

## MacKay Weekly Investment Report

WEEK ENDING FRIDAY, JULY 5, 2024

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

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

### HOW I SEE IT – by Bruce

#### RV Trip / Parry Sound/ 30,000 Island Cruise / Killbear

Kind of a holiday week in Canada and the US, so Yvonne and I (and the 2 dogs) took the week off and worked remote. We spent time at the cottage then travelled for 3 days. Took the RV to Parry Sound. Stayed at KOA campsite and Killbear Provincial Park. Toured the many islands on a 3-hour boat cruise on the Island Queen V. Highly recommended it. We have so much to explore in our province. The cruise went by Rose Points Swing bridge, 5 miles channel, Bears Head, The Outer islands, Big Sound, Lighthouse Point at Killbear and Hole in the Wall. They have a great harbor with nice restaurants too. Even visited Bobby Orr Hall of Fame. Another highlight was walking the trails at Killbear and Lighthouse point. Dogs loved it.

Equity markets were somewhat flat this week- lots of news on Biden - no effect on markets. Lots of people on holidays. Very busy up north.

**Positives:** AAI investor sentiment survey - 41.7% bullish/ 32.2% neutral/ 26.1% bearish -Somewhat steady over the last few weeks- not too hot & not too cold -bullish reading drops a bit - it could be the summer seasonality.

**RBC Global Insight 2024 Midyear Outlook** – “Canada slower than expected economic growth, a cooling labor market and ongoing disinflation and make a compelling case for the Bank of Canada ‘s continuation of its interest rate cuts. We expect 4 - 25 basis point cuts through the remainder of 2024. This should afford domestic consumers some relief. The materials sector has been a bright spot for the domestic equity market.

**US** - Following an outsize rally amid unusually low volatility we think US equity market volatility could increase during the second half of the year. The S&P 500 has increased 15.8% including dividends year to date through June. We think the S&P 500 seems due for a normal pause or pull back.”

**Tom Lee**, “Powell confirms Fed acknowledging soft inflation, a contrast to FOMC meeting. Bottom line- July off to a strong start. Don’t fear July- this month has been positive for SPX for nine straight years. Inflation is falling like a rock. Seasonality bodes well for quick pushback to new highs in the weeks ahead.

**Dr. Ed Yardeni**, “With the first half over it’s time to look at which S&P 500 sectors and industries and body well for street and less high expectations for earnings rebounds next year. We’re the

first to agree that widespread adoption of AI will be a game changer for many and industry.”

**Negatives:** There is a seasonality- as we get close to August, we have seen many corrections that month

**RBC WM**, “US debt dilemma- no quick fixes and no catastrophes. Global Equity- trees don’t grow to the sky- we don’t believe markets are finished moving higher, but thinking about risk appetite and having a plan for becoming more defensive when conditions dictate our things to contemplate in coming months. Stocks no longer compelling cheap and investor increasing favor cautious watchful approach. US recession scorecard clouding over. Our US recession scorecard saw an important negative shift in May when a third leading indicator was re-rated to recessionary red. Fourth - may undergo a similar shift in the next couple of months. Equity investors should be aware that rest of the US economy, slipping into recession in the coming months are rising.”

**Investment strategy/quote:**



Have a nice weekend. Thanks. Bruce

## **Canadian unemployment rate rose to 6.4% in June**

The Canadian economy lost 1,400 jobs in June as the unemployment rate climbed to its highest level in more than two years, Statistics Canada said Friday.

In its monthly labour force survey report, the agency said the unemployment rate came in at 6.4 per cent for the month, up from 6.2 per cent in May, as the size of the labour force grew.

The June result was the highest reading for the unemployment rate since January 2022 when it was 6.5 per cent.

Statistics Canada noted the unemployment rate has trended up since April 2023, rising 1.3 percentage points over that period.

<https://www.bnnbloomberg.ca/canadian-unemployment-rate-rose-to-6-4-in-june-1.2093299>

## **Glencore coal deal approved by Canada as Teck plans buyback**

Canada has approved Glencore Plc's US\$6.9-billion acquisition of Teck Resources Ltd.'s metallurgical coal business, while the latter announced a \$2 billion share buyback and pledged to boost copper output.

Teck Chief Executive Officer Jonathan Price said the transaction with Glencore marked a new era as the company focused on metals for the energy transition.

“We will build on our core portfolio of strong, cash-generating assets through development of our near-term copper growth projects,” Price said in a statement. Completion would provide substantial funding, giving Teck a pathway to increase copper production by a further 30 per cent as early as 2028, he said.

<https://www.bnnbloomberg.ca/glencore-coal-deal-approved-by-canada-as-teck-plans-buyback-1.2093117>

## **First GST/HST credit payment from 2023 tax returns set to arrive July 5**

The first of four payments from the GST/HST credit is set to hit Canadians' bank accounts on July 5.

The non-taxable credit, which is paid in four parts, is for individuals and families with low and modest incomes to help offset sales taxes they pay.

The Canada Revenue Agency says single Canadians could get up to \$519 over the course of the four payments, while those who are married or have a common-law partner could get up to \$680.

