

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, JUNE 28, 2024

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Serving clients and friends at RBC Dominion Securities Inc. – a member of RBC Financial Group since 1983.*

HOW I SEE IT – by Bruce

Quarter end/the anomaly/S&P 500-15000 by 2030

Equity indices were steady to up this week - It's the end of the quarter and window dressing occurs - Sector rotation by PMs - as they set portfolios up for the next quarter. S&P 500 & Nasdaq at all-time highs today.

Positives: **AAll investor sentiment survey** - 44.5% bullish/ 27.2% neutral/ 28.3% bearish - confidence is a bit of back-and-forth the last couple weeks- just like the markets.

RBC WM. US Equity Strategy. Takeaways from the Duke CFO survey, "C- suite views on the broader economy were flat in Q2 but remain in a recovery: Monetary Policy remained the biggest concern: US election is not impacting investment plans: and automation and AI have been a higher priority for larger firms. US equity teams' valuation stress test reveals that the market is pricing in an optimistic scenario of lower inflation, lower 10-year yields and more Fed cuts than the current consensus. This scenario bakes in a PCE of 2.2%, three cuts and 10-year yield following to 3.75% by year-end. Assumptions implying a trailing P/E for the S&P 500 of 22.5 times by year end with the index closing at 5500. Flows to US large equity funds are still positive but below peak. Small equity funds are seeing improved trends. Charts show record fund flows into US technology. US technology fund saw a \$9 billion inflow last week. The largest weekly inflow ever recorded. The magnificent seven have exceeded \$15 trillion market cap for the first time in history."

Jim Paulson, "Has S&P 500 concentration reduced stock market vulnerability? How does a bear market take the stock market significantly lower when most of its members never really rose much since the last bear market? Small caps have not been in a bull market. Equal weight S&P 500 index has been the butt-end of this bull. Cyclical sectors oddly have never cycled up in this bull. Defensive sectors have followed their tradition of underperforming. Value stocks have also been left behind by the contemporary bull. Even high beta stocks have

been a no-show in the current bull market. This bull market has been an anomaly one which hasn't been bullish for most stocks. Does this stock market still have considerable upside potential as participation broadens and a much more satisfying bull yet unfolds.

Dr. Ed Yardeni, "Air freight demand is unexpectedly strong as a result of shippers red Sea Travails. End of inventory drawdowns could benefit FedEx. Consumers aren't syncing money into backyard pools as much anymore, but they're dropping it with cruise ships and air travel. Strong productivity in our roaring 2020s scenario can keep the debt load manageable as well. No crisis looms. We are sticking with our S&P 500 year in target of 5400 were looking forward to the bull run lifting it to 6000 by year end 2025 and 6500 by year end 2026. Q1 earnings beat expectation, causing industry and less to revise upper the consensus estimates for this year and next."

Tom Lee, "Global economy strengthened in June while inflation weakened = stocks up for the right reasons and well set up for July. The sixth supports include, 1. High probability June is a positive month. Favorable inflation data points. 3. Low utilization of leverage measured by NYSE margin debt. 4. \$6 trillion and growing cash on sidelines, yup still. 5. Persistent pessimism on market and the US consumer. 6. Earnings per season show AI spending transformation still strong." Tom spoke on CNBC Wednesday night looking for S&P 500 of 15,000 by 2030.

Negatives: **Bank of Canada** - concerned about shelter inflation considered waiting until July for first rate cut - Housing is expensive now - Mortgage renewals are the next problem - Will look at data before announcing another cut. Canada CPI above consensus. **US new single-family home sales** have declined 11% m/m or 16.5% y/y falling to a six-month low. China industrial profit growth slows as business struggle with soft demand. Housing market to remain stuck until 2026 - **Bank of America** says.

Brian Wesbury, "We hope a recession doesn't happen but

think they're dismissive attitudes towards warning signs like M2, which has been declined in the past 18 months increases the chances that they get caught flat footed by a downturn. We know it's not visible yet, but every once in a while, there's a report that should make people rethink their preconceived notions. That applies to homebuilding in which dropped. Housing starts and permits are low. Retail sales surprise to the downside. Labor market may be having some trouble too. There's no guarantee of a recession in the year ahead, but the risk shouldn't be casually dismissed. Not paying attention to M2 has caused investors more than once already."

Investment strategy: "Successful investing is anticipating the anticipation of others." **John Maynard Keynes.**

Happy Canada Day
Have a nice long weekend. Thanks. Bruce

Hockey helped lift Canada's economy in April, StatsCan says

The National Hockey League's playoffs gave the Canadian economy a boost in April, according to the country's statistics agency.

Spectator sports contributed the most to the growth in the arts, entertainment and recreation sector that month, "as four Canadian hockey teams qualified for the National Hockey League playoffs," Statistics Canada said.

