

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, AUGUST 30, 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

Good August / Offence cheap/ Summer of small caps

Equity markets/ indices perform well this week - we expected a good August finish after the correction the beginning of the month. Now September & October, historically volatile months – will markets hold for strong year end finish?

Positives: **AAll Investment Settlement Survey** - 51.2% bullish/ 21.9% neutral/ 27% bearish- steady bullish reading however bearish reading picking up.

RBC GAM & WM – “US consumer confidence rises in August, offset by softening labor market conditions. RBC thinks the odds of recession over the next year are somewhat between 30 to 40% range.”

Jim Paulsen – “ Fed cuts and Consumer Discretionary rips - the S&P 500 consumer discretionary sector could finally again be a lead leader in the stock market. The Equal Weight S&P 500 has finally bounced a good sign for the overall stock market. Stock market offence looks cheap - its current relative price is reminiscent of past Bear market lows, rather than a bull market, just ending its second year. Small cap stocks, value stocks, cyclicals, low quality, and even international stocks are increasingly ignoring Mag 7 problems and opting to follow their own paths- we have more stock picking independence in a long time”

Dr. Ed Yardeni – “While we recommend a "stay home" versus "go global" investment allocation approach, we know that the EU MSCI is trading at a big discount to the US MSCI. In our opinion, the economy is normalizing from pandemic induced distortions to a higher norm, meaning higher potential GDP, higher productivity growth, higher neutral interest rate. The economic backdrop should lift financials stocks broadly.”

Jeremy Siegel - “Fed does not need to be slow in dropping rates- don't tiptoe- it's a risk they don't need to take - PCE inflation data came in as expected - Could drop rates 2%

to meet their target - long bonds signal Fed will be aggressive with rate cuts next year.”

Tom Lee – “Rotation into small caps, industrials, and financials - post NVIDIA results is a sign of market strength. Still summer of small caps. Rotation was broad-based. There is too much cash on the sidelines -\$ 6 trillion of cash and growing. We see broadening in equities as sign of market strength. Friday's core PCE was important. Small caps lead, Fed dovish. Parts of an economy had a recession like autos and real estate - CEOs did not get caught as they cut inventory and capex - companies are not over levered - so will benefit when rates drop.”

Negatives: **Dr. Ed Yardeni** – “China's weak economy is hurting multinational companies doing business there and domestic corporations alike - If labor market remains resilient or inflation reheats, Powell will likely have to pivot again.”

Brian Wesbury – “While the world seems to think the setting of the Federal funds rate is the most important decision and monetary policy. We don't think that's true. The rate of growth in M2 is more important. The slowdown at M2 caused inflation to drop. Pushing growth with government spending and Fed policy is a dangerous mix that could ignite the embers of inflation before the fire is completely put out. Gold rose to a record high last week. The markets are not convinced that inflation has been tamed.”

Investment strategy: “Forecasts may tell you a great deal about the forecaster - they tell you nothing about the future.” **Warren Buffett.**

Have a nice long weekend, Bruce.

Bank of Canada's Path Looks Clear With Soft Landing in Sight

Economists see a clear road map for the Bank of Canada now that inflation is close to normal levels — a sequence of quarter-point rate cuts stretching well into next year.

The central bank is unlikely to opt for outsized cuts as it lowers borrowing costs, according to a new Bloomberg survey. In fact, none of the 18 analysts who responded to the poll believe the bank will reduce the policy rate by 50 basis points or more at any meeting.

Rather, a majority of economists see five cuts of 25 basis points at the next five meetings — including at next Wednesday's decision — until the benchmark overnight rate is at 3.25%, before a pause in April. Officials led by Governor Tiff Macklem have already cut twice to lower the policy rate from its 5% peak.

<https://www.bnnbloomberg.ca/investing/2024/08/30/bank-of-canadas-path-looks-clear-with-soft-landing-in-sight/>

Canada Household Spending Per Person Falls at Recession Pace

Household spending per person in Canada is falling at a pace only previously seen during recessions. After adjusting for inflation, the measure fell 1.3% in the second quarter from the year before.

