

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, APRIL 12, 2024

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

Seasonal move/Commodities gain/expected Q1 good one.

Equity markets continue to correct since the Q1 month end high. As I mentioned in the last few letters, this historically is a seasonal time of corrections. Will it be shallow?

Positives: **AAll Investor Sentiment Survey** - 43.4% bullish / 32.5% neutral /24% bearish - confidence slips - as expected. Baltic dry index drifts lower - however still low with lots of room for improvement.

RBC WM, Laurie CALVASINA - US Strategist - “bullish on energy -still has room to run. Still attractive valuations, heightened geopolitical risks, resilient economy, growing skepticism on rate cuts, fund flows.”

RBC GAM - Macro Memo – “Economic data continues to convey not just resilience but strength. Global economic surprises have continued to surge since the start of the year. Real global trade has just reversed -this recession call had its annual rate of change revert to positive territory. The likelihood of a soft landing continues to rise in part as the economic data improves - 65% probability that the US economy continues to grow over the coming year. US job openings fall without damaging employment. ISM services 51.4. US unemployment fell. US consumer confidence higher. Euro zone composite PMI above 50. Data change indices for Eurozone, UK, Japan and Canada also showed improvement. US monetary tightening cycles do not always predict recessions. US firms have lots of cash. Tricky inflation. Positive themes: Prior beige book weakness has now unwound. Chinese productivity growth is still decent. Tech boom not yet visible in economic data.”

Fidelity, Mark SCHMEHL - “Key investment themes - artificial intelligence, decarbonization & electrification, and Healthcare.” Attended AI Woodstock on March 18 -Nvidia top position – off to India to see 100 different companies.

Goldman – “Commodities to gain as central bank cut rates supporting industrial and consumer demand. Raw materials may return 15% over 2024 with copper, aluminum, gold, and all products climbing. US rate cut in non-recession environments lead to higher commodity prices.”

Dr. Ed Yardeni - “Federal incentives coaxing manufactures to produce in the US are hitting their mark - 15% of their factory construction cost covered by Uncle Sam - some states add to this \$. Capital Markets were likely very kind to Big Banks and some brokers during Q1 - that may help the lagging S&P 500 investment banking and brokerage industry to do some catching up. The Q1 reporting season should be a good one with plenty of S&P 500 companies exceeding analyst expectations. Also boding well are the impressive results of early reporters with quarters ending in February - Improved efficiency and profit margins. There was no recession last year but the widespread expectation of one depressed certain economic activity like hiring. With the depressant now lifted several labor market indicators shot to record highs in March. Consumer spending has been strong. Consumer, employment, and wage growth and intern have boosted consumer spending.

Tom Lee – “Bottom line, we see probabilities favoring a rally in stocks post March CPI report. As noted in the past, a top will more likely be in place when: pundits seem much further upside, yet stocks fall- the opposite is happening. We are buying the short term.” Hot CPI - auto related. U of Mich Consumer inflation expectations are making multi year lows.

Black Rock- Larry Fink -\$9 trillion sidelines- AI and infrastructure to lead economy. 1-2 Rate eases this year.

Negatives: **RBC GAM -Negative themes** - “Recession remains a risk. Interest rates are still fairly high. Inflation trend is no longer improving as reliable. Rate cuts may be quite cautious. Chinese housing is still a problem.” Small business optimism index decreased 0.9 points to 88.5 in March - lowest level since December 2012. **Brian Wesbury** – “Is the Fed tight or not? Maybe one of the reasons we haven’t yet experience economic turbulence is that monetary policy hasn’t been as tight as most investors thought. If so, it could take much longer to bring inflation down to 2% than the Fed expects, which means short term rates could stay much higher for much longer. More economic pain ahead.

Investments strategy: “The real key to making money in stocks is not to get scared out of them.” **Peter Lynch**.
Have a great weekend. Bruce

Canada's AAA credit rating at risk from deeper deficit, RBC says

Canada is at greater risk of losing its AAA credit rating than other top-rated countries if the government fails to show fiscal discipline, Royal Bank of Canada has warned on the eve of Finance Minister Chrystia Freeland's new budget.

A downgrade has the potential to raise the borrowing costs across the economy, economist Rachel Battaglia said in a note. "Even though deeper deficits and higher associated sovereign borrowing costs may feel like a distant problem for many Canadians, the impact has the potential to trickle down to most households and businesses," Battaglia wrote.

<https://www.bnnbloomberg.ca/canada-s-aaa-credit-rating-at-risk-from-deeper-deficit-rbc-says-1.2058424>

Benefits await gig workers who come clean with CRA

An estimated 28 per cent or 9 million Canadians are considered part of the gig economy, according to a recent H&R Block survey.

For some, part-time work is a sole source of income. For others, it's a side hustle to full-time employment or a retirement income supplement.

In any case, the Canada Revenue Agency (CRA) considers it 'income' and that could spell trouble for gig workers who don't declare their cash.

The H&R Block survey also finds 27 per cent of gig workers did not file last year and 32 per cent do not plan to file any gig-related income before the June 15 deadline for self-employed Canadians.

<https://www.bnnbloomberg.ca/benefits-await-gig-workers-who-come-clean-with-cra-1.2058128>

US Faces Pushback on More China Chip Curbs as Election Nears

US attempts to press the Netherlands and Japan into further curbing Chinese access to semiconductor technology suffered a setback this week, with both nations seeking time for existing limits to take hold — and to see who triumphs in the US presidential election.