The arts and entertainment sector rose 0.9 per cent to \$17.1 billion annualized in April, the sector's biggest seasonally adjusted gains since last July.

<https://www.bnnbloomberg.ca/hockey-helped-lift-canada-s-economy-in-april-statscan-says-1.2090786>

Minto Apartment REIT CEO bullish on rental housing despite real estate headwinds

The CEO of Minto Apartment REIT says he's constructive on Canada's rental housing market despite the headwinds being faced by many Canadian real estate investors.

"We're really excited to own rental apartments in Canada," Jonathan Li told BNN Bloomberg in a Thursday interview.

"About a third of Canadians rent, and that percentage is growing month by month for the following reasons: we have housing unaffordability, so it's cheaper to rent than it is to own a home, and we have a lack of housing supply in our country."

<https://www.bnnbloomberg.ca/minto-apartment-reit-ceo-bullish-on-rental-housing-despite-real-estate-headwinds-1.2090421>

Business and consumer insolvencies rise in May from last year

Canadian insolvencies rose in May from last year as elevated inflation and interest rates continue to hit businesses and consumers.

Data from the Office of the Superintendent of Bankruptcy shows total insolvencies were up 19.2 per cent from May 2023 and up 3.1 per cent from April.

The overall figures came as consumer insolvencies totalled 12,195 in May for a rise of 3.4 per cent from April and an increase of 11.3 per cent from last year.

Business insolvencies were down from April, falling 3.8 per cent to 530, but up 41.7 per cent from last year.

<https://www.bnnbloomberg.ca/business-and-consumer-insolvencies-rise-in-may-from-last-year-1.2090859>

Private Equity's \$30 Billion Week Raises Hopes for M&A Recovery

Private equity firms clinched more than \$30 billion of deals around the world this week, raising hopes for a recovery in mergers and acquisitions following a slow first half of the year.

TPG Inc. and CVC Capital Partners Plc announced two purchases apiece in the span of a few days, while Brookfield Asset Management and EQT AB moved forward with major buyouts of public companies. Advent International, Cinven and PAI Partners were among those making significant divestments, showing they're able to return capital to investors at a time when many other sale processes are floundering.

While overall M&A deal volumes are up around 14% at the midway point of 2024, they still lag the 10-year average for a first half by more than \$300 billion, according to data compiled by Bloomberg. Supportive financing markets are now helping spur a sudden flurry of activity, with private equity firms working hard to both clear out old assets as well as deploy their mountains of unspent capital.

<https://www.bnnbloomberg.ca/private-equity-s-30-billion-week-raises-hopes-for-m-a-recovery-1.2090886>

Oil price news: Oil hits 2-month high as Mideast tensions rattle market

Oil touched the highest level in almost two months, with the market gripped by turmoil in the Middle East and political uncertainty in some of the world's biggest economies.

Brent crude and West Texas intermediate edged up, hitting their highest intraday levels since April 30. Brent traded above US\$87 a barrel, while the U.S. benchmark rose toward \$83.

Israel is lurching closer to a full-blown war with Hezbollah in Lebanon, while its fight against Hamas in Gaza continues. Meanwhile, Houthi rebels in Yemen have stepped up attacks on commercial shipping in the region. Iran, which backs all three militant groups, is holding a snap election Friday following the death of President Ebrahim Raisi in a helicopter crash last month.

<https://www.bnnbloomberg.ca/oil-price-news-oil-hits-2-month-high-as-mideast-tensions-rattle-market-1.2090560>

The list of money managers axing oil stocks just got longer

There's a growing list of institutional investors in Europe who are stripping oil and gas stocks out of their portfolios, in a move they say reduces the risk of ending up with stranded assets and financial losses.

The latest to do so is PFA, Denmark's largest commercial pension fund with roughly US\$110 billion of assets under management. The investor has just offloaded its \$170 million stake in Shell Plc based on an assessment that the company's capital expenditure on renewables is worryingly low.

"There was a cry to them to engage more in the transition," says Rasmus Bessing, head of ESG investing and co-chief investment officer at PFA. "But especially over the last year or so, a bit more perhaps," Shell has been signaling it wants to "go in a different direction," he said.

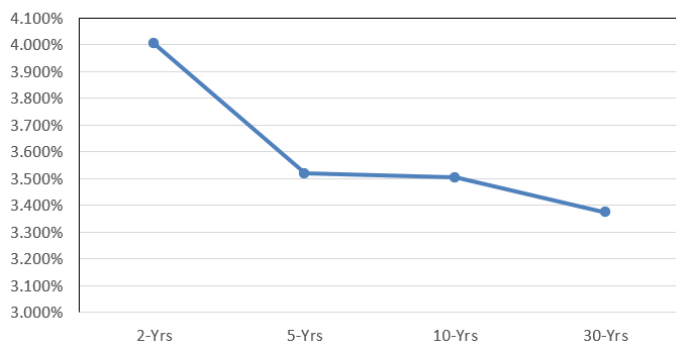
<https://www.bnnbloomberg.ca/the-list-of-money-managers-axing-oil-stocks-just-got-longer-1.2090483>

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ June 28, 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 - June 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, Loblaw

III. Veritas V- list - June 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, Wheaton Precious Metals.

IV. News we recommend on our CDN Holdings

Market prices as of previous day close.