For each child under 19 years of age, there's up to \$179 in additional credit.

<https://www.bnnbloomberg.ca/first-gst-hst-credit-payment-from-2023-tax-returns-set-to-arrive-july-5-1.2092962>

## **Thousands strike after talks with union and LCBO fall apart**

Thousands of workers are now on strike for the first time in the history of Ontario's main liquor retailer. A strike deadline had initially been set by the Ontario Public Service Employees Union, which represents thousands of Liquor Control Board of Ontario workers, of 12:01 a.m. Friday.

That deadline passed and it led to the strike officially taking place, which the LCBO says its disappointed the OPSEU leadership has initiated.

While the LCBO says it hopes an agreement can be reached quickly, it also states its latest proposal tabled Thursday afternoon responded to a number of workers' demands but didn't see the union make a counter-proposal.

<https://www.bnnbloomberg.ca/thousands-strike-after-talks-with-union-and-lcbo-fall-apart-1.2093318>

## **Bitcoin falls to lowest since February as fears of sales persist**

Bitcoin fell for a fourth consecutive trading session, reaching the lowest since February, on concerns about potential selling by governments, creditors of a failed exchange and beleaguered crypto miners.

The original digital asset fell as much as eight per cent to US\$53,602, before paring the decline by about half. Most cryptocurrencies fell broadly even as stock markets advanced, highlighting the array of challenges facing the industry.

Bitcoin is now down about 25 per cent from its March record, as the buzz around U.S. exchange-traded funds investing directly in the token gives way to fears of higher-for-longer interest rates and political uncertainty.

<https://www.bnnbloomberg.ca/bitcoin-falls-to-lowest-since-february-as-fears-of-sales-persist-1.2093141>

## **Experts disagree on whether AI will live up to its costs: Goldman Sachs**

Experts have mixed opinions on the extent to which generative AI will enhance productivity and the value it can provide relative to its costs, as it faces further challenges from chip and power shortages.

In a report last week, Goldman Sachs looked into the implications of generative AI and asked industry and economic experts if the large degree of AI spending is likely to pay off. The promise of AI continues to be highlighted as large tech companies and other corporations will spend an estimated US\$1 trillion on capital expenditures (CapEx) in the coming years, the report said, which includes investments in data centers, chips and other elements of AI infrastructure.

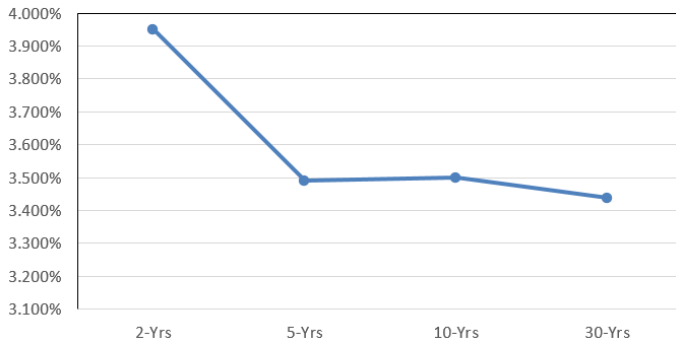
<https://www.bnnbloomberg.ca/experts-disagree-on-whether-ai-will-live-up-to-its-costs-goldman-sachs-1.2093017>

## CANADIAN MARKETS - By Andrew

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds

#### CDN Yield Curve @ July 5, 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.

#### **goeasy Ltd. (GSY) - Announces CEO transition**

Ranking: Outperform (RBCCM).

Price C\$184.70 Target C\$225.00

#### **Aritzia Inc. (ATZ) - Raising the hem: Tweaking estimates ahead of Q1 release, PT to \$46 on roll-forward.**

Ranking: Outperform (RBCCM).

Price C\$38.01 Target C\$46.00

#### **Constellation Software Inc. (CSU) - Q2/FY24 M&A tracker: A slower quarter**

Ranking: Outperform (RBCCM).

Price C\$4,036.72 Target C\$4,300.00

#### **Suncor Energy Inc. (SU) - Update with Peter Zebedee**

Ranking: Outperform (RBCCM).

Price C\$53.41 Target C\$65.00

#### **Whitecap Resources Inc. (WCP) - Enhancing Financial Flexibility via Infra Selldown**

Ranking: Outperform (RBCCM).