Since the 1960s, spending has declined faster just four times, bottoming out in 1982, 1991, 2009 and 2020. Those years were all marked by deep economic downturns.

Spending has trended downward for two years, helping explain why Canadians are pessimistic about the economy — despite decent top-line growth and easing inflation.

<https://www.bnnbloomberg.ca/investing/2024/08/30/canada-household-spending-per-person-falls-at-recession-pace/>

Democrats Feel Better About US Economy Since Harris Entered Race

Democrats took a rosier view of the US economy last month after Vice President Kamala Harris entered the presidential race.

The University of Michigan's sentiment index for Democrats rose to 90.9 in August, up from 83 in July, according to figures released Friday. A gauge of expectations among Democrats, which measures how consumers view their personal financial situations and prospects for the economy, increased to 94.0 in August — the largest gain since 2022.

The shift marks a turnaround from the previous month when both gauges for Democrats fell to the lowest level in over a year, following President Joe Biden's poor debate performance against Republican nominee Donald Trump.

<https://www.bnnbloomberg.ca/business/politics/2024/08/30/democrats-feel-better-about-us-economy-after-harris-entered-race/>

Oasis Fans' Euphoria May Not Be Enough to Boost the UK Economy

Fans have been waiting 15 years for the Oasis reunion but when it comes to the UK economy, the impact appears to be definitely more of a maybe.

The Gallagher brothers rose to fame in the mid 1990s, when Britpop, Tony Blair and economic growth were all ascendant. Now with Labour back in power, Prime Minister Keir Starmer may be hoping the band's 17 UK and Ireland comeback concerts next year augur a similar boost to the national mood, after he arrived in Downing Street grumbling about a dire economic inheritance from his predecessors.

Economists caution against reading too much into what's set to be a fierce fight for tickets when they go on sale Saturday at 9 a.m. London time. While fans told Bloomberg they're willing to spend whatever it takes, that zeal won't necessarily show up in UK output data. It would also say little about the strength of household finances, especially as other factors weigh more heavily: Britons are facing higher energy bills this winter and borrowing costs remain elevated.

<https://www.bnnbloomberg.ca/business/international/2024/08/30/oasis-fans-euphoria-may-not-be-enough-to-boost-the-uk-economy/>

Dutch Set to Bring Back Much of Expat Tax Breaks, Telegraaf Says

The Dutch government is set to reintroduce most of the income tax breaks previously enjoyed by expatriate workers, Dutch newspaper De Telegraaf said, citing unidentified people familiar with the upcoming budget.

Expatriate workers will have 27% of their salary free of tax for five years, according to the paper. The Netherlands had for years attracted expats to the country by offering them a tax exemption on 30% of their salary. That benefit was watered down as part of an amendment to the tax rules this year.

The move is expected to provide relief to Dutch businesses that have been vocal about a faltering business climate in the country. Several of the companies that are heavily reliant on foreign workers, including ASML Holding NV and NXP Semiconductors NV, have previously expressed their dismay at the shrinking of the tax benefits.

<https://www.bnnbloomberg.ca/business/politics/2024/08/30/dutch-set-to-bring-back-much-of-expat-tax-breaks-telegraaf-says/>

Francis continues torrid hot streak: 'Running out of things to say about him'

After taking a no-hitter into the ninth his last time out, Bowden Francis stepped to the mound at Fenway Park and almost did it again. In another brilliant performance, one that saw him take a no-hitter into the sixth, he helped his club escape with a 2-0 victory on Thursday night.

Francis came out on the attack, recording nine straight outs to open the game before the Red Sox got a runner aboard, and that came via a throwing error by Leo Jiménez at second base, allowing Jarren Duran to reach first.