Alimentation Couche-Tard Inc. (ATD) - Summer tires: Management tone confident as we head into F25

Ranking: Outperform (RBCCM).

Price C\$77.50 Target C\$93.00.

Baytex Energy Corp. (BTE) - Announces Renewal of Normal Course Issuer Bid

Ranking: Outperform (RBCCM).

Price C\$4.74 Target C\$6.50

Capstone Copper Corp. (CS) - First saleable concentrate produced at MVDP as guided

Ranking: Outperform (RBCCM).

Price C\$9.76 Target C\$14.00

Pembina Pipeline Corporation (PPL) - Cedar LNG reaches a positive FID; details consistent with prior disclosures.

Ranking: Sector Perform (RBCCM).

Price C\$50.93 Target C\$58.00

TMX Group Limited (X) - Tray-des of Glory: Investor Day key takeaways

Ranking: Sector Perform (RBCCM).

Price C\$37.96 Target C\$39.00

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

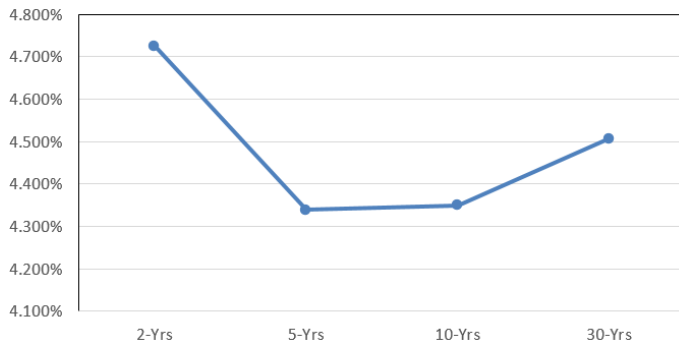


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ June 28, 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 – May 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, Meta Platforms, RTX Corporation.

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

Meta Platforms Class A, 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, Element Fleet Management.

IV. RBC DS ADR Focus List June, 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

Guidewire Software Inc. (GWRE) - On the Road with Guidewire: Margins, Cloud Momentum, GenAI, Competition Capabilities; FDS Read-Through

Ranking: Outperform (RBCCM).

Price U\$137.20 - Target U\$170.00

General Mills Inc. (GIS) - F4Q'24 Preview - GIS Likely to Set a Cautious Tone for Packaged Food Earnings Season

Ranking: Sector Perform (RBCCM).

Price U\$63.71 - Target U\$70.00

Veeva Systems Inc. (VEEV) - On the Road with Veeva: CRM Migration Implications, Data Cloud, Macro, GenAI, EDC

Ranking: Outperform (RBCCM).

Price U\$185.15 - Target U\$250.00

Gilead Sciences, Inc. (GILD) - Lena Results Still Look Great; Data Update Shows Greater Descovy Disappointment Though Could Be Population Related

Ranking: Outperform (RBCCM).

