

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, MAY 3, 2024

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

HOW I SEE IT – by Bruce

Berkshire AGM highlights/Buy in May/Roses

Back from vacationing in Greece. Amazing trip. Recommend it. I did watch Berkshire Hathaway AGM - some of it live and some recorded- all through CNBC. Always a great meeting - been attending or watching it for 20+ years. Nice to see equity rally in the last few weeks. I commented on a possible low 2 weeks ago when the Dow corrected 5%.

Positives: **AAll Investment Sentiment Survey**- 40.8% bullish/ 35.4% neutral/ 23.8% bearish - lowest bearish reading in months- bulls not over 50%. Great confidence.

Some of my **favorite Buffett comments** from meeting:

"I hope to come next year.' We all do.

"If you're lucky in life, make sure a bunch of other people are lucky too." He received a standing ovation.

Buffett praised fed Powell for his work at the Fed for the last few years. Called him a very wise man.

He asserted that he and Charlie Munger certainly missed investment opportunities over the years, but only regretted a select few.

Decisions will eventually fall to Greg Abel. He sat beside Warren on stage. He was very impressive.

Berkshire success is not paying a dividend and using its capital in more profitable ways. He can also do buybacks. Berkshire cash at record high of \$188 billion- getting close to \$200 billion.

They are watching renewable energy.

He teased of a possible Canada investment.

Charlie Munger - truly honest -the architect of Berkshire.

Worries about AI scamming- could be the next growth industry - lichen technology to nuclear weapons.

US debt will be acceptable for a long time due to dollars reserve currency status.

RBC Global Insight, US labor market - evidence of cooling labor market momentum has put two interest rate cuts from the Fed back to discussions.

Dr. Ed Yardeni, "We don't expect any recession this year that the Fed would have to address by easing. But since

some investors think that may happen, the Fed Put is back. With it increased risk of a stock market melting up. Almost everything's coming up Roses. Investors in both stock and bond markets are suddenly blooming with optimism. Positive employment report. Interest rates won't be kept higher for longer after all. Both good and bad news are being met as great news. One fact that indeed warrants optimism, the Feds 2% inflation target has been reached by one relevant measure."

Bank of America says, "Don't sell in May and go away."

Tom Lee, "Says the bar is lower for the Fed to cut and so stocks are set to do quite well. **Buy in May**. Economy no longer seems red hot given softer April jobs report and March JOLTS. That is dovish relative to market views and pushback against the ideas of hikes and stagflation. Q1 2024 season strongest since 2021. S&P 500 -4% decline in April elevated overbought conditions resetting risk reward. Investors deleveraging in April included one of the largest ever Tax Day withdrawals of money market funds. Oil has taken a huge tumble. 10-year yields of dropped. VIX at 13. Tons of dry powder. Lots of top callers. Earnings - 78% beat."

Negatives: As I mentioned, **Warren Buffett** is very cautious on AI - He mentioned he saw a video of himself making comments and he never did it - IA did it. So, watch the rise of disinformation. **Brian Wesbury**, "If the Fed is going to be successful on inflation, it's going to need a monetary policy that's tight enough to hurt real economic growth as well. That should scare the stock market and yet the stock market as a whole remains lofty relative to interest rates and profits. This only makes sense if investors believe the Fed will be able to react quickly to economic weakness once it kicks in without raining inflation. Count us skeptical.

Investments strategy: "I buy on the assumption they could close the market the next day and not reopen it for five years." **Warren Buffett**.

Have a great weekend. Bruce

April asking rent prices up 9.3% across Canada; as Ontario sees only decline: report

A new report says the average asking rent for a home in Canada in April was up 9.3 per cent compared with a year ago, while a slight month-over-month increase was also recorded for the first time since January.

The report by Urbanation and Rentals.ca, which analyzes monthly listings from the latter's network, says the average asking rent for all home types was \$2,188 last month.

The annual growth rate accelerated from an 8.8 per cent increase recorded the previous month. Asking rents were up 0.3 per cent month-over-month.

Based on the report, the average asking rent for a one-bedroom unit in Canada was \$1,915 in April, up 11.6 per cent from a year ago, while the average asking price for a two-bedroom unit was \$2,295, up 11 per cent from April 2023.

<https://www.bnnbloomberg.ca/april-asking-rent-prices-up-9-3-across-canada-as-ontario-sees-only-decline-report-1.2071584>

Oil prices have shed previous 'geopolitical risk premium': Nuttall

A Canadian portfolio manager bullish on the energy sector says oil prices are hovering at around two-month lows thanks to the removal of price premiums related to geopolitical risks, which he says is good news for investors.