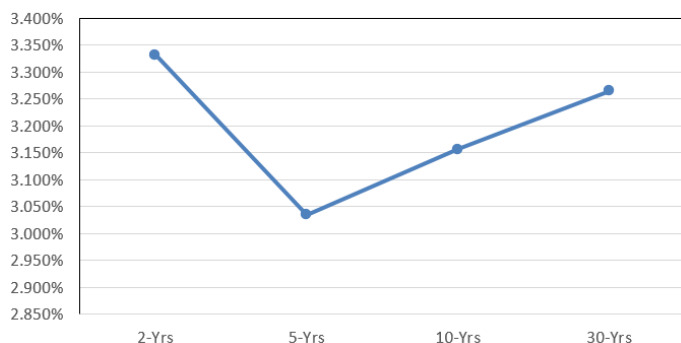
<https://www.mlb.com/news/bowden-francis-throws-seven-scoreless-innings-for-blue-jays>

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ Aug 30, 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, Altgas 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.

Bank of Montreal. (BMO) - BMO's Q3/24 core EPS was \$2.64, lower than our \$2.85 forecast primarily driven by weaker credit results relative to our estimates.

Ranking: Sector Perform (RBCCM)

Price C\$111.88 Target C\$106

Canadian Imperial Bank of Commerce. (CM) - Execution has been good and we like the buyback.

Ranking: Outperform (RBCCM)

Price C\$77.55 Target C\$74.00

Laurentian Bank of Canada. (LB) - LB's adjusted EPS of \$0.88 was a penny above our forecast and consensus of \$0.87.

Ranking: Under perform (RBCCM)

Price C\$26.96 Target C\$25.00

Chartwell Retirement Residences (CSH.UN) - High-grading the portfolio with \$227MM of acquisitions in BC.

Ranking: Outperform (RBCCM)

Price C\$14.53 Target C\$16.00

Sienna Senior Living Inc. (SIA) - Good operating momentum, as till gets topped up.

Ranking: Sector perform (RBCCM)

Price C\$15.45 Target C\$17.00

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

Research Publications (available upon request)

- Canadian Small Cap Conviction List
- Global Mining Ideas 3Q24
- Industries in Motion Podcast

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

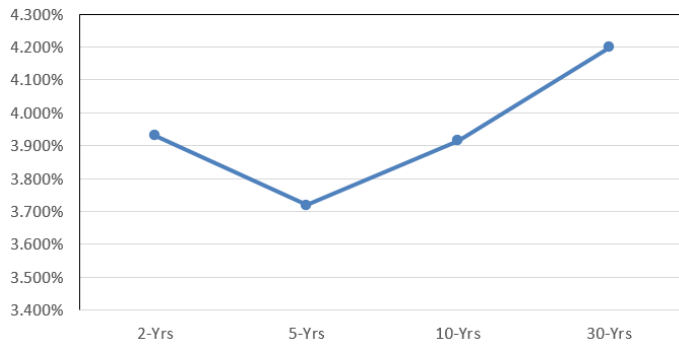


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ Aug 30, 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 – August 2024:

JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, 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 – August 2024:

Meta Platforms Class A, Service Now, 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

Autodesk, Inc. (ADSK) - Strong quarter & guide including transaction model momentum; Q2/25 review.

Ranking: Outperform (RBCCM)

Price U\$258.23 Target U\$313

Campbell Soup Company. (CPB) - EPS Aftermath – Sovos Performance Offsetting Weakness in Snacks

Ranking: Sector Perform (RBCCM)

Price U\$49.25 Target U\$47.00

CrowdStrike Holdings, Inc. (CRWD) - A potential Q4 budget flush and acceleration into 2H of FY/26 on strong renewals following customer commitment offerings.

Ranking: Outperform (RBCCM)

Price U\$271.67 Target U\$335.00

Duke Energy Corporation. (DUK) – Economic development expanding to Indiana. Higher reserve margins in NC.

Ranking: Outperform (RBCCM)

Price U\$112.19 Target U\$135.00

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

Research Publications (available upon request)

- RBC Imagine – A cross sector view of GenAI
- Global Energy Best Ideas
- Top 30 Global Ideas for 2024 – 3Q

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 - North America Value
Dynamic - Strategic Yield

ETFS - Top Holdings

US ETF Fixed Income

US Bonds - XIG, TLT
US Preferred Shares - PFF

US ETF Equity - S&P 500, Dow Jones Index, Nasdaq 100, S&P 500 Dividend Index, iShares Dow Jones Select Dividend Index, Vanguard Dividend Appreciation Index, iShares High Dividend Equity Fund, iShares Russell 2000 Index, S&P 500 Value Index, S&P 500 Growth Index, S&P Small Cap 600 Index