The US is urging allies to tighten maintenance for banned gear in China, an effort that includes pushing the Dutch government to stop ASML Holding NV from servicing and repairing restricted chipmaking equipment procured by Chinese companies before the current sales ban. US officials also want Japanese firms to limit exports of some high-end chemicals for chip production.

But both nations are resisting those additional steps, wanting more time to evaluate the impact of export bans on high-end chip-making equipment, according to people familiar with the matter. Another factor is uncertainty about the outcome of the US election in November, according to the people, who described the private discussions on condition of anonymity.

<https://www.bnnbloomberg.ca/us-faces-pushback-on-more-china-chip-curbs-as-election-nears-1.2058525>

Grocery inflation to fall below 2% this spring, report predicts

Grocery inflation will fall below two per cent by the spring and stay roughly between one and two per cent for the rest of 2024, predicts a new report on the food and beverage industry.

Farm Credit Canada, an agricultural lending firm, said it expects food price increases beyond 2024 to stabilize around pre-pandemic levels as the pressures driving prices higher are easing.

The outlook for food and beverage manufacturers this year is more positive than last year, FCC said, though some sectors still face headwinds amid elevated interest rates and tighter household budgets.

<https://www.bnnbloomberg.ca/grocery-inflation-to-fall-below-2-this-spring-report-predicts-1.2057475>

Developers to get cheap land leases in Canadian homebuilding push

Prime Minister Justin Trudeau's government will provide low-cost leases of public land to developers and push factory construction of homes as part of what it calls a "historic" plan to alleviate Canada's housing crisis. Companies that agree to build affordable homes will gain access to "surplus, underused, and vacant lands" owned by the public, the government said, while providing few specific details. The prime minister's housing strategy, published on Friday, also includes low-interest loans for homeowners who want to add basement suites or laneway houses to their properties.

The strategy should allow the country to build about 3.9 million homes by 2031, Trudeau said at a news conference. That would exceed the 3.5 million that the Smart Prosperity Institute has estimated is needed — if provinces and local governments join the initiative with "serious ambition," Housing Minister Sean Fraser said in an interview.

<https://www.bnnbloomberg.ca/developers-to-get-cheap-land-leases-in-canadian-homebuilding-push-1.2058554>

Toronto airports authority announces 'decade-long investment' in Pearson Airport

Toronto's airports authority has announced a multibillion-dollar plan to update and modernize Toronto Pearson Airport.

The Greater Toronto Airports Authority said it launched the first phase of procurement for Pearson LIFT, a plan intended to help the airport meet growing demand for its services.

"This is the very beginning of what will be a decade-long investment in our facilities and our terminals across the airport," said Deborah Flint, president and CEO of the GTAA.

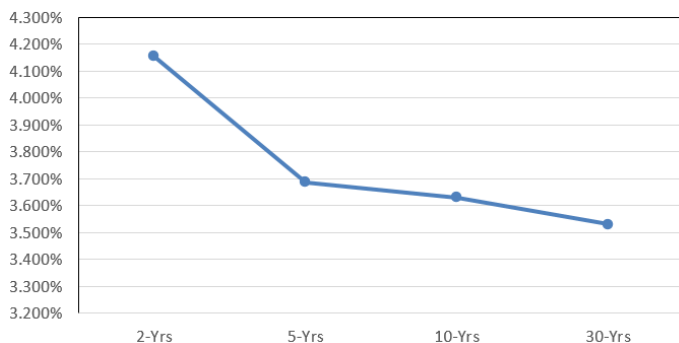
<https://www.bnnbloomberg.ca/toronto-airports-authority-announces-decade-long-investment-in-pearson-airport-1.2058430>

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ April 12, 2024



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. RBC DS Canadian Equity Focus List - March 2024

TD Bank, Royal Bank, Bank of Montreal, National Bank of Canada, Brookfield Corporation, Intact Financial, Canadian Imperial Bank, First Capital REIT, Element Fleet Management, Brookfield Infrastructure Partners, TELUS, Dollarama Inc., Alimentation Couche-Tard, 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, Nutrien, CCL Industries

III. Veritas V- list - March 2024

Agnico Eagle Mines, Altagas Ltd., Canadian Natural Resources, Canadian Pacific Kansas City, Capital Power Corp, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Hydro One, Metro Inc., Restaurants Brands International, Rogers Communications, Tourmaline Oil Corp TransAlta Corp, Wheaton Precious Metals.

IV. News we recommend on our CDN Holdings

Market prices as of previous day close.

Brookfield Corporation (BN) - Coffee Talk - Real Estate

Ranking: Outperform (RBCCM).
Price C\$54.34 Target C\$72.70

The North West Company Inc. (NWC) - A Solid Finish

Ranking: Sector Perform (RBCCM).
Price C\$38.56 - Target C\$40.00

Air Canada (AC) - Connecting the dots, AC flash read-through - DAL Q1 results

Ranking: Sector perform (RBCCM).
Price C\$19.04- Target C\$18.00

Canadian Telecommunications Services - Q1/24

Preview - Base Cases Say Buy but with a Wider Range of Possible Outcomes

We expect elevated competitive intensity through the seasonally-slower Q1/24 to translate to a very ho-hum quarter overall for the group. Our two Outperform-rated stocks are TELUS and Rogers.