“What we've had is the removal of any geopolitical risk premium that was in the price, which honestly, for energy investors, is a good thing,” Eric Nuttall, partner at Ninepoint Partners, told BNN Bloomberg in a Tuesday interview.

“You don't want to have a large premium because then you're always worried about headline risk and if some peace treaty comes to pass and oil falls five dollars. So, when we look at price relative to global oil inventories, we can now say that there is no risk premium.”

<https://www.bnnbloomberg.ca/oil-prices-have-shed-previous-geopolitical-risk-premium-nuttall-1.2069955>

Employment jumps by 90,000 in April, raising doubts about June interest rate cut

The odds of a June interest rate cut from the Bank of Canada appear to have fallen after the latest jobs report from Statistics Canada showed employment jumped by 90,000 last month.

The jobs gain far surpassed forecasters' expectations and marked the largest employment increase in more than a year.

The jobless rate held steady at 6.1 per cent last month.

<https://www.bnnbloomberg.ca/employment-jumps-by-90-000-in-april-raising-doubts-about-june-interest-rate-cut-1.2071400>

Heirs to \$35 Billion Fortune Face Off Over Atlanta's Controversial 'Cop City'

Alexander Cox Taylor is the fourth-generation scion of a dynasty valued at \$35 billion. He runs the family conglomerate, Cox Enterprises Inc., while supporting civic causes in his hometown of Atlanta, including a new \$110 million facility to train police and other safety officials.

His first cousin, James Cox Chambers Jr., is using his own piece of the fortune to try to shut that very project down. Fergie, as he's known to his family, is fervently against what he and other opponents deride as Cop City. A community organizer and self-proclaimed Marxist, Chambers for a time had an ACAB tattoo on his neck — an acronym for "All cops are bastards."

The dueling dollars over the Atlanta training center reflect an unprecedented rupture in a family that Bloomberg has ranked as the world's 21st-richest. The clan with a long history of supporting widely palatable initiatives and mainstream political candidates now has one of their own lobbying counter-efforts in service of his grandiose vision for dismantling capitalism and its trappings.

<https://www.bnnbloomberg.ca/heirs-to-35-billion-fortune-face-off-over-atlanta-s-controversial-cop-city-1.2071461>

New Weight-Loss, Diabetes Drugs Reach One in Eight Americans

One in eight US adults has tried medications from the fast-growing class of new diabetes and obesity drugs that includes Ozempic and Zepbound, underscoring how quickly the treatments have gained popularity.

Of those who've tried the drugs, about half are currently still taking them, according to a poll from health research organization KFF released Friday. If the KFF survey's results reflect the total US adult population, it would mean that roughly 30 million Americans have tried the medications.

Drugs including Eli Lilly & Co.'s Mounjaro and Zepbound and Novo Nordisk A/S's Ozempic and Wegovy are deepening their reach into the US population where rates of diabetes and obesity have escalated for decades. Yet cost remains a barrier: More than half of respondents who tried the medications said they're difficult to afford, even with coupons and insurance coverage.

<https://www.bnnbloomberg.ca/new-weight-loss-diabetes-drugs-reach-one-in-eight-americans-1.2071388>

Severe Solar Storm Threatens Power Grids and Navigation Systems

A severe solar storm this weekend is threatening to trigger blackouts and disrupt navigation systems around the world, but it also promises a dazzling display of the Northern Lights that could be seen across Europe and as far south as Alabama in the US.

This is the first time since January 2005 the US Space Weather Prediction Center has issued a G4 geomagnetic storm watch — the second-highest on a five-step scale — as multiple waves of solar energy bear down on the planet. Five eruptions of material from the sun's atmosphere are forecast to arrive starting late on Friday and persist through Sunday.

"Severe levels are pretty extraordinary," said Shawn Dahl, a US space weather forecaster.

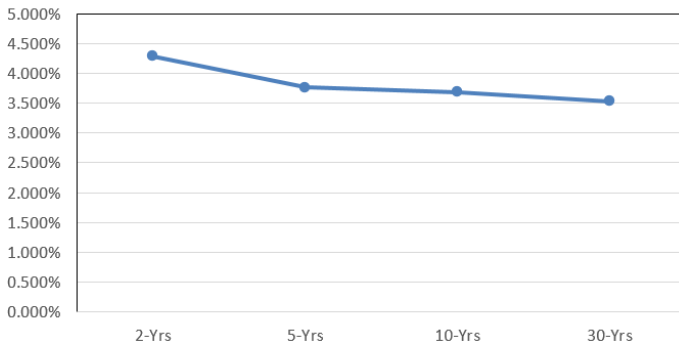
<https://www.bnnbloomberg.ca/severe-solar-storm-threatens-power-grids-and-navigation-systems-1.2071431>

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ May 10, 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.