US ETF Sectors - SPDR Financial Index, iShares Real Estate, iShares, SPDR Utilities Index, iShares Telecom Index, SPDR Consumer Discretion, iShares US Healthcare, iShares Nasdaq Biotech, iShares Industrials Index, NASDAQ Index, Vanguard Energy Index, DJ Basic Materials Index, iShares Homebuilders Index

III. GLOBAL

GLOBAL Equity

Fidelity - Global Div/Monthly Income
GQG Partners Global Quality Equity Fund
Middlefield - Health Care/Global Div Growers
Franklin Templeton - Growth / Intl
RBC - Global Fund / Int. Div G
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
RBC Canadian Core Real Estate
RBC Canadian Private Placement Corporate Debt

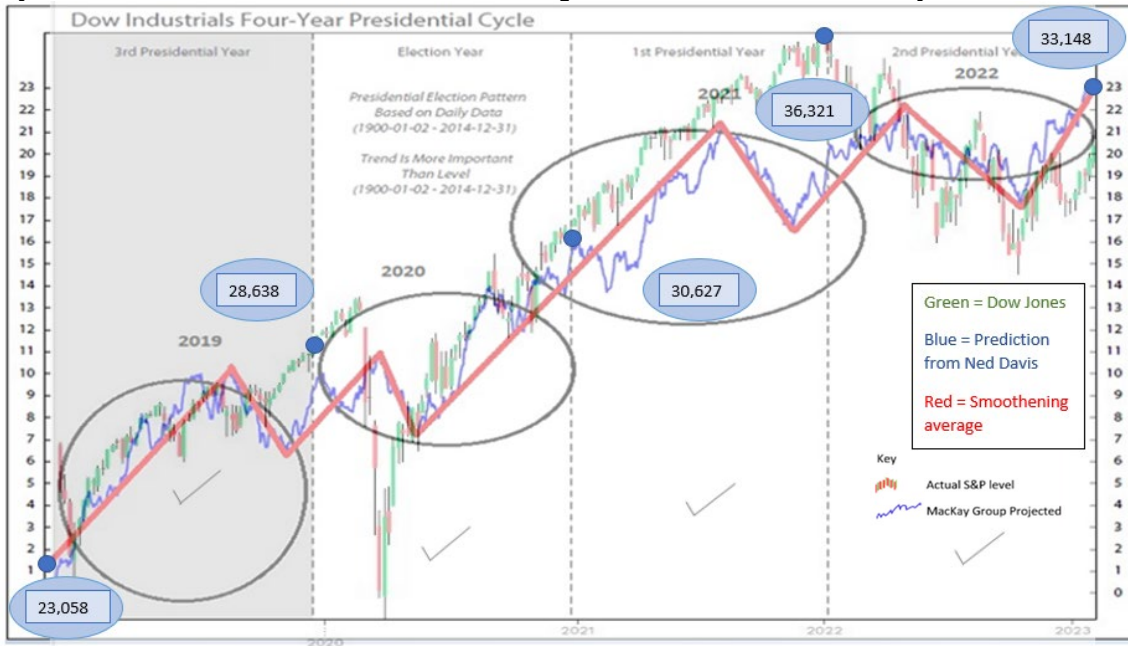




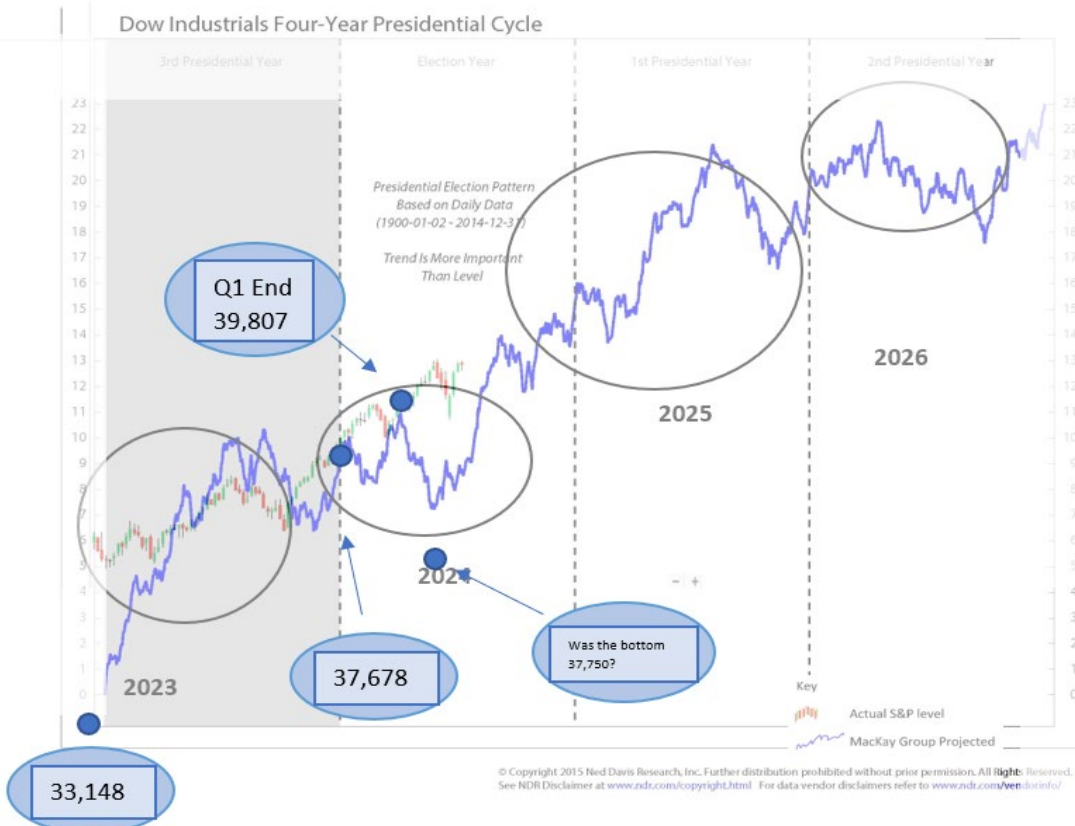
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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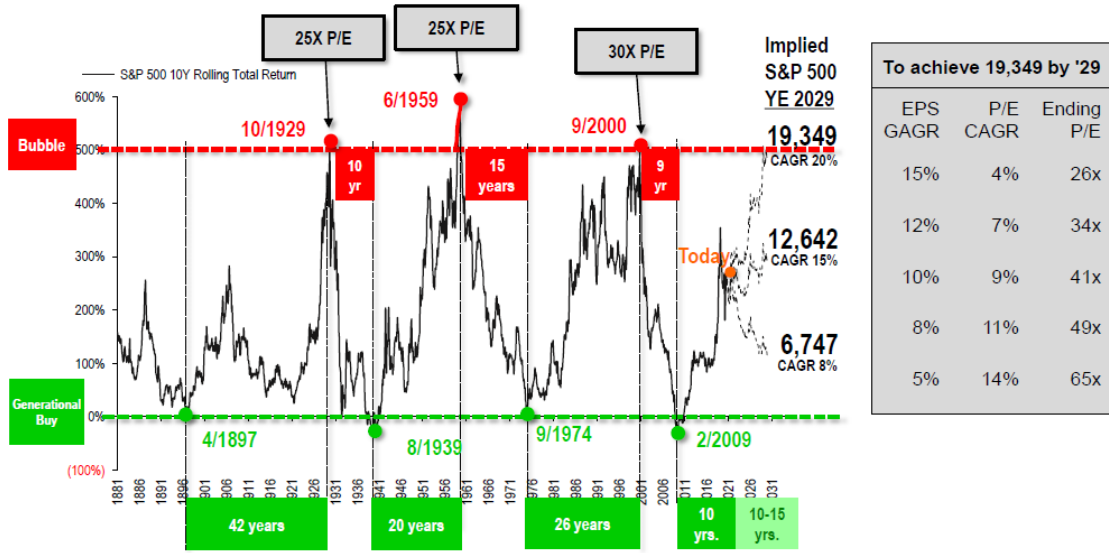
FAVOURITE CHARTS