Price U\$68.83 - Target U\$74.00

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





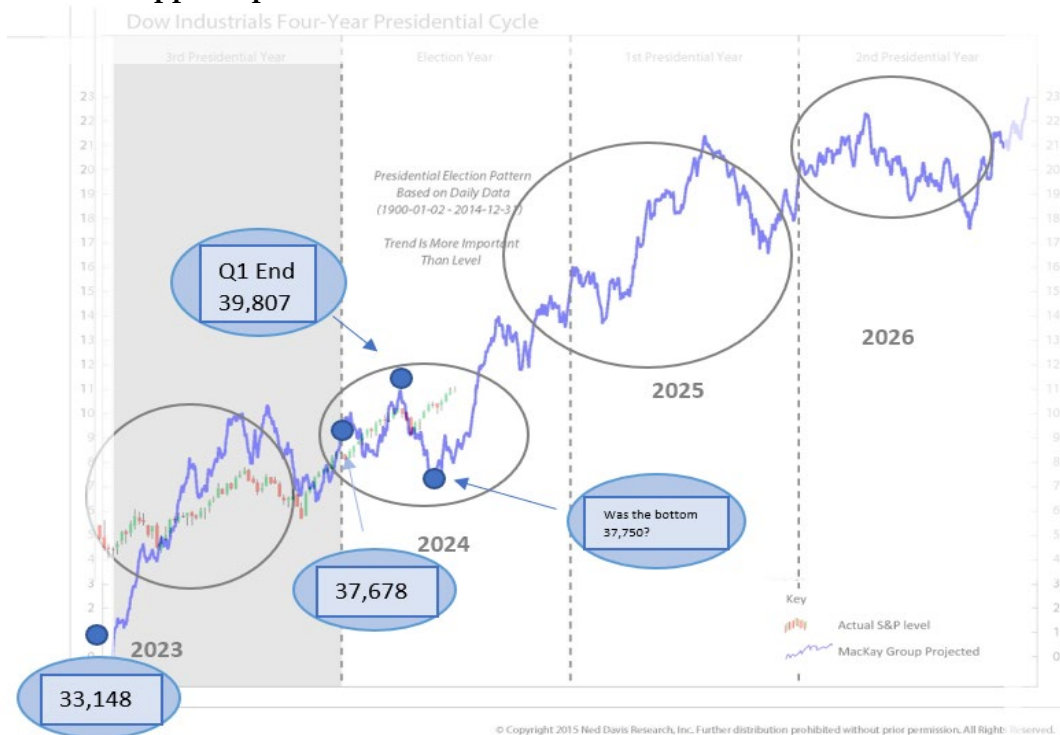
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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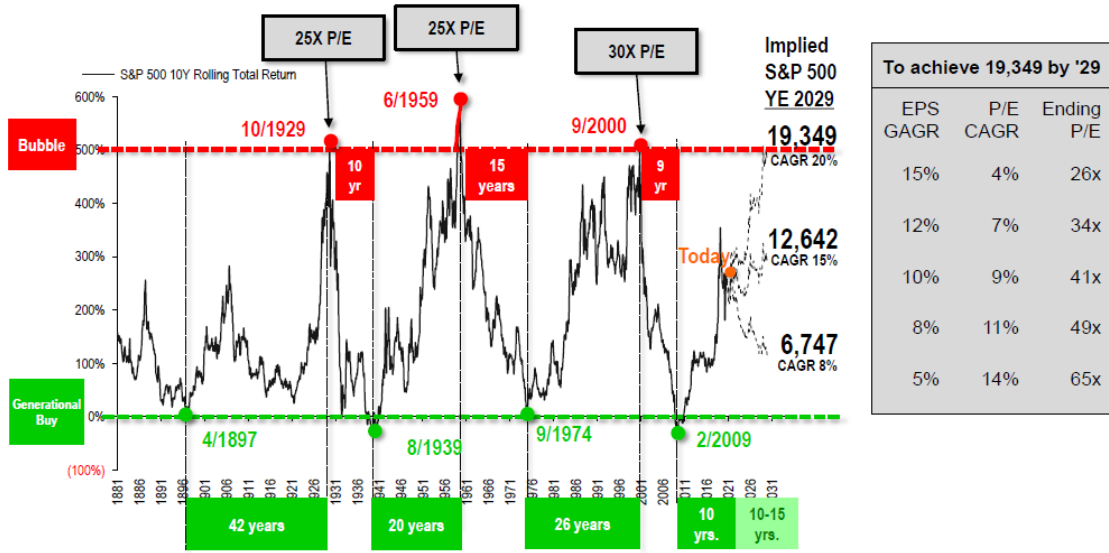
FAVOURITE CHARTS

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

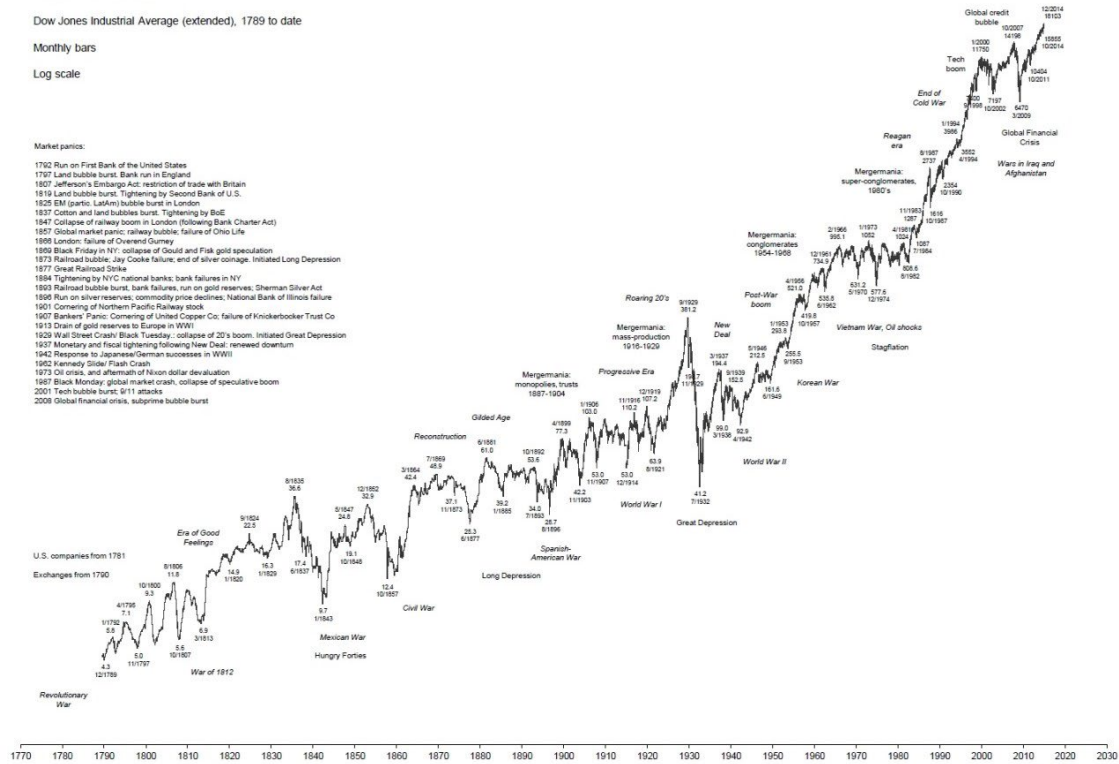
Dow Jones Industrial Average (extended), 1789 to date