Manulife Financial Corporation (MFC) - Progressing down a valuation improvement path

Ranking: Outperform (RBCCM).

Price C\$35.19 Target C\$38.00

Telus Corporation (T) - Holding the Line on Healthy Subscriber, EBITDA and FCF Growth in a More Competitive Environment

Ranking: Outperform (RBCCM).

Price C\$22.41 - Target C\$26.00

Pembina Pipeline Corporation (PPL) - Results for Q1/24 were slightly ahead of our street-high expectations

Ranking: Outperform (RBCCM).

Price C\$50.12 - Target C\$58.00

CCL Industries Inc (CCL.b) - Results above expectation; RFID tailwinds continue

Ranking: Outperform (RBCCM).

Price C\$70.69 - Target C\$83.00

Canadian Apartment Properties REIT (CAR.un) - It's official: No change to REIT tax status

Ranking: Outperform (RBCCM).

Price C\$46.22 - Target C\$58.00

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

Research Publications (available upon request)

- Global Energy Best Ideas
- Top 30 Global ideas for 2024
- Canadian Small Cap Conviction List

| 2024 Contribution Limits | Amount (\$CAD) |
|---------------------------------|-----------------------|
| TFSA | |
| 2024 | \$ 7,000 |
| Aggregate until 2024 | \$ 95,000 |
| RRSP | |
| 2024 | \$ 31,560 |

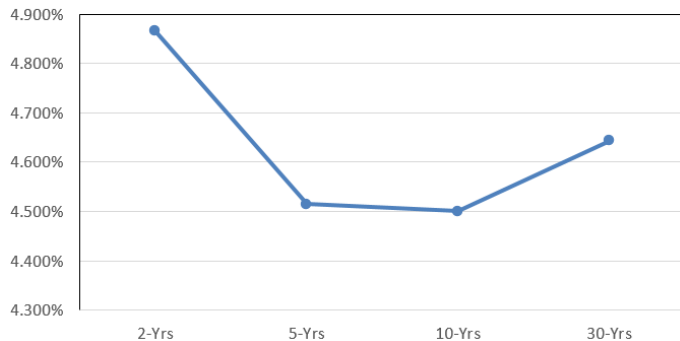


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ May 10, 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

Shopify Inc. (SHOP) – Trading near-term margins for long-term growth

Ranking: Outperform (RBCCM).

Price U\$62.45 - Target U\$85.00

Uber Technologies Inc. (UBER) - In-line with LT targets not quite good enough; lowering estimates and target

Ranking: Outperform (RBCCM).

Price U\$67.04 - Target U\$80.00

Johnson & Johnson (JNJ) - Positive on JNJ's Pharma LRP Targets Following Updated TARIS Platform Data

Ranking: Outperform (RBCCM).

Price U\$149.85 - Target U\$175.00

JPMorgan Chase & Co (JPM) - JPM Announces a Pre-Tax Gain of Approximately \$8.0 Billion on 37.2 million Visa Share Sale

Ranking: Outperform (RBCCM).

Price U\$197.50 - Target U\$211.00

Brookfield Corporation (BN) - I thought I told you that we won't stop, I thought I told you that we won't stop

Ranking: Outperform (RBCCM).