Please contact our office if you would like a copy of any of the above research reports.

Research Publications (available upon request)

- Global Insight- 2024 Outlook
- Payments, Processing, and IT Services 2024 Outlook
- Global Real Estate 2024 Outlook

2024 Contribution Limits	Amount (\$CAD)
TFSA	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
Aggregate until 2023	\$ 88,000
RRSP	
2024	\$ 31,560
2023	\$ 30,758

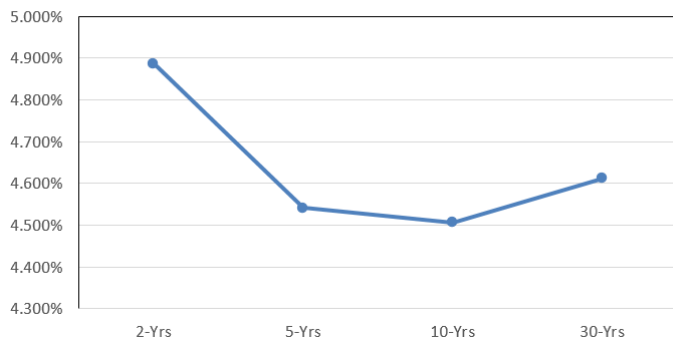


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ April 12, 2024



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 US Equity Focus List – March 2024:

JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Walt Disney, Amazon, Home Depot, McDonalds, Nike, 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.

III. RBC DS N.A. Focus List –March 2024:

Meta Platforms Class A, Telus, Walt Disney, Amazon, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Estee Lauder Companies, McDonald's Corporation, Bank of Montreal, Brookfield Corporation, Intact Financial, Royal Bank of Canada, TD Bank, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Apple, Constellation Software, MasterCard, Microsoft, CCL Industries, Adobe Inc, Texas Instruments.

IV. RBC DS ADR Focus List –Feb, 2024:

GSK Plc., Vodafone Group, WPP, Alibaba, InterContinental Hotels, Sony, Anheuser-Busch InBev, Diageo, Unilever, BP plc, Shell, Barclays, HSBC Holdings, ING Groep, Prudential, AstraZeneca, Sanofi, RELX, Accenture, ASML Holdings, NICE, STMicroelectronics, BHP group plc, Linde, National Grid

V. News We Recommend on our Intl Holdings

Market prices as of previous day close

Salesforce, Inc. (CRM) –On the Road with Salesforce: GenAI, Data Cloud, Margins, and Macro

Ranking: Outperform (RBCCM).
Price U\$299.15 - Target U\$350.00

ConocoPhillips (COP) - Quarterly Check-Up: 1Q24

Ranking: Outperform (RBCCM).
Price U\$132.92 - Target U\$135.00

Constellation Brands (STZ) - EPS Aftermath - Chillin' Like Snoop Dog

Ranking: Outperform (RBCCM).
Price U\$268.34 - Target U\$308.00

GFL Environmental Inc. (GFL) - Growth for life; assuming coverage with OP rating and US\$46 PT

Ranking: Outperform (RBCCM).
Price U\$34.10 - Target U\$46.00

Waste Connections, Inc. (WCN) - Connecting on all fronts: assuming coverage with OP rating and \$196 PT

Ranking: Outperform (RBCCM).
Price U\$167.45 - Target U\$196.00

Please contact our office if you would like a copy of any of the above research reports.

Research Publications (available upon request)

- US REITS 2024 Outlook
- Global U.S. Banks 2024 Outlook
- Healthcare Services 2024 Outlook



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/ O'Shaughnessy

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 - NA 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
Dynamic - Global Value