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 BoE
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1847 Global market panic; railway bubble; failure of Ohio Life
- 1898 London: failure of Overend Gurney
- 1898 Black Friday in NY; collapse of Gould and Fish gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage; Initiated Long Depression
- 1877 Great Railroad Strike
- 1894 Tightening by NYC national banks; bank failures in NY
- 1893 Railroad bubble burst; bank failures; run on gold reserves; Sherman Silver Act
- 1896 Run on silver reserves; commodity price declines; National Bank of Illinois failure
- 1901 Cornering of Northern Pacific Railway stock
- 1907 Bankers' Panic; Cornering of United Copper Co; failure of Knickerbocker Trust Co
- 1913 Drain of gold reserves to Europe in WWI
- 1929 Wall Street Crash; Black Tuesday; collapse of 20% boom. Initiated Great Depression
- 1927 Monetary and fiscal tightening following New Deal; renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1982 Kennedy Slide; Flash Crash
- 1973 Oil crisis, and aftermath of Nixon dollar devaluation
- 1987 Black Monday; global market crash; collapse of speculative boom
- 2001 Tech bubble burst; 9/11 attacks
- 2008 Global financial crisis; subprime bubble burst



S&P 500 Index Snapshot

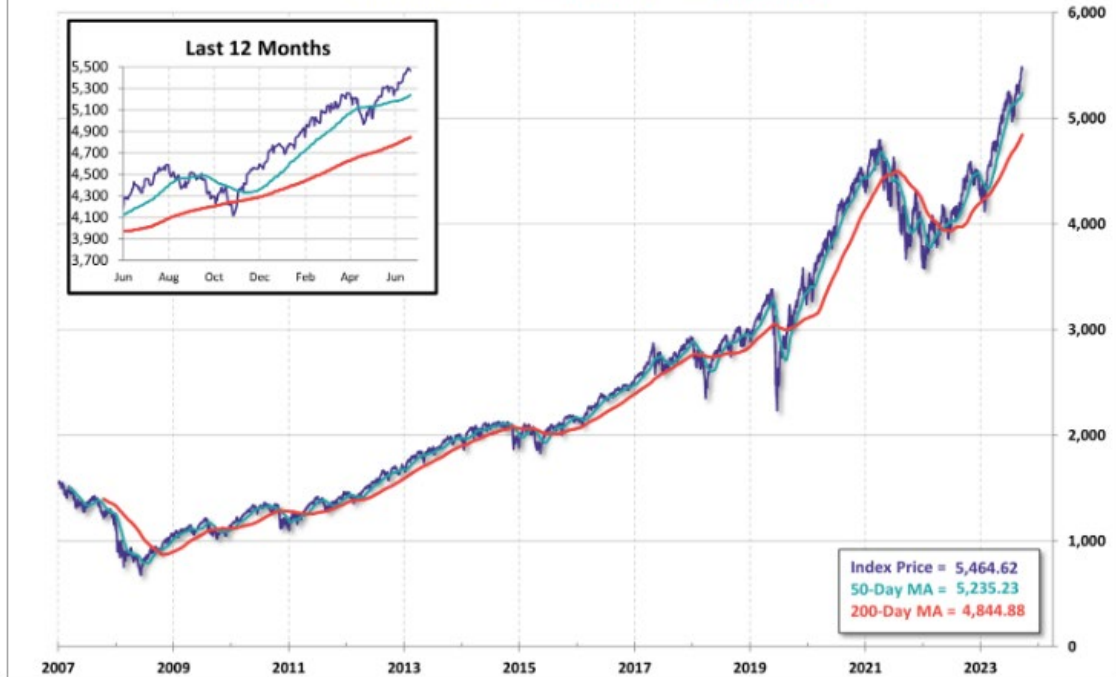
Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