Price U\$44.25 - Target U\$53.00

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

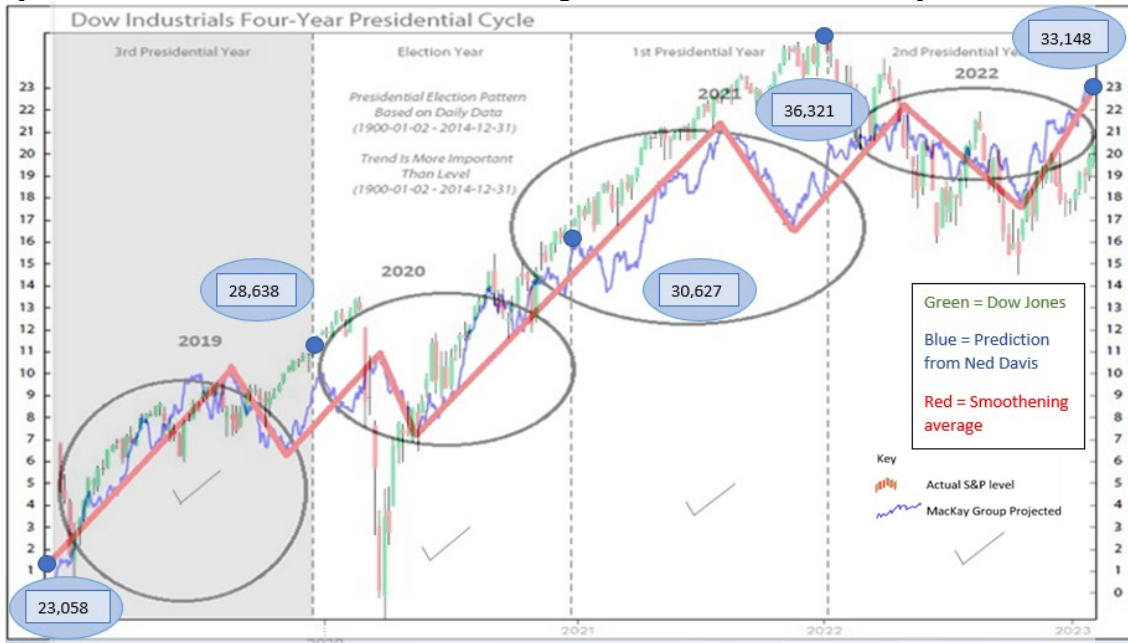




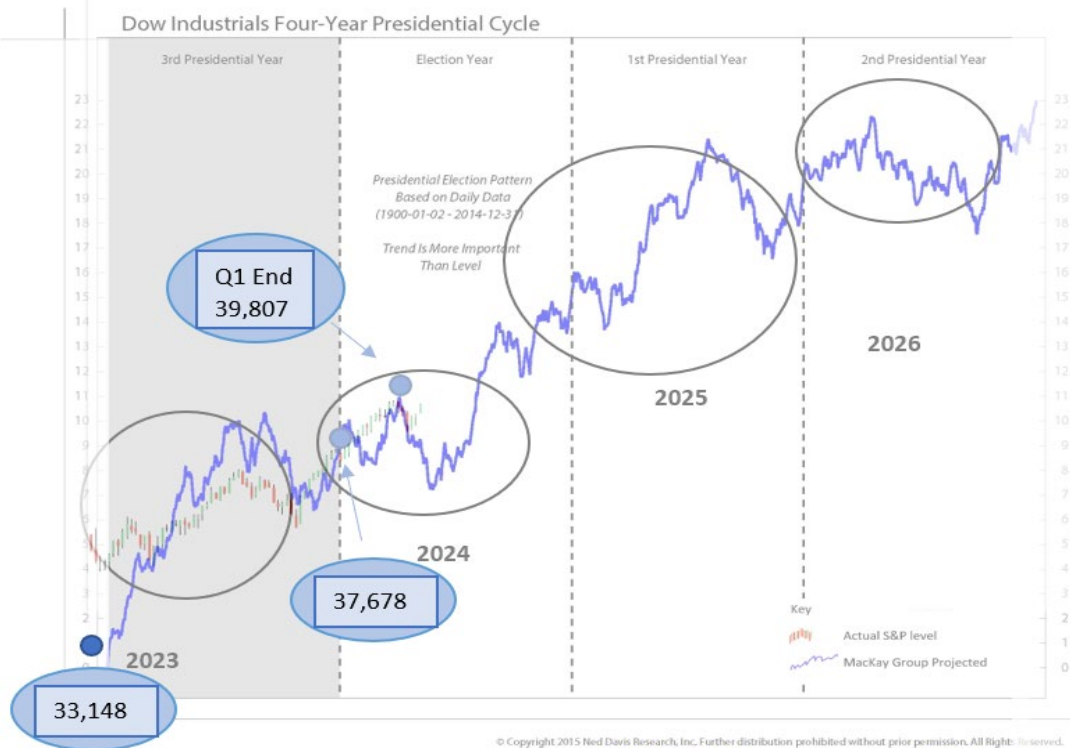
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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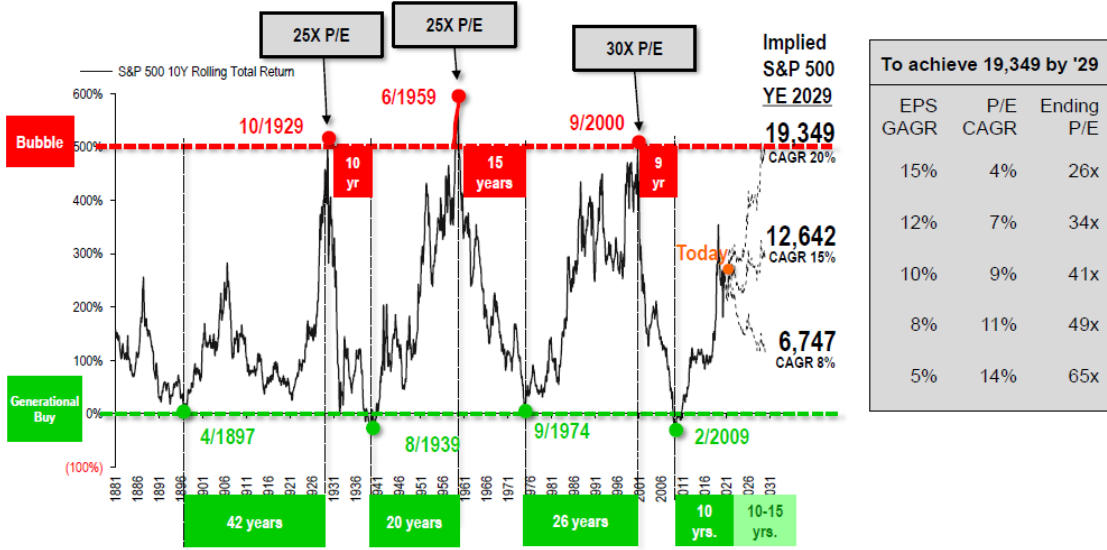
FAVOURITE CHARTS