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

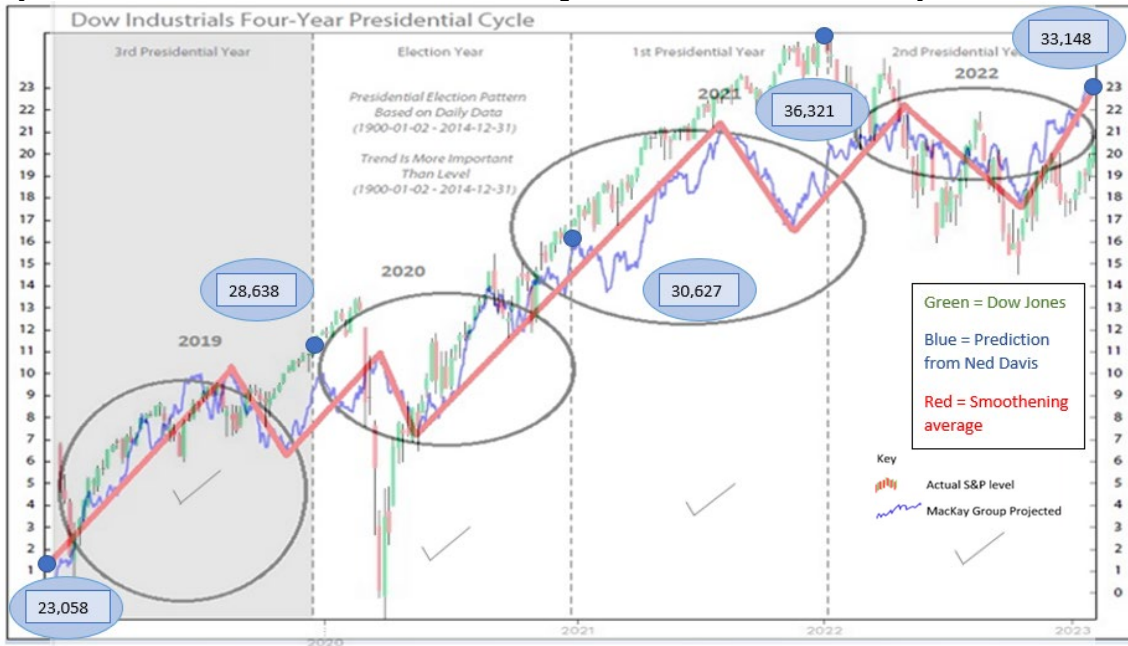




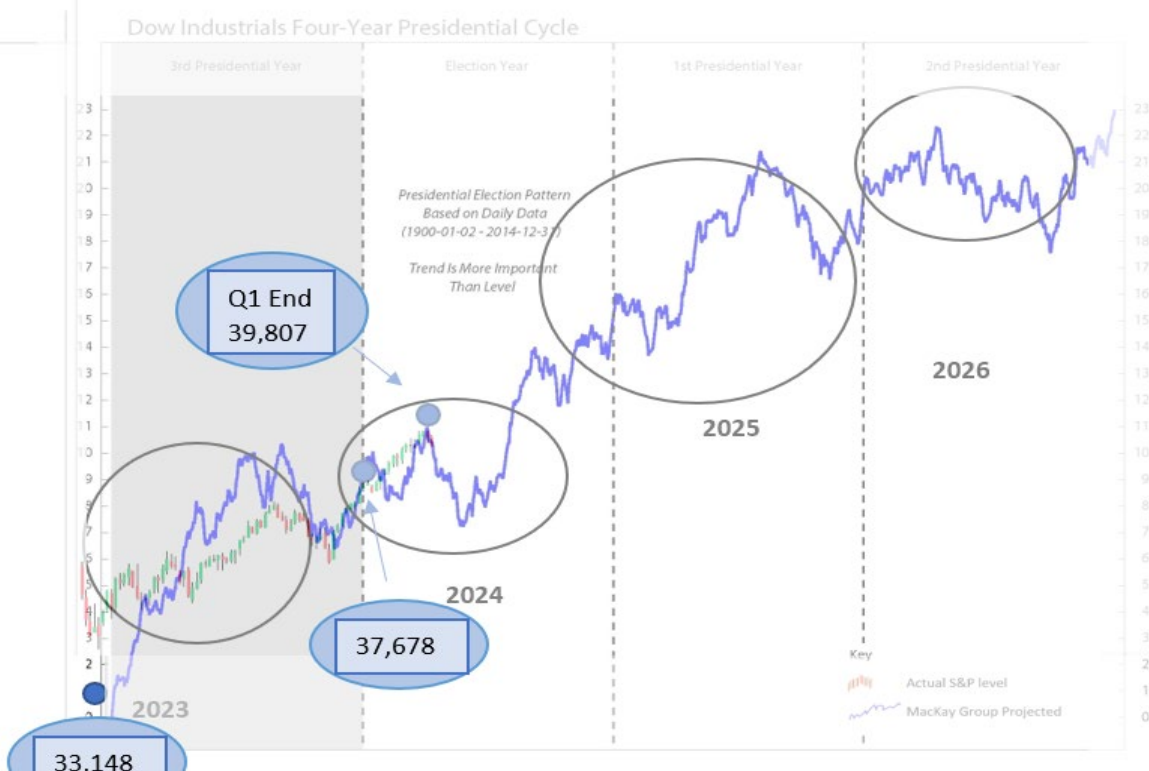
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



© Copyright 2015 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html For data vendor disclaimers refer to www.ndr.com/vendors.html