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



Key inflation gauge matches estimates (cnbc.com)

TREASURYS

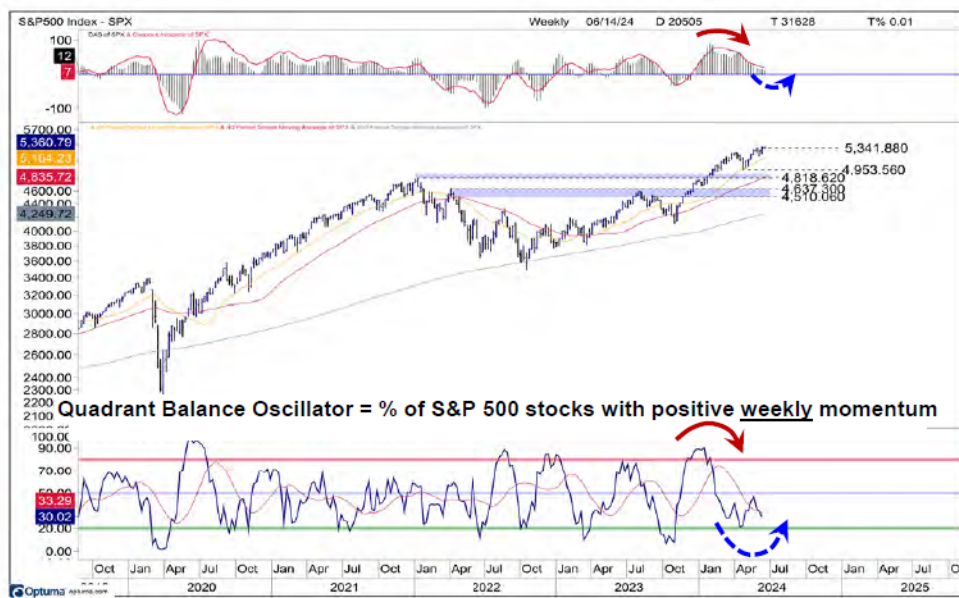
U.S. 30 YEAR TREASURY	YIELD:	4.426% ▲
U.S. 10 YEAR TREASURY	YIELD:	4.273% ▲
U.S. 5 YEAR TREASURY	YIELD:	4.273% ▲
U.S. 2 YEAR TREASURY	YIELD:	4.685% ▲

8:33 A EASTERN | **CORE PCE PRICE INDEX (MAY)**
+0.1% VS. +0.1% EST.

CNBC

[Key inflation gauge matches estimates \(cnbc.com\)](https://www.cnbc.com)

S&P 500 with weekly Quadrant Balance momentum



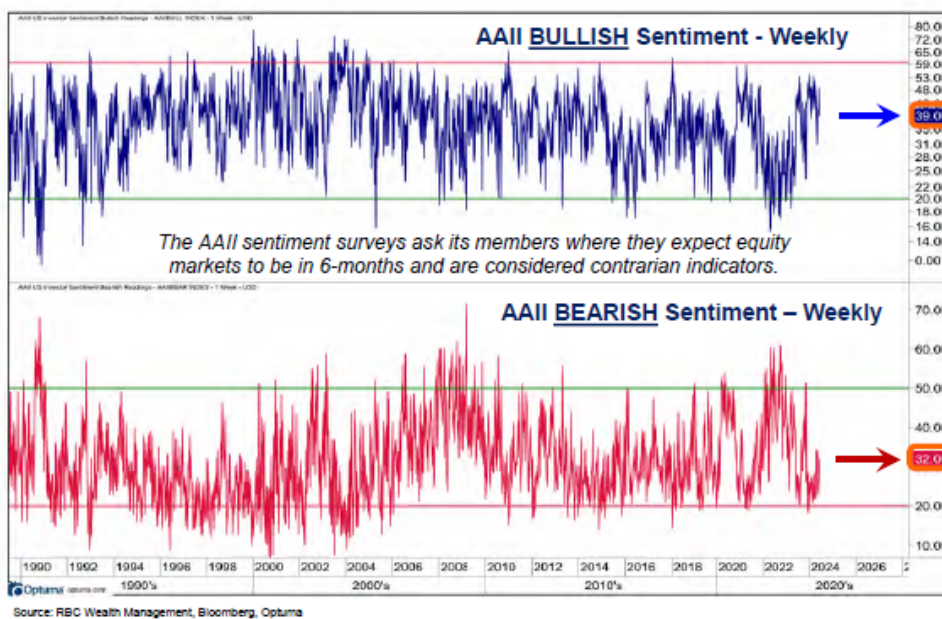
- Weekly momentum indicators for the S&P 500 (top panel), tracking 2-4+ month swings, are unwinding from overbought levels reached in early-mid Q1 and are on track to turn up this week.
- Key support remains at the April lows at 4953 followed by 4818.
- Quadrant balance data is in bottoming range after peaking in early Q1 reflecting the growing list of stocks that have corrected through Q1 into Q2 with some attempting to bottom.