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

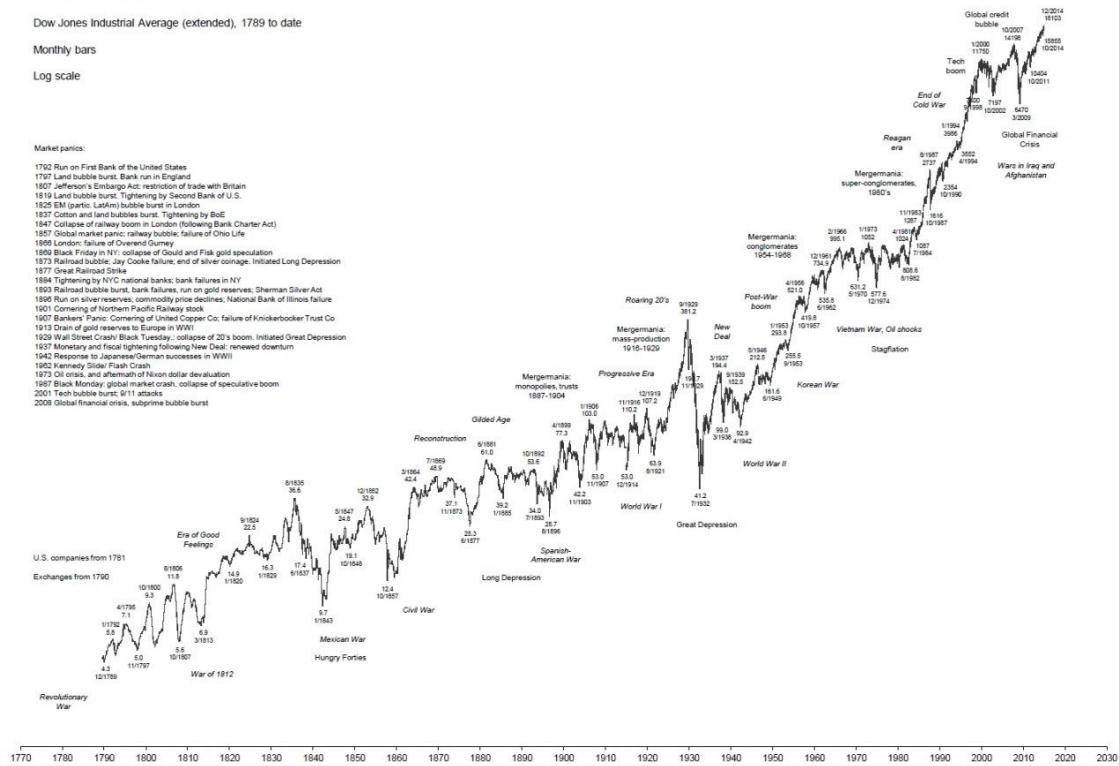
Dow Jones Industrial Average (extended), 1789 to date