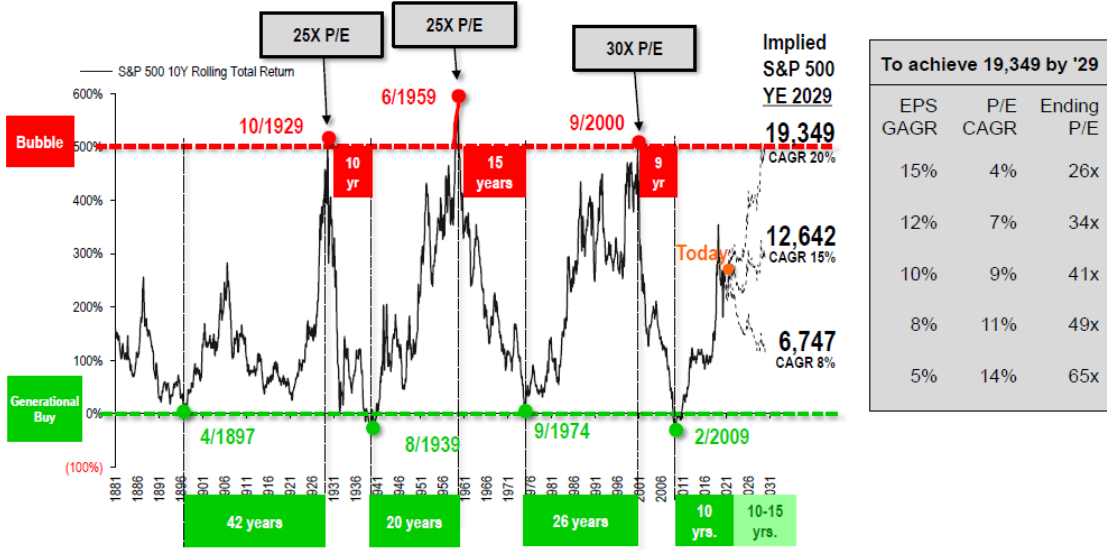
FAVOURITE CHARTS

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

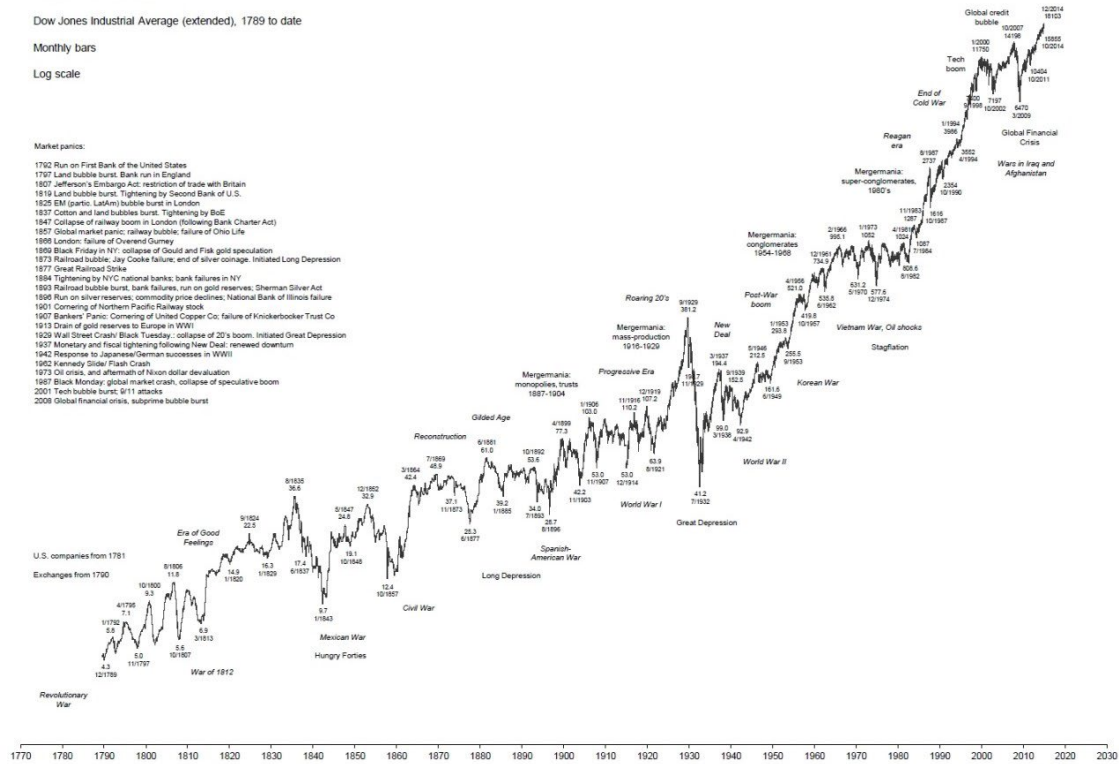
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

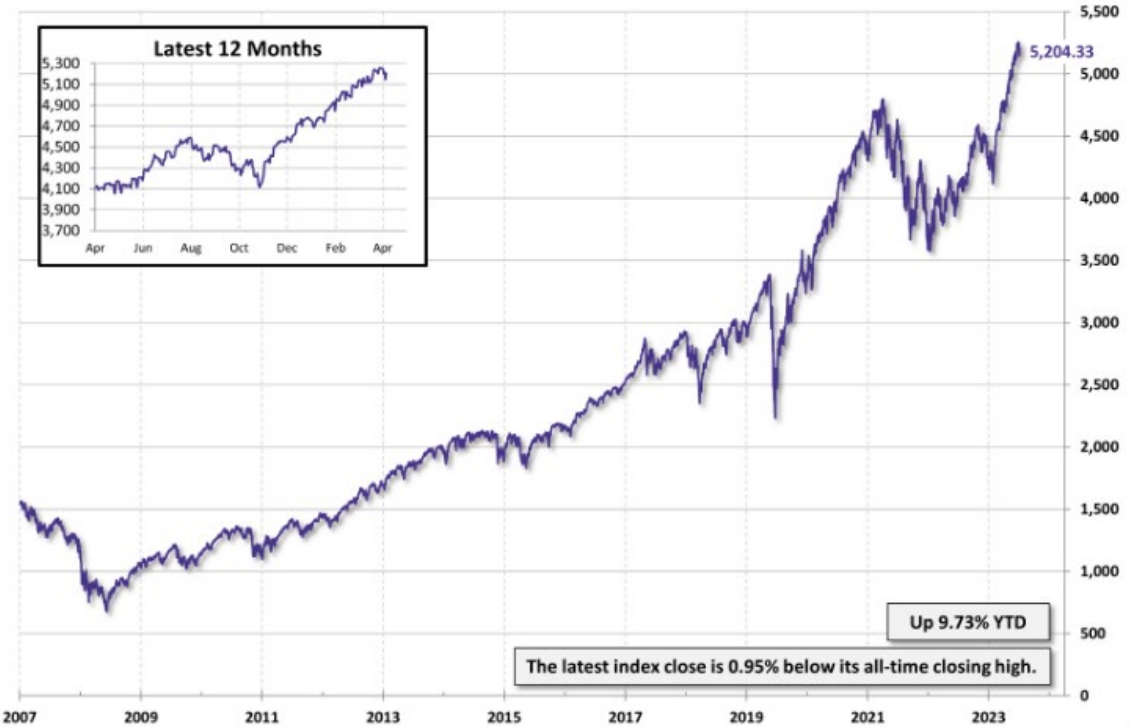
Market panics:

- 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



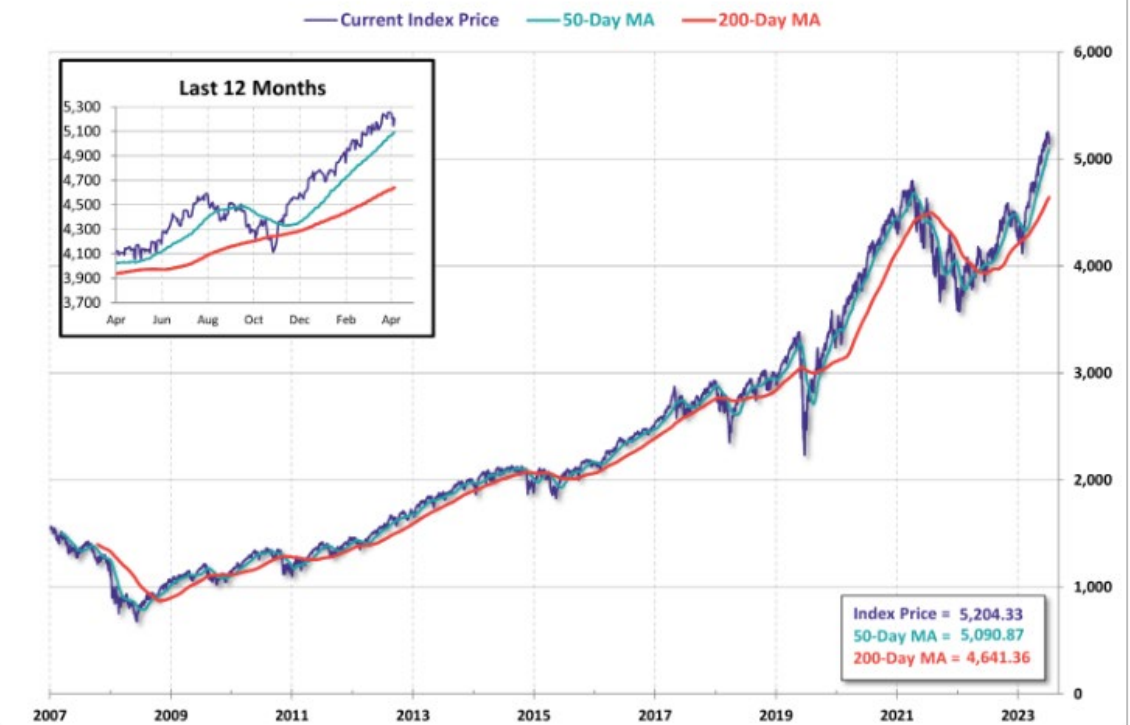
S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present



Charting the Fed's rate path (cnbc.com)



Link - [Charting the Fed's rate path \(cnbc.com\)](https://www.cnbc.com)

S&P 500 with weekly Quadrant Balance momentum



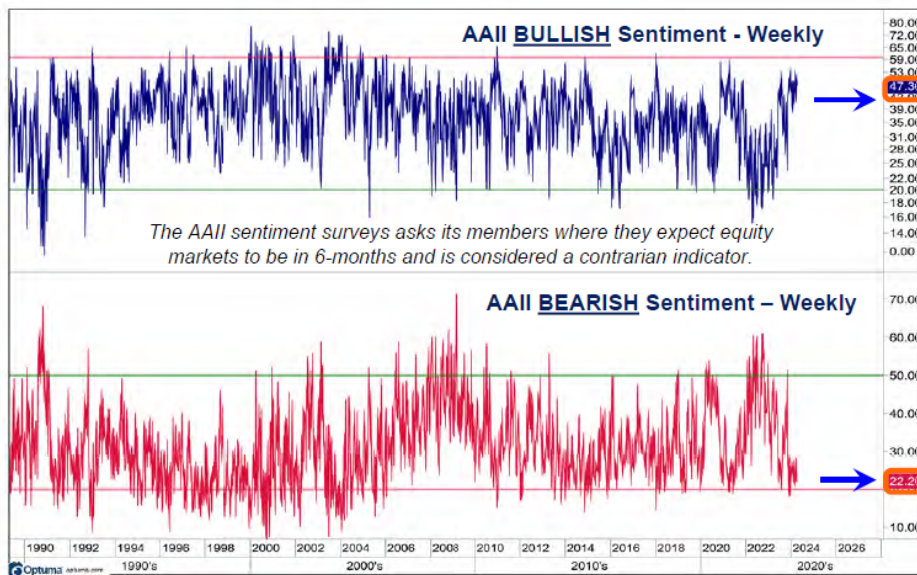
- Weekly momentum indicators peaked in early-mid Q1 highlighting a growing number of stocks pausing, such as regional banks and small-caps, while other stocks pulled back, such as technology and growth stocks.
- Despite some sector rotation from leaders to laggards, such as energy, the overall uptrend for the S&P remains intact with support at 4818.

