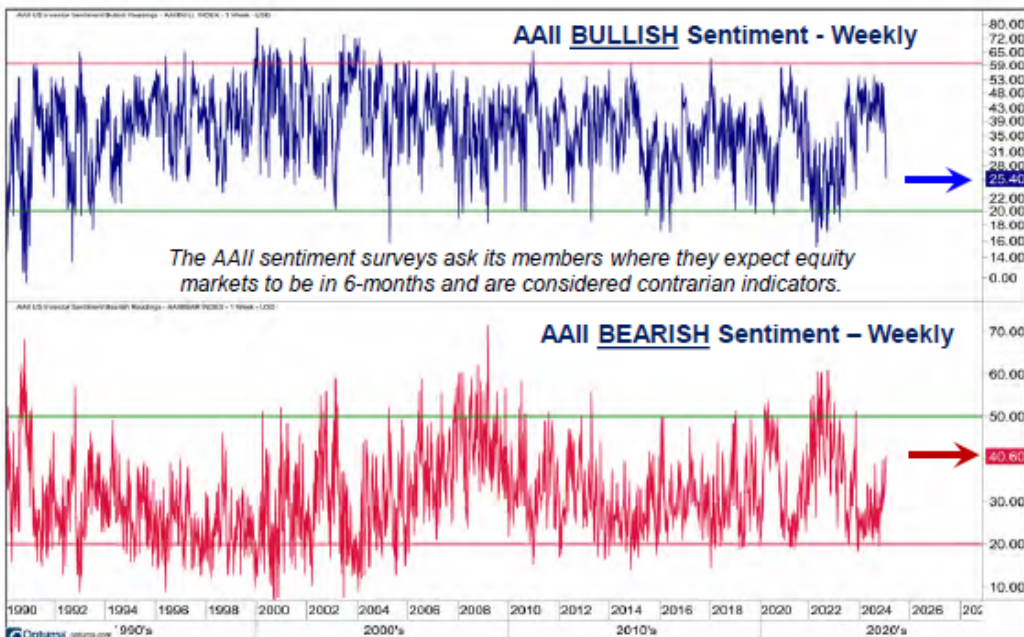


### Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Jan 29	41.0%	25.0%	34.0%
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%

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.

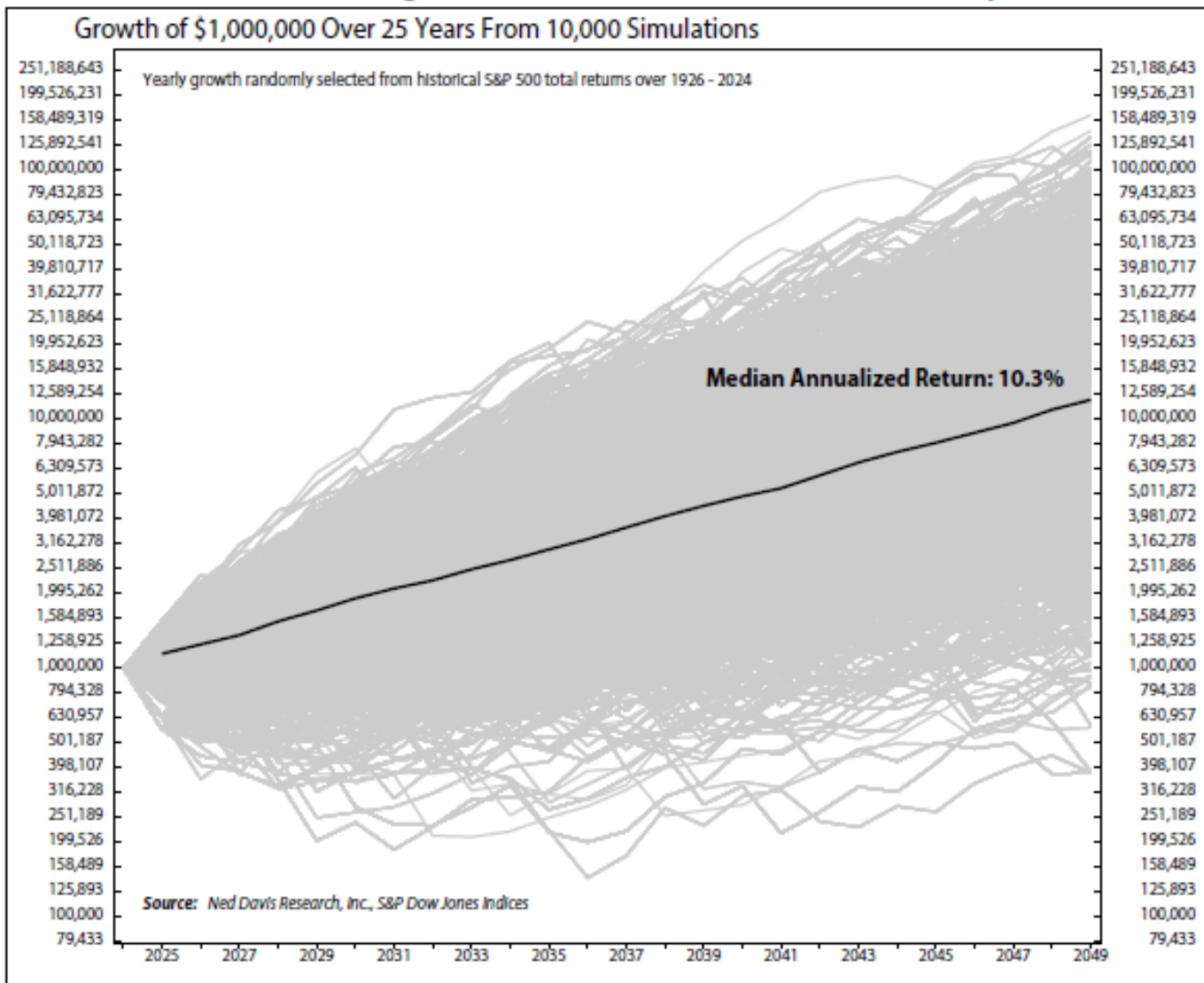
### AAII US Bullish and Bearish Sentiment Survey – Contrary indicators – Optimism declining = (+)