Price C\$10.23 Target C\$14.00

*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)
<b>TFSA</b>	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
<b>RRSP</b>	
2024	\$ 31,560



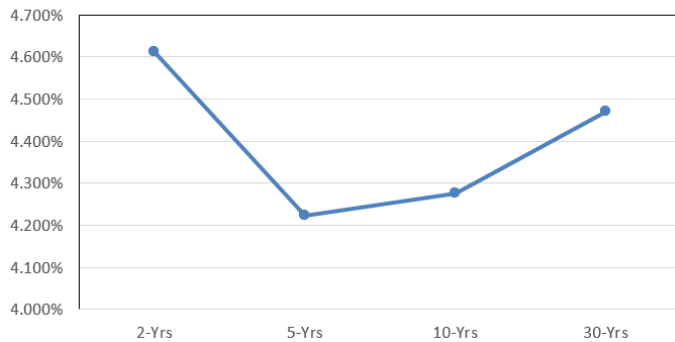


## INTERNATIONAL MARKETS – By Andrew

### I. US Fixed Income

#### Benchmark Canada Government Bonds

#### US Yield Curve @ July 5, 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

#### **NIKE, Inc. (NKE) - Cutting estimates by 25% post FY25E guide; waiting in the wings for green shoots**

Ranking: Sector Perform (RBCCM).  
Price U\$75.24 - Target U\$75.00

#### **Tesla, Inc. (TSLA) - Tesla Delivery Day Investor Feedback**

Ranking: Outperform (RBCCM).  
Price U\$246.39 - Target U\$227.00

### **U.S. Banks: 2Q24 Business Preview**

#### **The Set-up for Banks Looks Strong Over the Next 18 Months**

Focus to be on 2Q24 core EPS and business trends including normalizing credit quality, deposit betas, NIB (noninterest bearing deposits), NIMs (Net Interest Margins), capital markets activity and expenses. Expecting additional color on share repurchase programs. Long-term interest rates saw a small increase from 4.20% to 4.29%, which likely continues to make the unrealized bond losses a topic of discussion. Another focus in 2Q24 will likely be on loan growth especially commercial & industrial (C&I) loans. On credit quality, we think investors will keep a sharp eye on commercial real estate, especially in the office category, low FICO score consumer and C&I credit trends