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Apr 10	43.4%	32.5%	24.0%
Apr 3	47.3%	30.5%	22.2%
Mar 27	50.0%	27.6%	22.4%
Mar 20	43.2%	29.6%	27.2%
Mar 13	45.9%	32.2%	21.9%
Mar 6	51.7%	26.5%	21.8%
Feb 28	46.5%	32.2%	21.3%
Feb 21	44.3%	29.5%	26.2%
Feb 14	42.2%	31.1%	26.8%
Feb 7	49.0%	28.4%	22.6%
Jan 31	49.1%	26.4%	24.5%
Jan 24	39.3%	34.6%	26.1%
Jan 17	40.4%	32.9%	26.8%
Jan 10	48.6%	27.2%	24.2%
Jan 3	48.6%	27.9%	23.5%
Dec 27	46.3%	28.6%	25.1%
Dec 20	52.9%	26.2%	20.9%
Dec 13	51.3%	29.4%	19.3%
Dec 6	47.3%	25.3%	27.4%
Nov 29	48.8%	31.7%	19.6%
Nov 22	45.3%	31.1%	23.6%
Nov 15	43.8%	28.1%	28.1%

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.

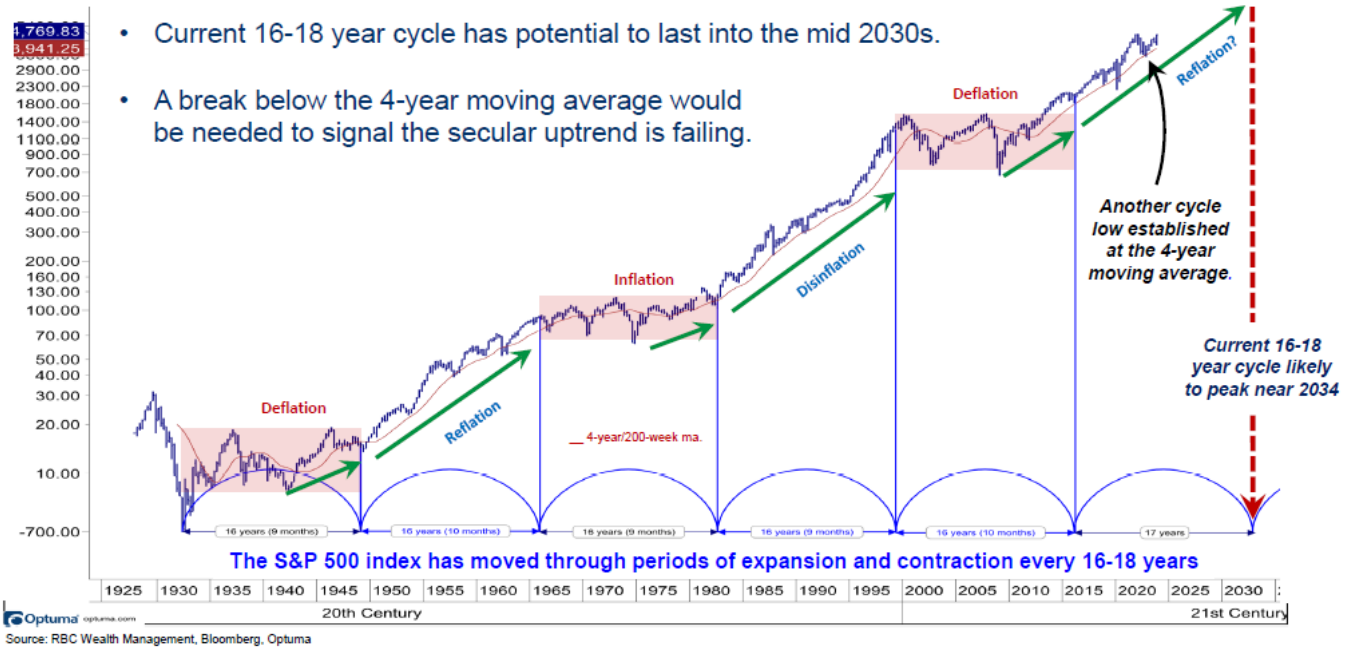
AAII US Bullish and Bearish Sentiment



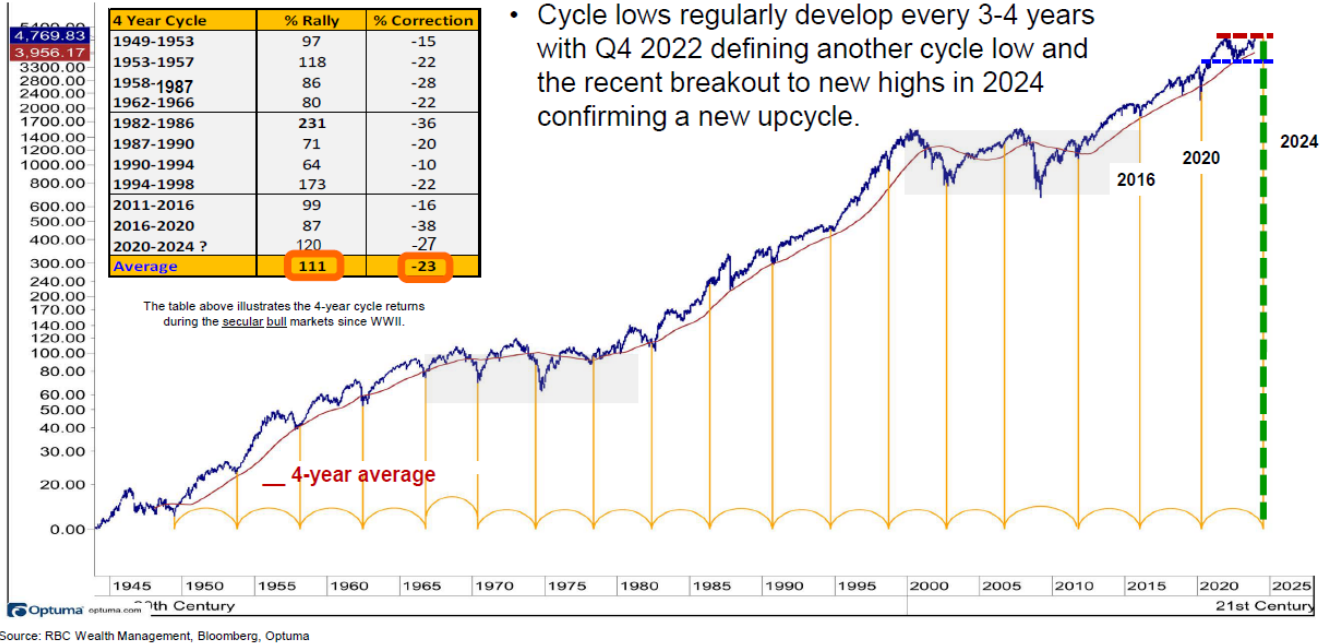
Sentiment surveys are contrarian indicators.

- Bullish Sentiment is elevated...
- ...while bearish sentiment is low.
- We view this data to be supportive of a pause/pullback in Q2.

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



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



Year*	DJIA	
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	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	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	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	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	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	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	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. Portfolios are custom designed to meet your personal objectives. Investment disciplines used include asset allocation, geographic & sector diversification and risk management to maximize your portfolio returns. Programs include:

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

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

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

Management fees are tax deductible for non-registered accounts.

4. Traditional Transactional based accounts.

Available for special situation accounts.

Advantages of Annual Management Fee Program.

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

INVESTMENT VEHICLES WE USE:

Allocation includes CDN, US, and International

Fixed Income	Equity Income & Growth
MM, GICs	Small Cap.
Bonds, Converts	Medium Cap.
Preferreds	Large Cap.
High Income	Balanced
ETFs & Mutual Funds (open and closed)	



COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES - By Kristi and Kyle

1. Financial Planning

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

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

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

A number of solutions that can simplify the tax planning process including;

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

5. RBC Estate & Trust Services, Royal Trust

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

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.

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.

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.

Administration

Melissa - Associate Advisor

Senior 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?