- (+) 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.



# Monte Carlo and Long-Run Stock Market Uncertainty



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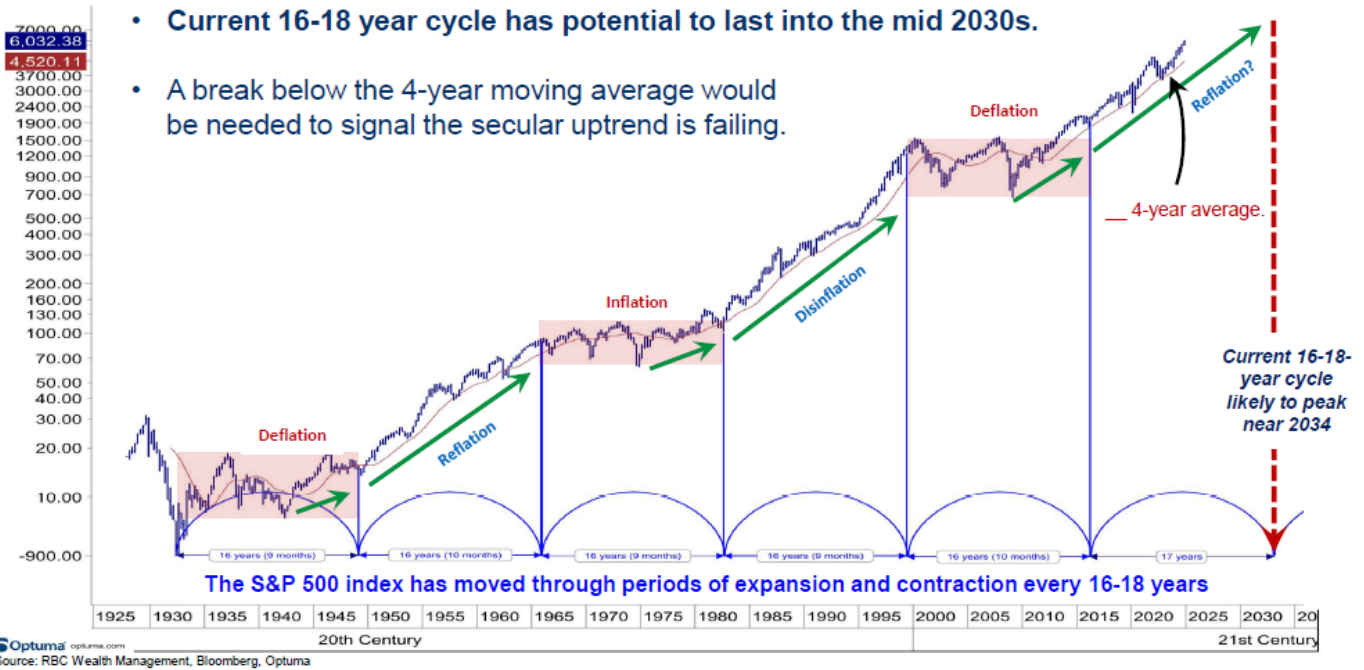
Simulation creates artificial data resembling actual data, first used in the 1940s for nuclear testing and known as "Monte Carlo." This method can model future scenarios, such as simulating 10,000 possible 25-year investments in the S&P 500, showing a typical return of around 10% per year, with a range of outcomes from -3% to 22%.