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

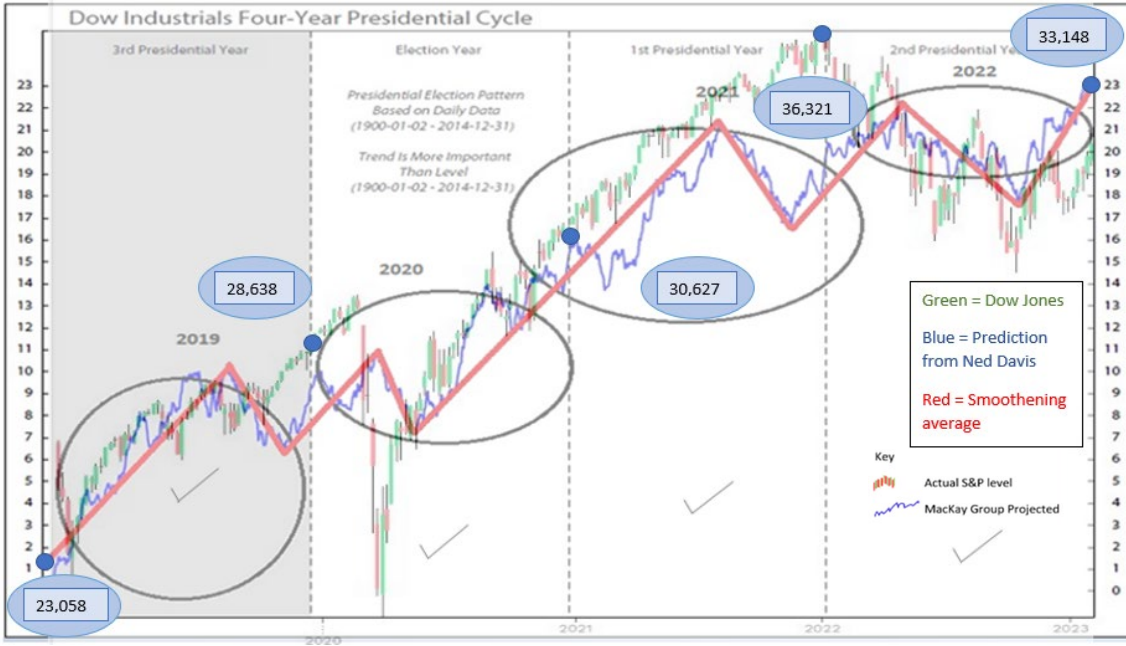




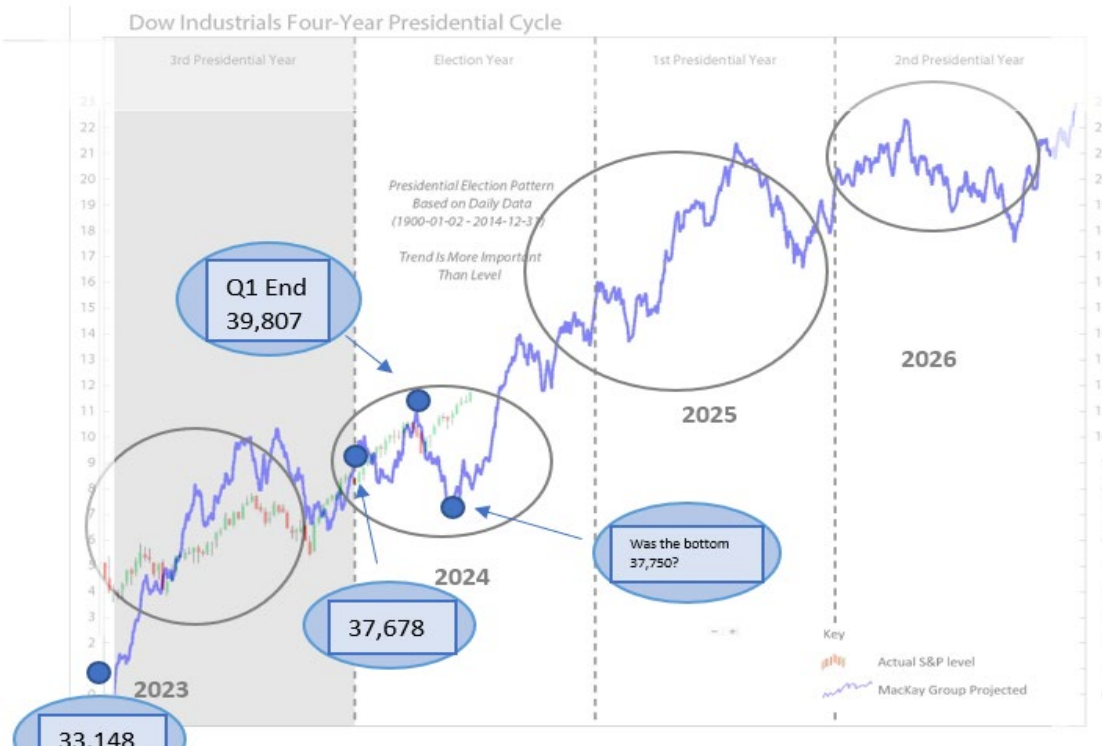
# Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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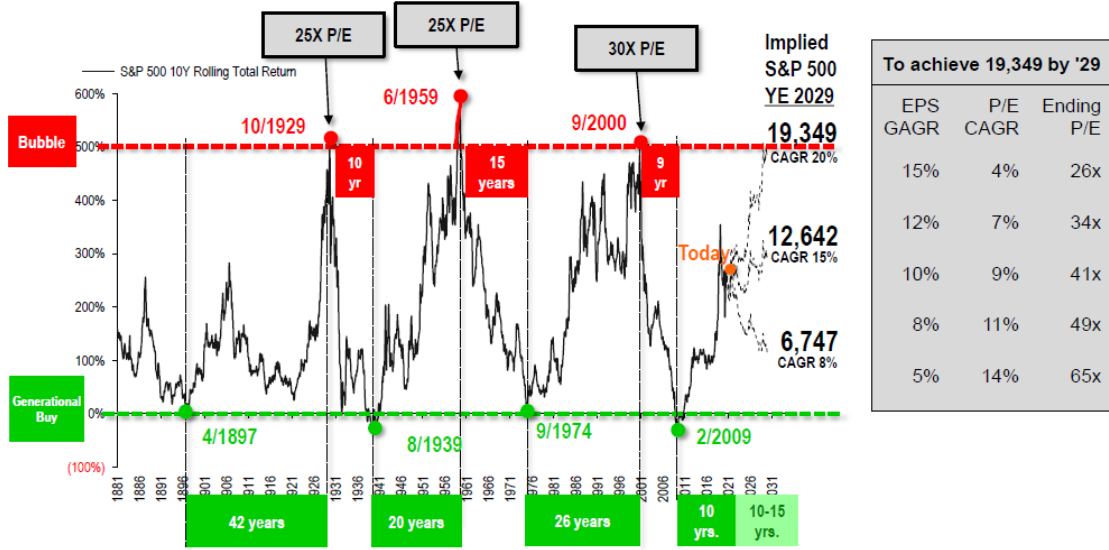
# FAVOURITE CHARTS