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Jun 26	44.5%	27.2%	28.3%
Jun 19	44.4%	33.1%	22.5%
Jun 12	44.6%	29.7%	25.7%
Jun 5	39.0%	29.0%	32.0%
May 29	39.0%	34.2%	26.7%
May 22	47.0%	26.6%	26.3%
May 15	40.9%	35.9%	23.3%
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%

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.

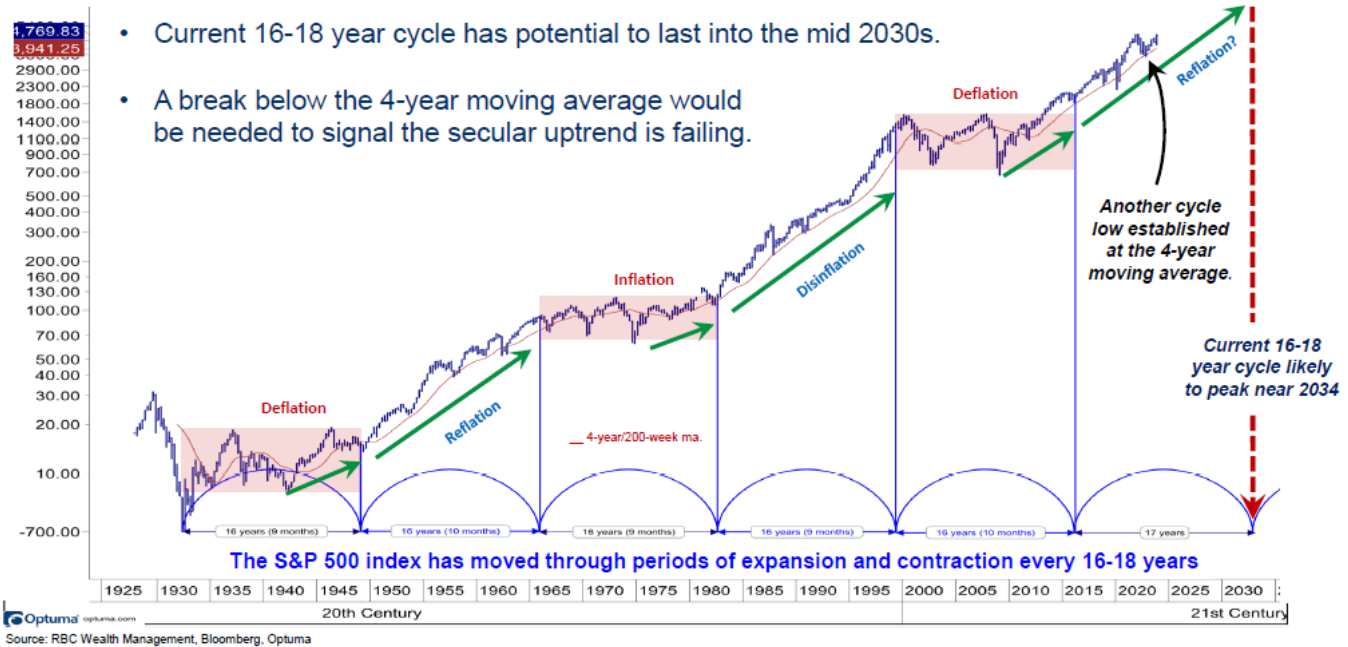
AAII US Bullish and Bearish Sentiment



Sentiment surveys are contrarian indicators.

- Bullish Sentiment (top panel) has bounced back after a shallow pullback in late Q1...
- ... while bearish sentiment (bottom panel) has risen modestly.
- Although sentiment is not at extreme bullish levels, it is also not at levels that usually support multi-month rallies.