## How are simulations and uncertainty related to each other?

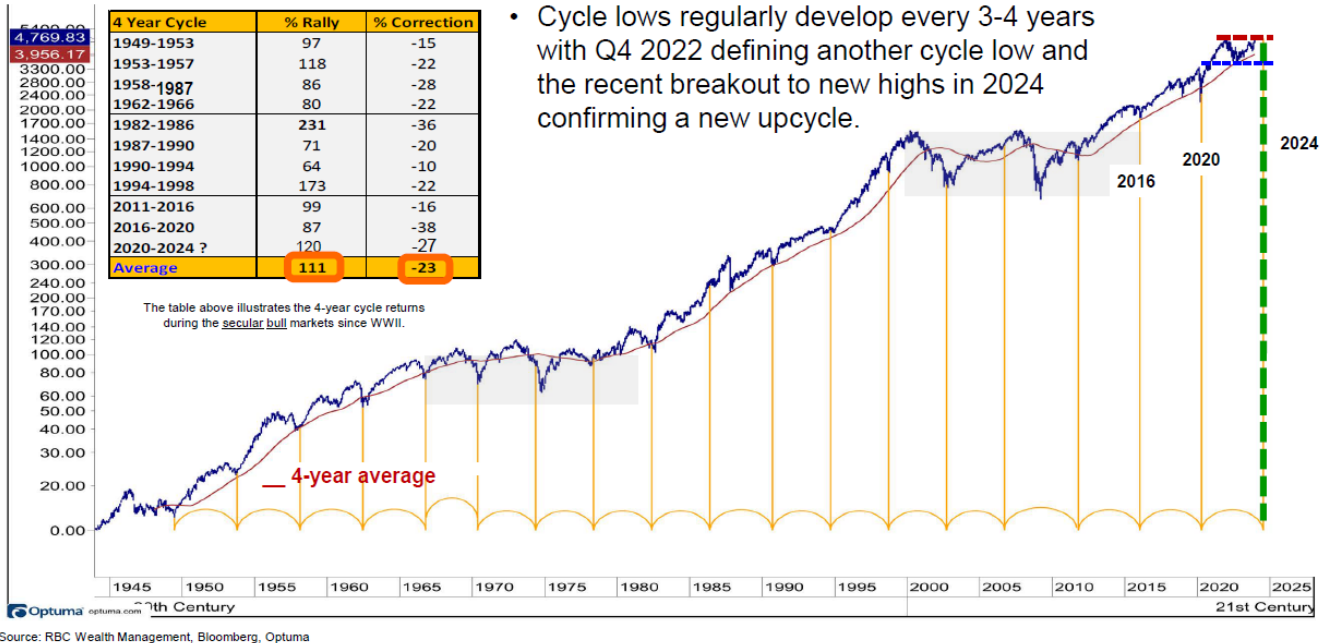
Simulation refers to the creation of artificial data that looks plausibly similar to the actual data it is meant to simulate. An early implementation occurred during nuclear weapons testing in the 1940s and was dubbed "Monte Carlo" to describe the virtual dice-rolling used to randomly generate the data. We can apply the same basic tools to modeling the different ways the future might look. The chart at left shows 10,000 simulations of a 25-year investment in the S&P 500 using a method called bootstrapping, where historical yearly returns are randomly shuffled and spliced together to create a single time series. While the typical bootstrapped return is around 10% per year, the simulation also illustrates the wide range of potential paths, with the lowest and highest annualized returns around -3% and 22%, respectively.