## 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

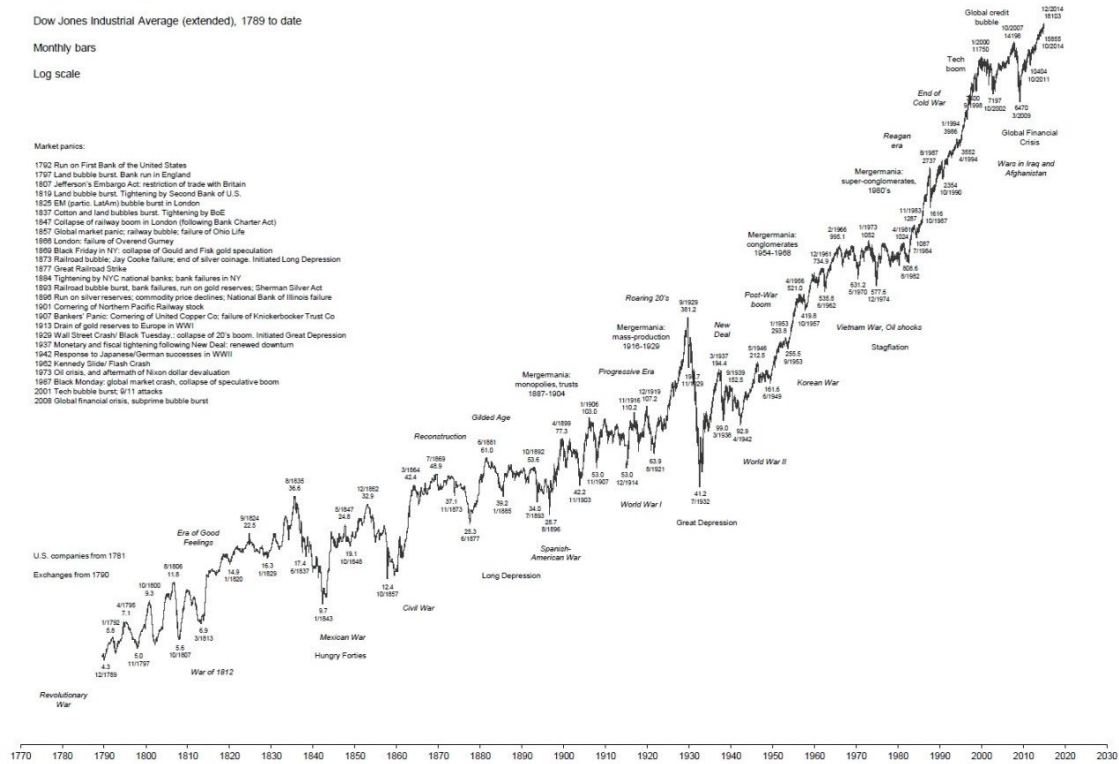
Dow Jones Industrial Average (extended), 1789 to date