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



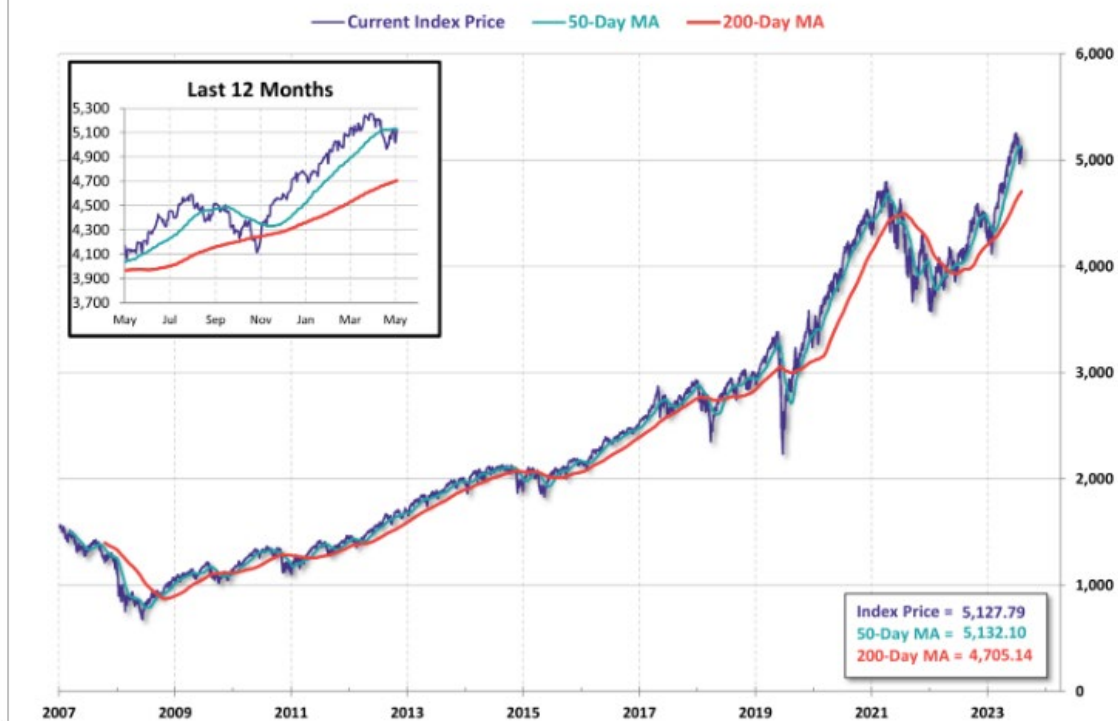
S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

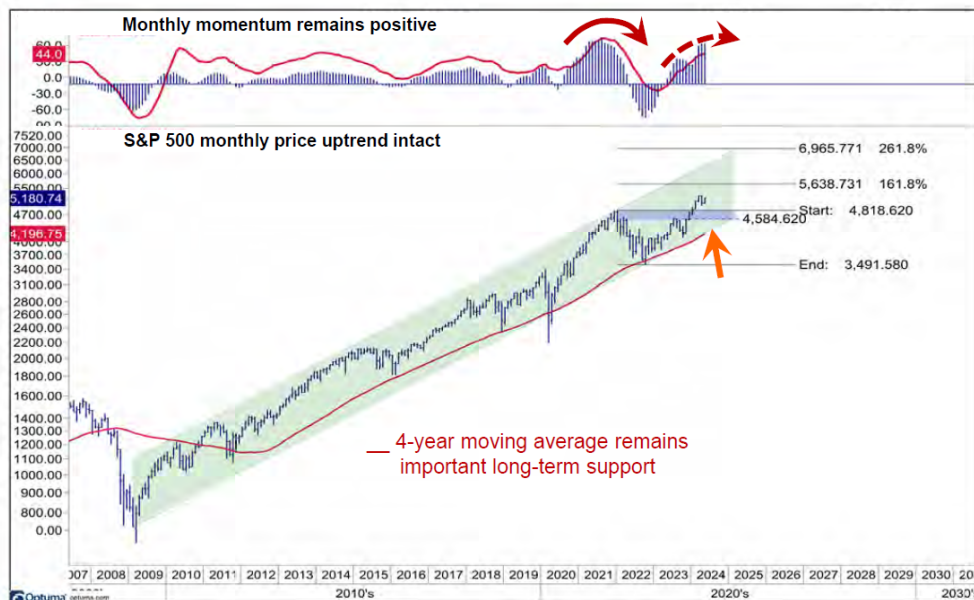


Consumer sentiment drops as inflation expectations jump (cnbc.com)



Link - [Consumer sentiment drops as inflation expectations jump \(cnbc.com\)](https://www.cnbc.com)

S&P 500 – Monthly momentum positive but decelerating



Cycle momentum

- Remains positive above the zero axis *but is likely to begin peaking in the coming months/quarters* with a decline below the zero axis needed to signal the uptrend is reversing.