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



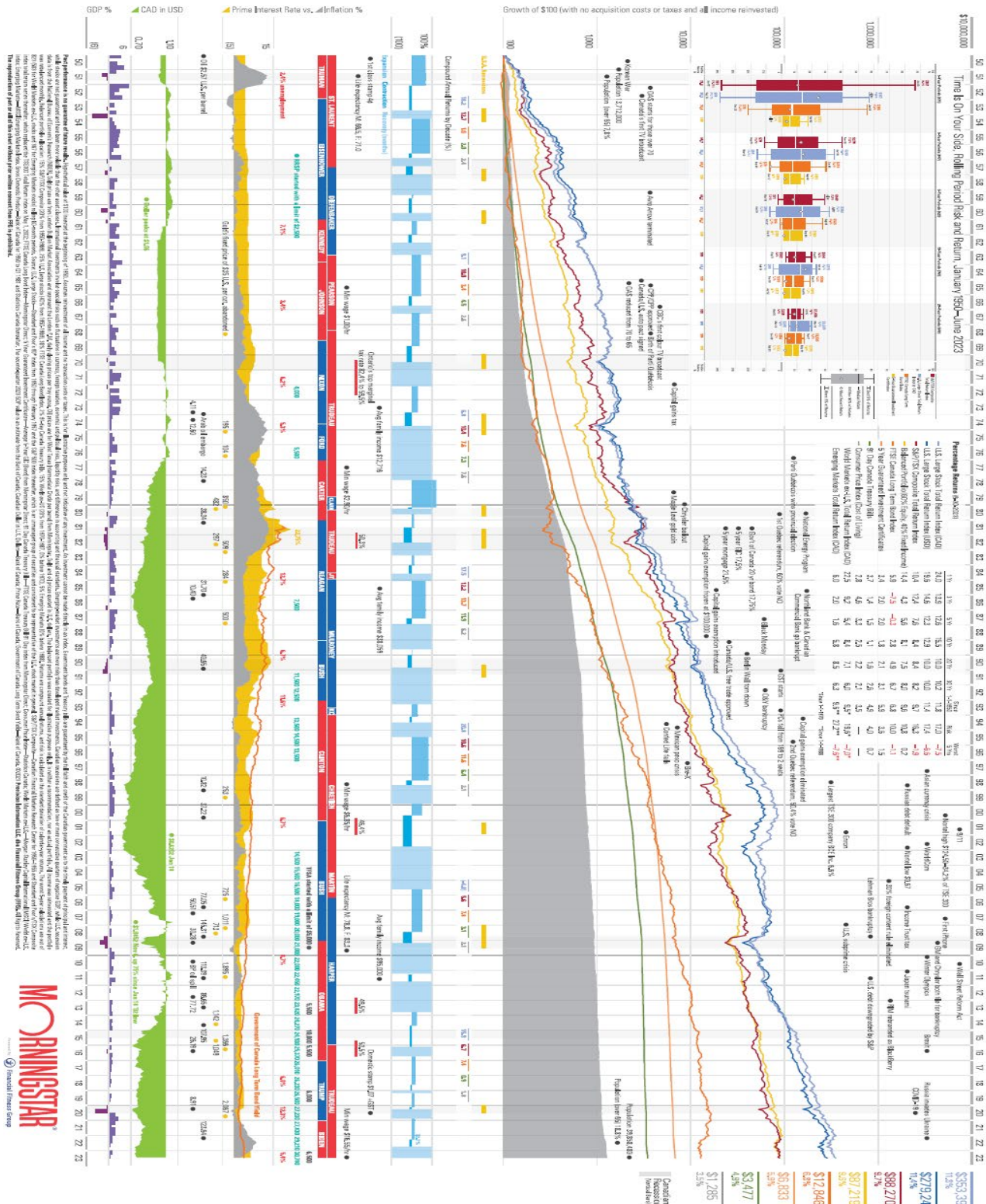
# S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