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

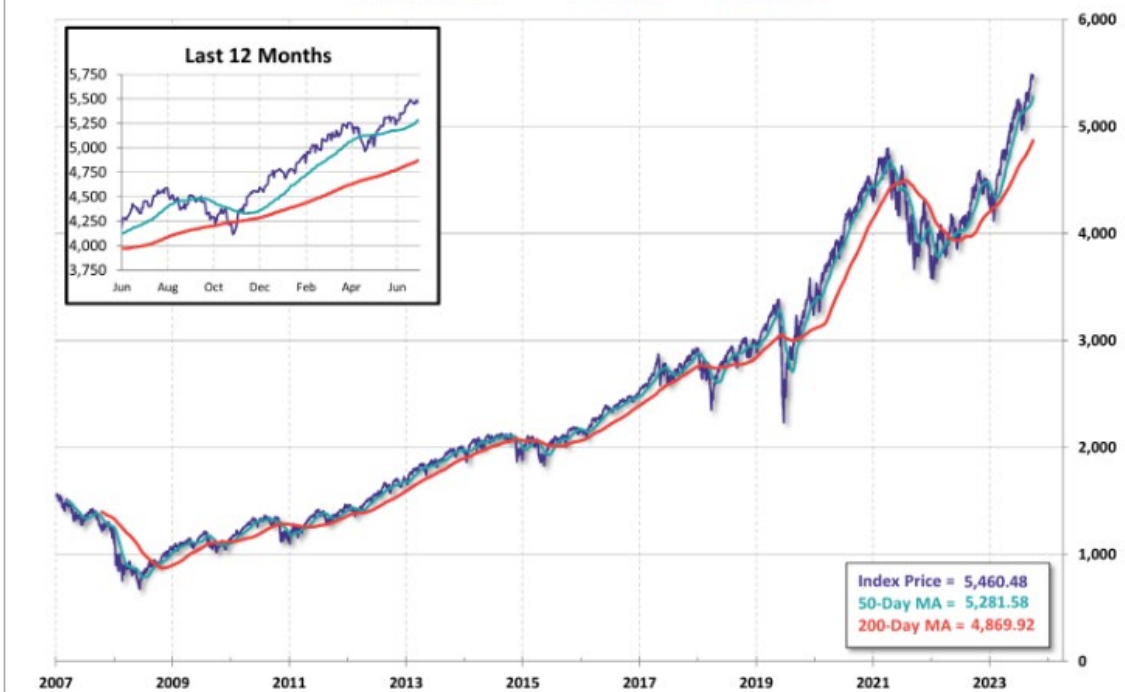
Daily closes from 10/9/2007 - Present



### S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

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

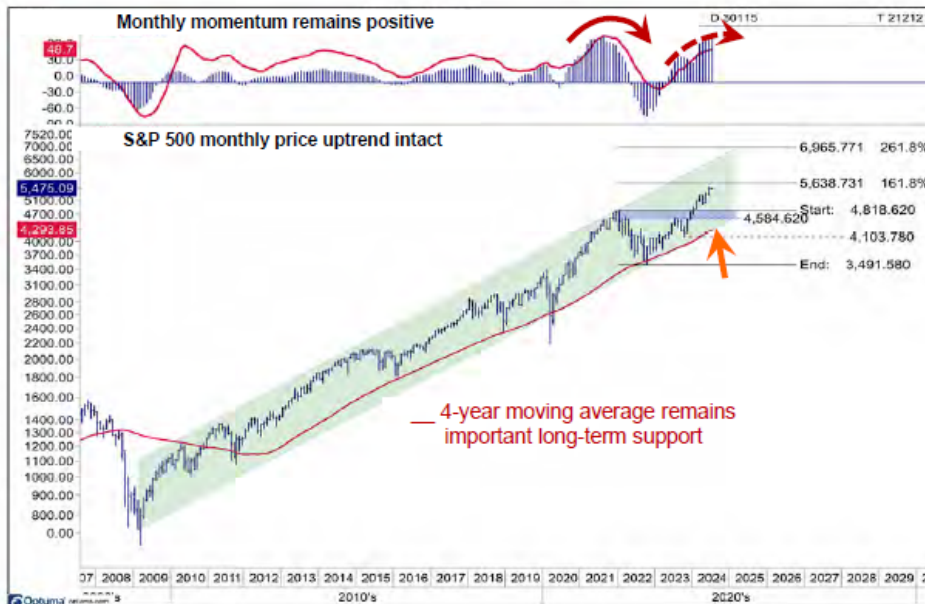


U.S. economy added 206,000 jobs in June, unemployment rate rises to 4.1% (cnbc.com)



[U.S. economy added 206,000 jobs in June, unemployment rate rises to 4.1% \(cnbc.com\)](https://www.cnbc.com)

S&P 500 -Monthly momentum remains positive but at risk of peaking.



**Cycle momentum**

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

**Uptrend intact**

- **Resistance:** The S&P is nearing its next major Fibonacci extension/resistance level at 5638 where we would expect a pause to develop. The next key upside level is at 6965 coinciding with the 262% extension.
- **Support:** 4818-4584 then 4103.

**What would change our positive view?**

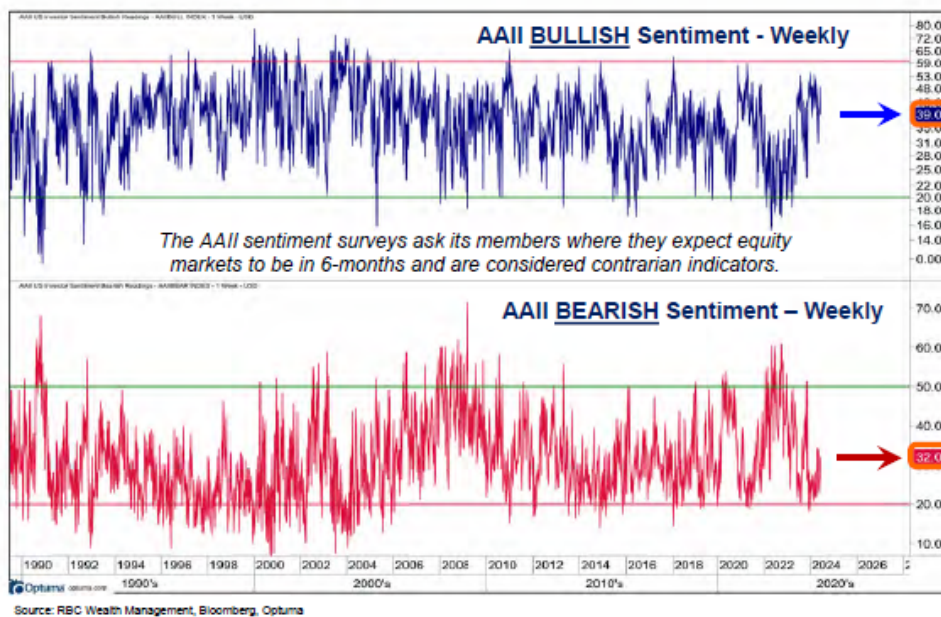
- A decline below the blue support band between 4818 and the Q3 2023 highs near 4584 would signal the S&P's uptrend is deteriorating. A break below support at the 4-year ma, currently near 4247, would be needed to signal the current cycle is failing.

## Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Jul 3	41.7%	32.2%	26.1%
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%

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.