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

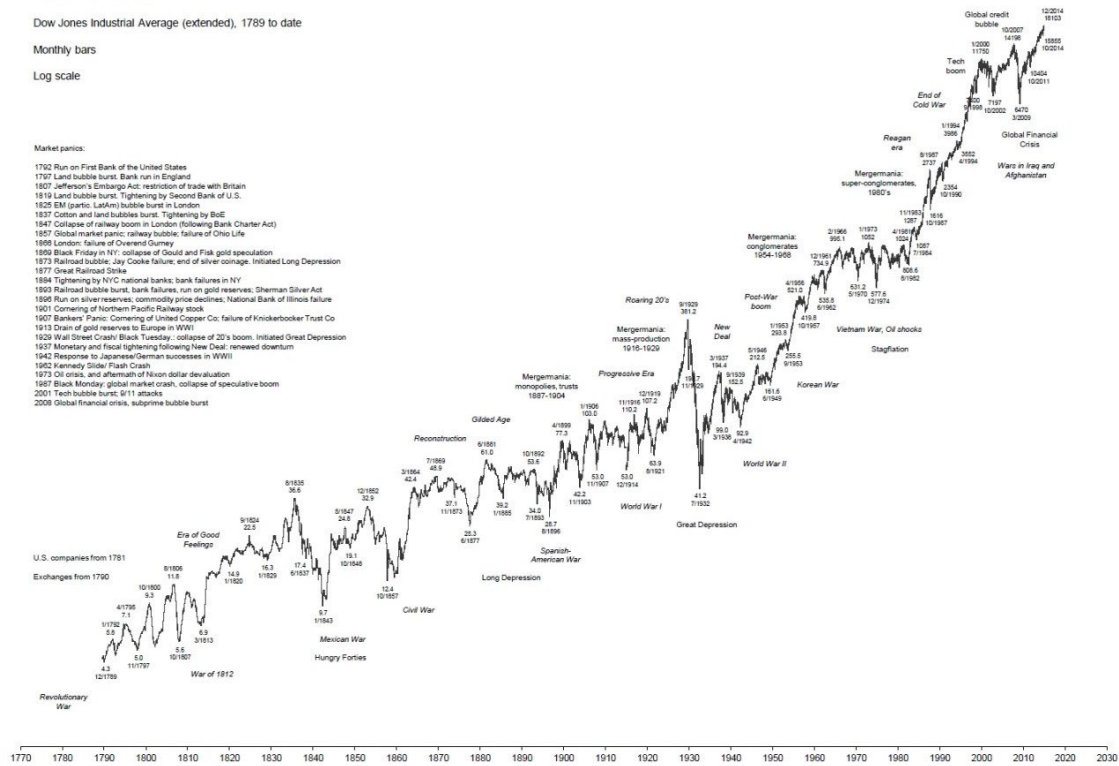
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