# 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.

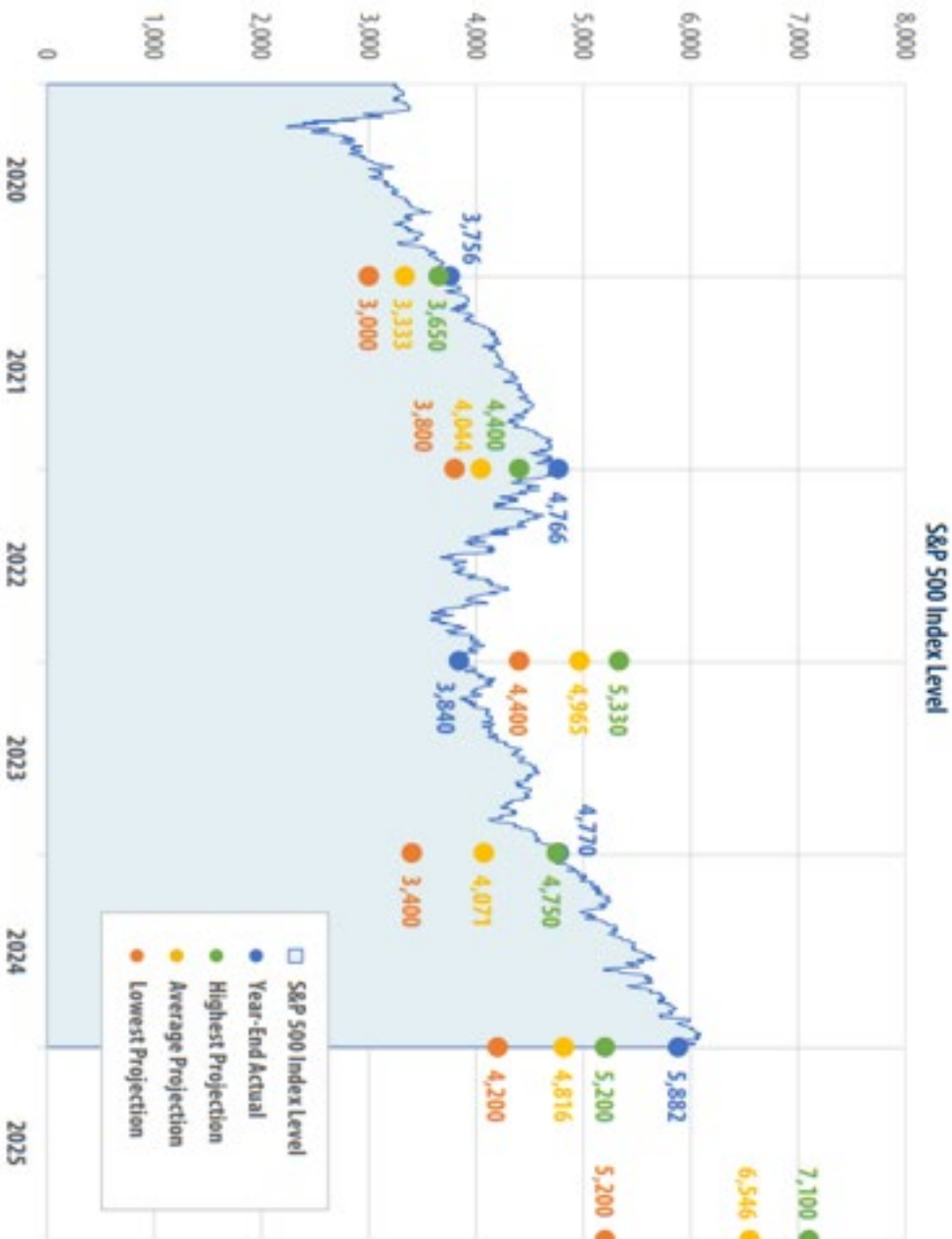
S





# 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%	?	?

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

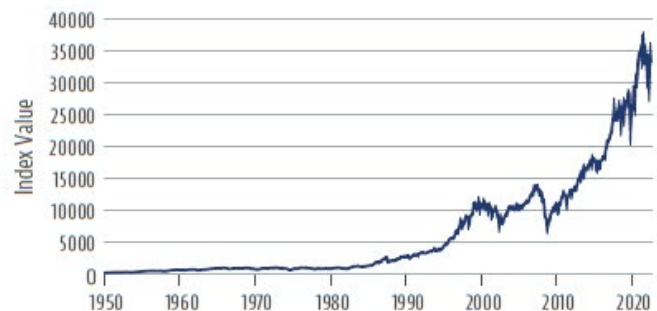


Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession
	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.



## 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](http://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**

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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.