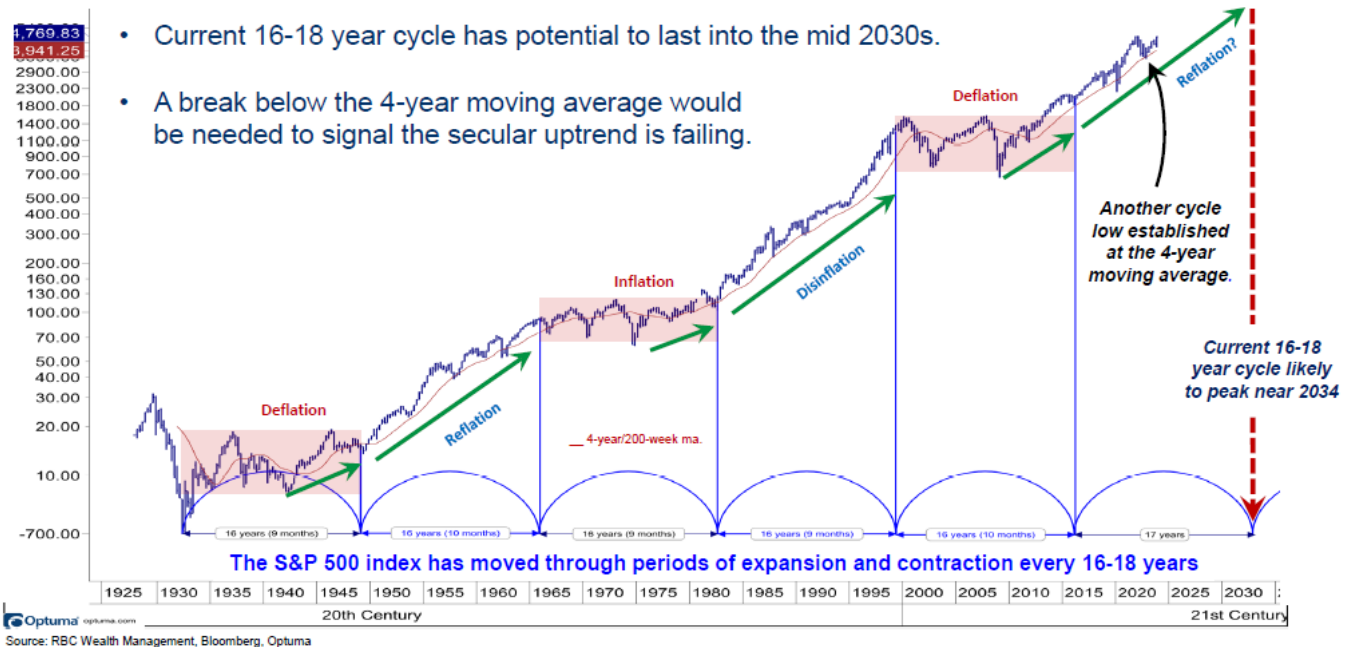
## AAII US Bullish and Bearish Sentiment



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



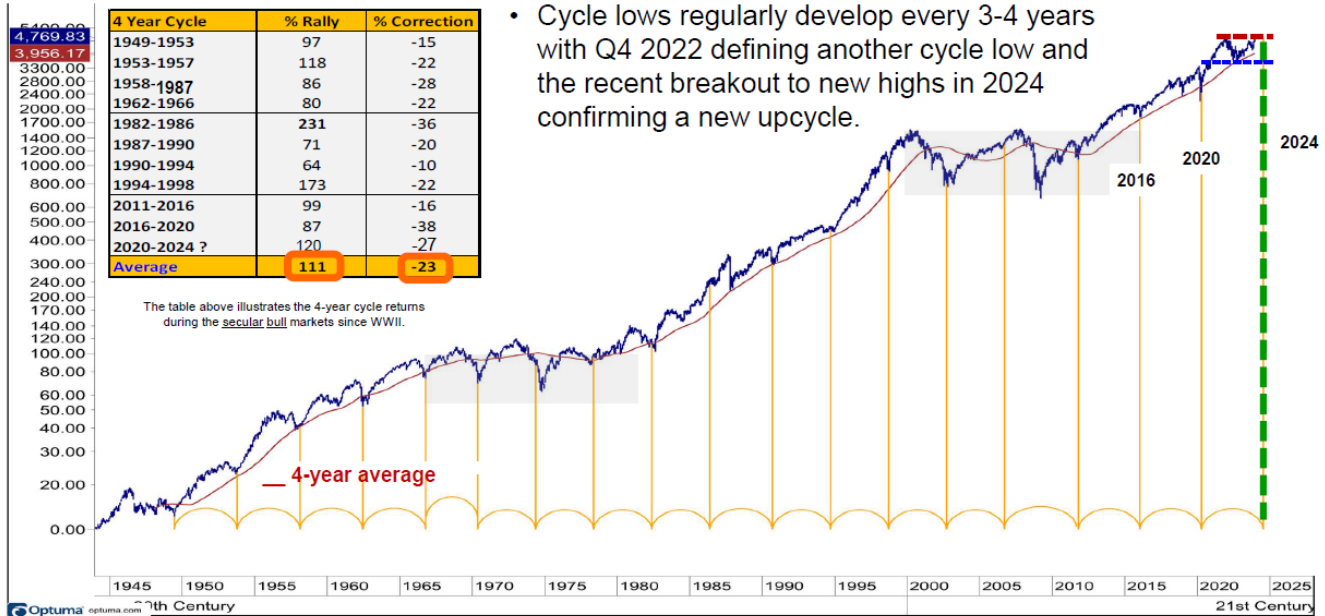
# S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



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
<b>Average</b>	<b>111</b>	<b>-23</b>

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.