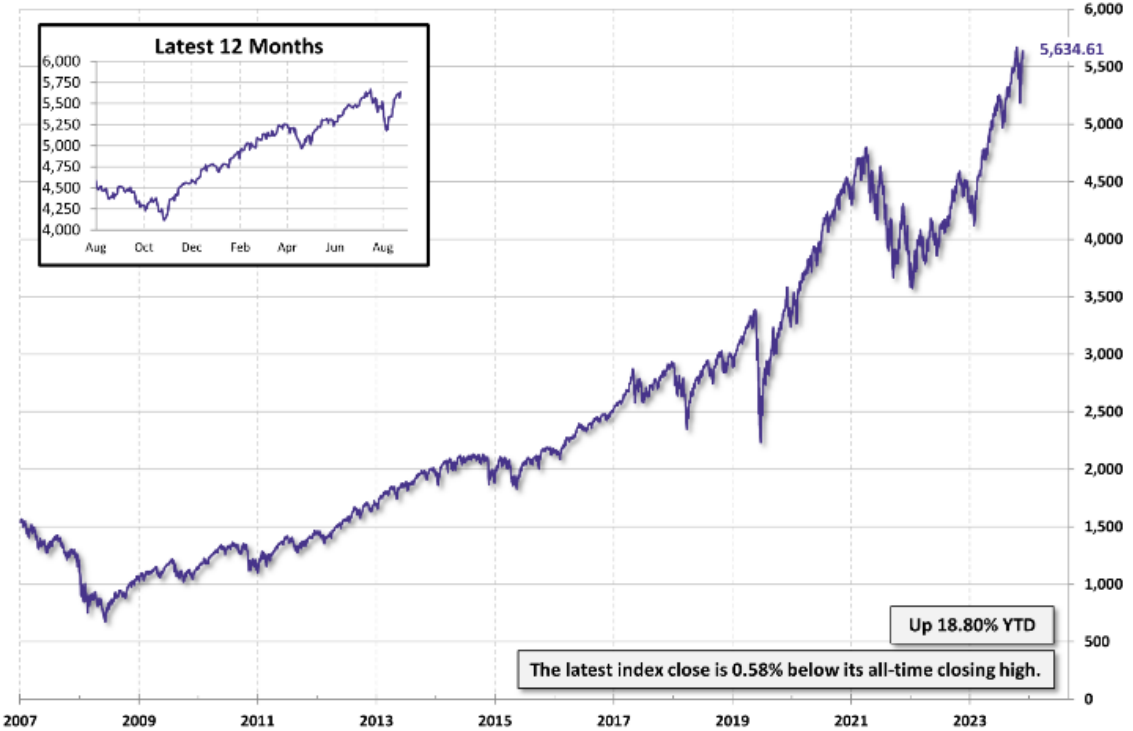
Market panics:

- 1702 Run on First Bank of the United States
- 1707 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

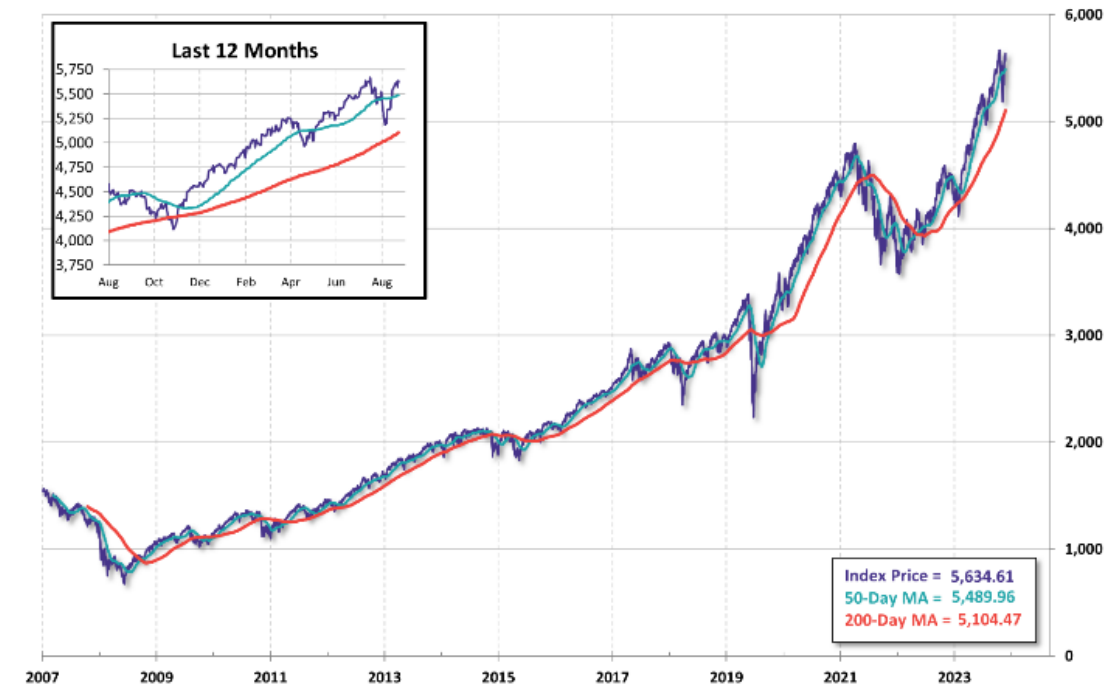
Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