Shannon -Senior Associate

Portfolio Administration

Have you topped up your TFSA? RSP? RESP? I will work with you to make sure you maximize your portfolio.

Business Development and 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 you 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.

Jacqueline Calleja, Premier Banking

Provide banking and credit solutions for our clients.

Learn more about - RBC WM Canada Charitable

Gift program

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

Charities we support in 2023 - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, JNF, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, Erin Oaks Kids, 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

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus before investing. Mutual fund securities are not covered by the Canadian Deposit Insurance Corporation or by any other government insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated. This information is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This commentary is based on information that is believed to be accurate at the time of writing, and is subject to change. All opinions and estimates contained in this report constitute RBC Dominion Securities Inc.'s judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Interest rates, market conditions and other investment factors are subject to change. Past performance may not be repeated. The information provided is intended only to illustrate certain historical returns and is not intended to reflect future values or returns. Securities or investment strategies mentioned in this newsletter may not be suitable for all investors or portfolios. The information contained in this newsletter is not intended as a recommendation directed to a particular investor or class of investors and is not intended as a recommendation in view of the particular circumstances of a specific investor, class of investors or a specific portfolio. You should not take any action with respect to any securities or investment strategy mentioned in this newsletter without first consulting your own investment advisor in order to ascertain whether the securities or investment strategy mentioned are suitable in your particular circumstances. This information is not a substitute for obtaining professional advice from your Investment Advisor. The commentary, opinions and conclusions, if any, included in this newsletter represent the personal and subjective view of the investment advisor [named above] who is not employed as an analyst and do not purport to represent the views of RBC Dominion Securities Inc. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The returns and performance information presented here does not reflect actual client portfolio or composite returns. The performance information presented in this report is based on a hypothetical model portfolio, and is intended to help illustrate the general performance of the investment strategy while removing the variability that results from implementation at a particular client level. 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.