Uptrend intact

- Next major Fibonacci resistance is at 5638 followed by 6965.
- Support: 4818, then 4584.

What would change our positive view?

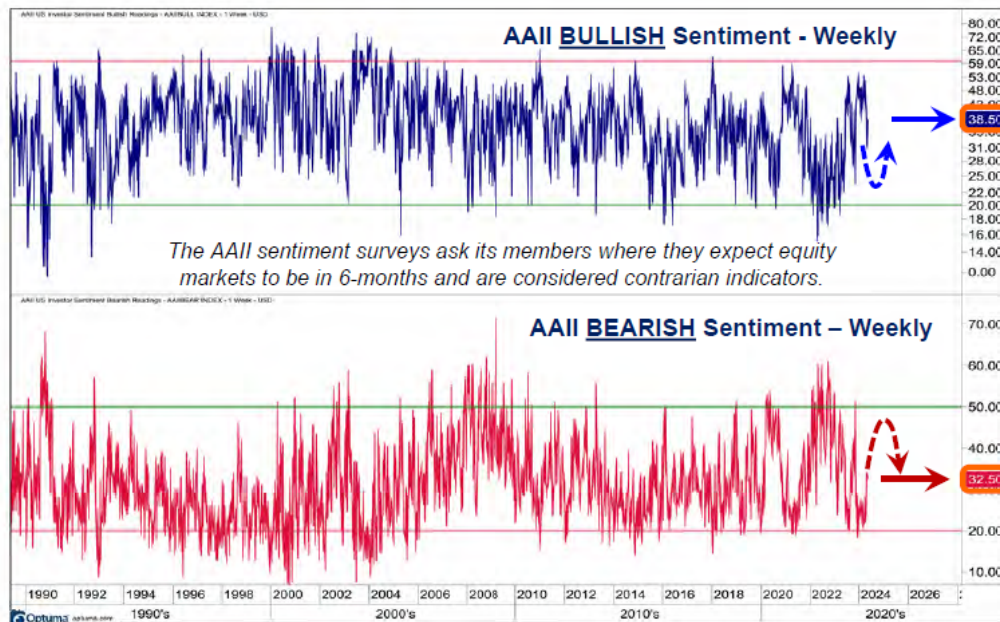
- A decline below the Q3 2023 highs would signal a weakening trend with a break below support near 4-year moving average needed to confirm the cycle is failing.

Sentiment Survey Historical Data

| Reported Date | Bullish | Neutral | Bearish |
|---------------|---------|---------|---------|
| May 8 | 40.8% | 35.4% | 23.8% |
| May 1 | 38.5% | 29.0% | 32.5% |
| Apr 24 | 32.1% | 33.9% | 33.9% |
| Apr 17 | 38.3% | 27.8% | 34.0% |
| 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% |

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.

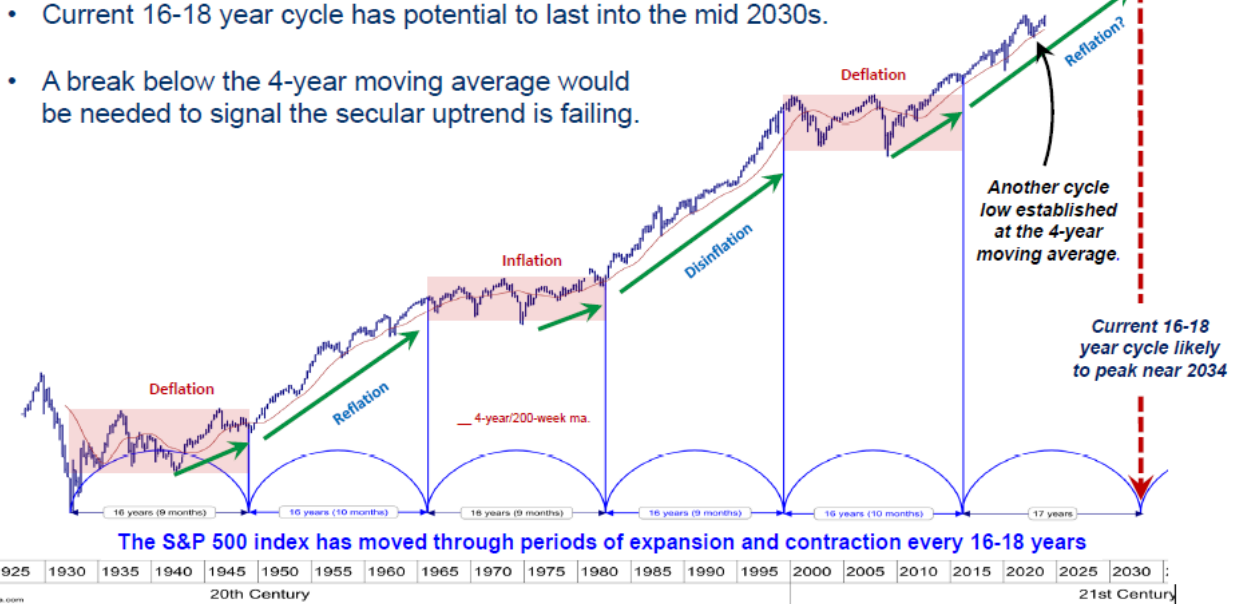
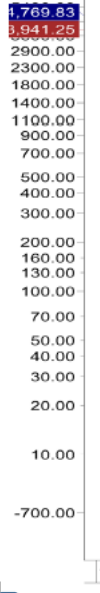
AAII US Bullish and Bearish Sentiment