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

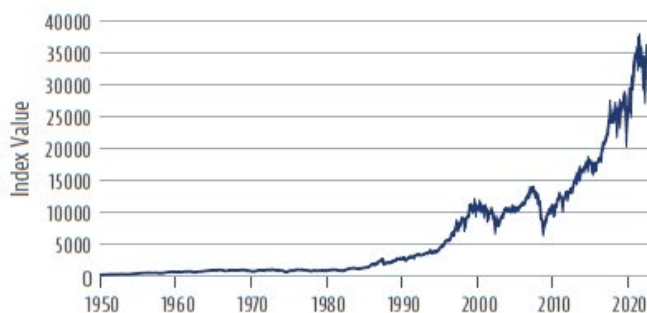


Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession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

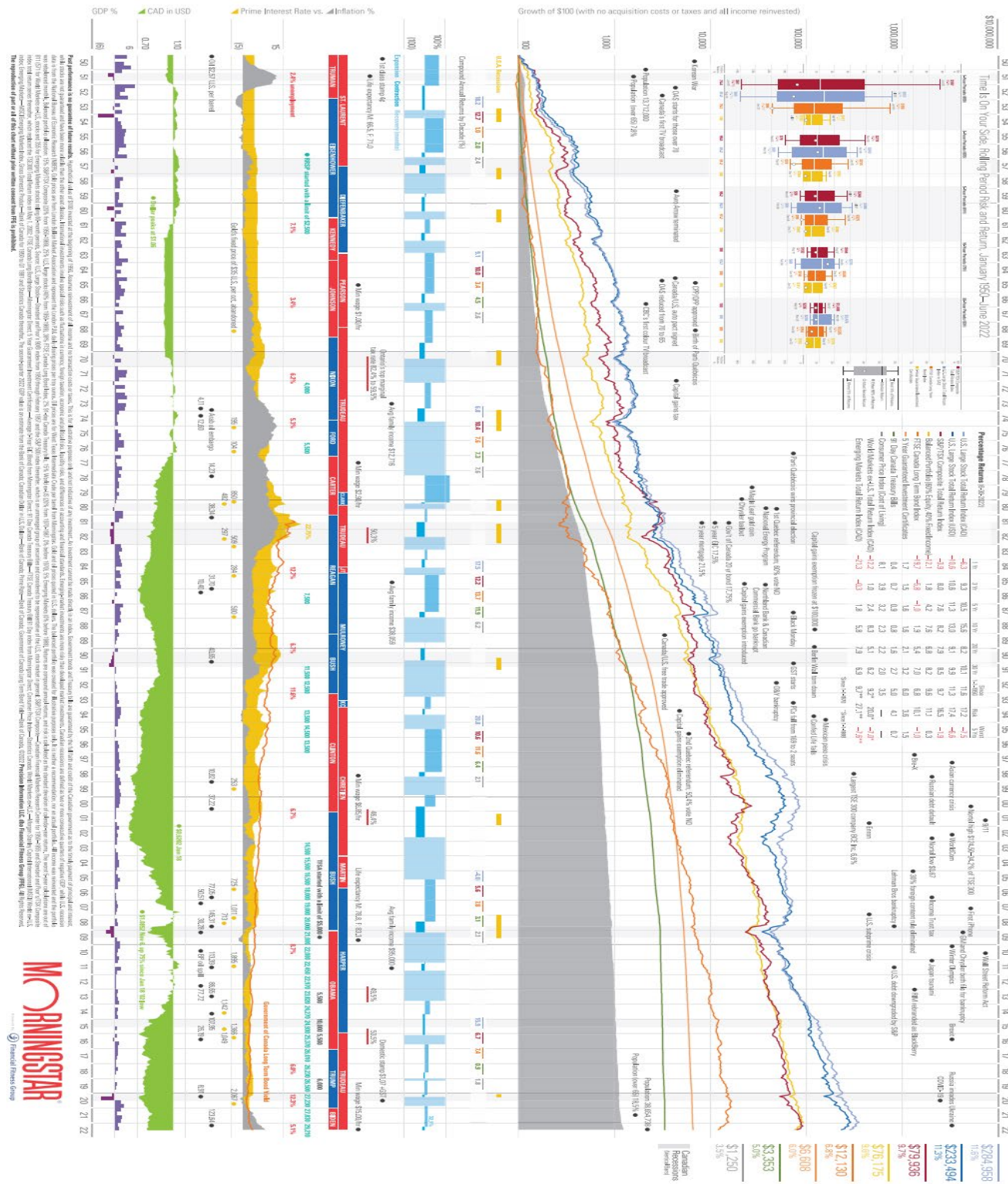
DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



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

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## **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

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## **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

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## **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

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## **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

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## **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](http://www.mackaygroup.com)

Brookfield Place

181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

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



**Wealth Management  
Dominion Securities**

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The model portfolio reflects the actual investment recommendations (buys, sells) of the strategy as they were communicated historically; however, a number of implementation assumptions (which may include but are not limited to the timing and diligence with which the portfolio is rebalanced, the execution price for securities transactions, and any trading and account related costs, fees, or commissions) have been made when calculating the model returns that may be difficult or impossible for any investor to exactly replicate the model portfolio. For this reason, there is no expectation that the model returns will perfectly replicate the actual performance of any client following the same guided portfolio strategy. 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