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

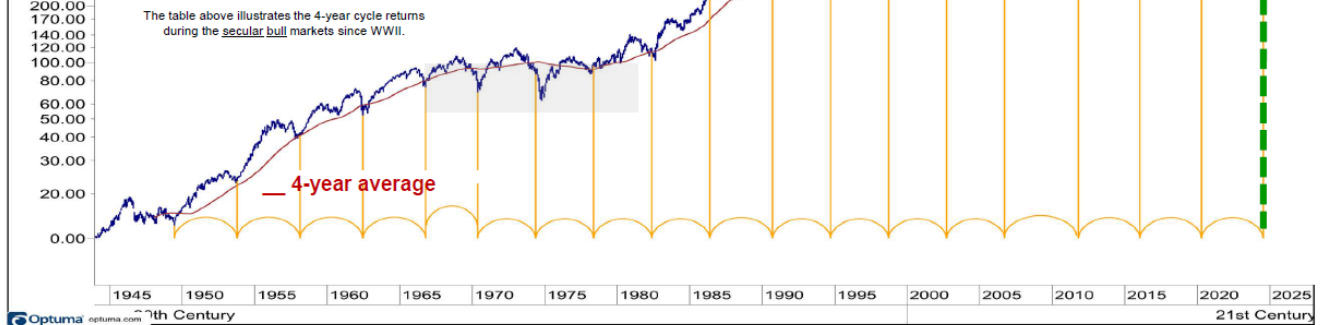


S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



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

- 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.



"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

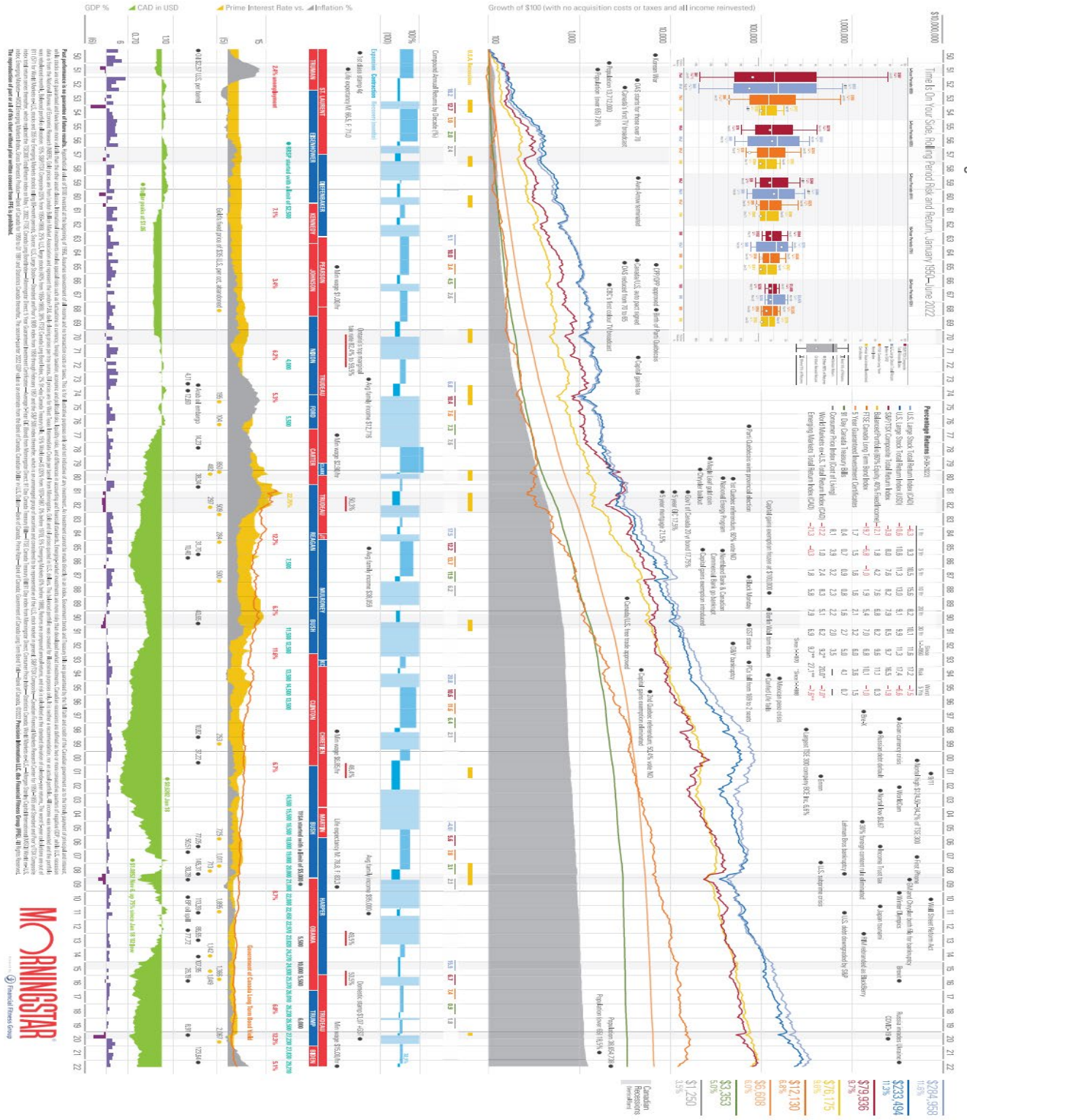
DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

Andex Chart

The Andex 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 Andex 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.



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

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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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