Sentiment surveys are contrarian indicators.

- Bullish Sentiment is pulling back from elevated levels...
- ...while bearish sentiment is building from low levels.
- We view this data to be supportive of a pause/pullback taking hold in equity markets with further declines in bullish sentiment and a rise in bearish sentiment readings an encouraging development to support equity markets later in Q2/Q3.

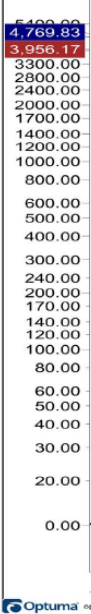
S&P 500 – Generational cycles lasting roughly 16-18 years



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

Source: RBC Wealth Management, Bloomberg, Optuma

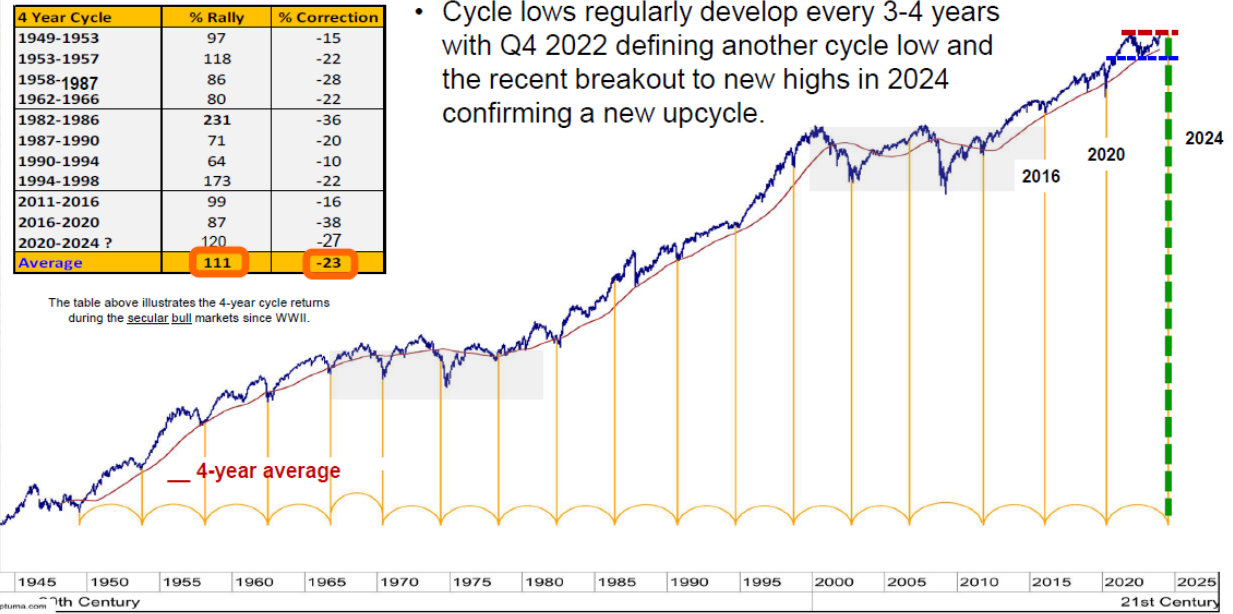
S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



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

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

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



Source: RBC Wealth Management, Bloomberg, Optuma

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



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

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

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

DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

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.

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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. 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