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



Economy grew at 3% pace in Q2, faster than previously thought (cnbc.com)

	FUTURE CHG	FAIR VALUE	IMPLIED OPEN
S&P 500	+20.50	-1.07	+21.57
DJIA	+285.00	-1.58	+286.58
NASDAQ	+78.00	+2.03	+75.97

BREAKING NEWS | INITIAL JOBLESS CLAIMS
ALSO: REVISED Q2 GDP

Economy grew at 3% pace in Q2, faster than previously thought

[Economy grew at 3% pace in Q2, faster than previously thought \(cnbc.com\)](https://www.cnbc.com)

S&P 500 with weekly Quadrant Balance momentum



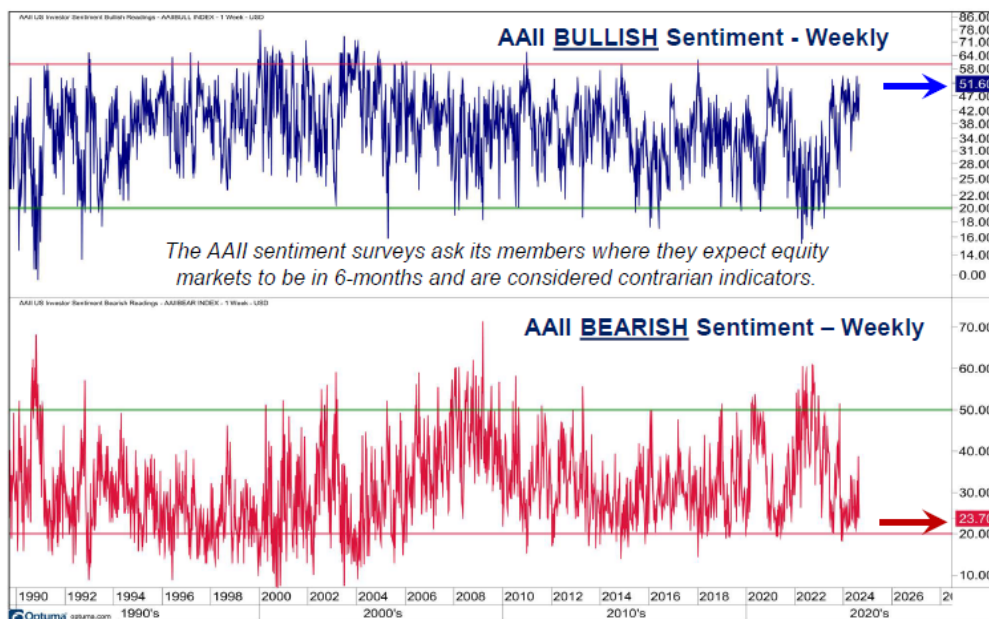
- Weekly momentum indicators for the S&P 500 (top panel) remain negative as it rallies back to resistance at its prior highs near 5638 coinciding with a 162% Fibonacci extension of the 2022-2023 trading range.
- A short-term pullback appears likely but a break below support near the August lows and rising 40-week ma near 5152 would be needed to signal a deteriorating backdrop.
- *In fact, participation, as measured by the weekly Quadrant Balance data, remains positive as many of the non-growth stocks that corrected through Q1-Q2 have bottomed in early-mid Q3 and show ongoing evidence of improving.*

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Aug 28	51.2%	21.9%	27.0%
Aug 21	51.6%	24.7%	23.7%
Aug 14	42.5%	28.6%	28.9%
Aug 7	40.5%	22.0%	37.5%
Jul 31	44.9%	29.9%	25.2%
Jul 24	43.2%	25.1%	31.7%
Jul 17	52.7%	23.8%	23.4%
Jul 10	49.2%	29.1%	21.7%
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%

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 AAIi Web site on a weekly basis. Only one vote per member is accepted in each weekly voting period.

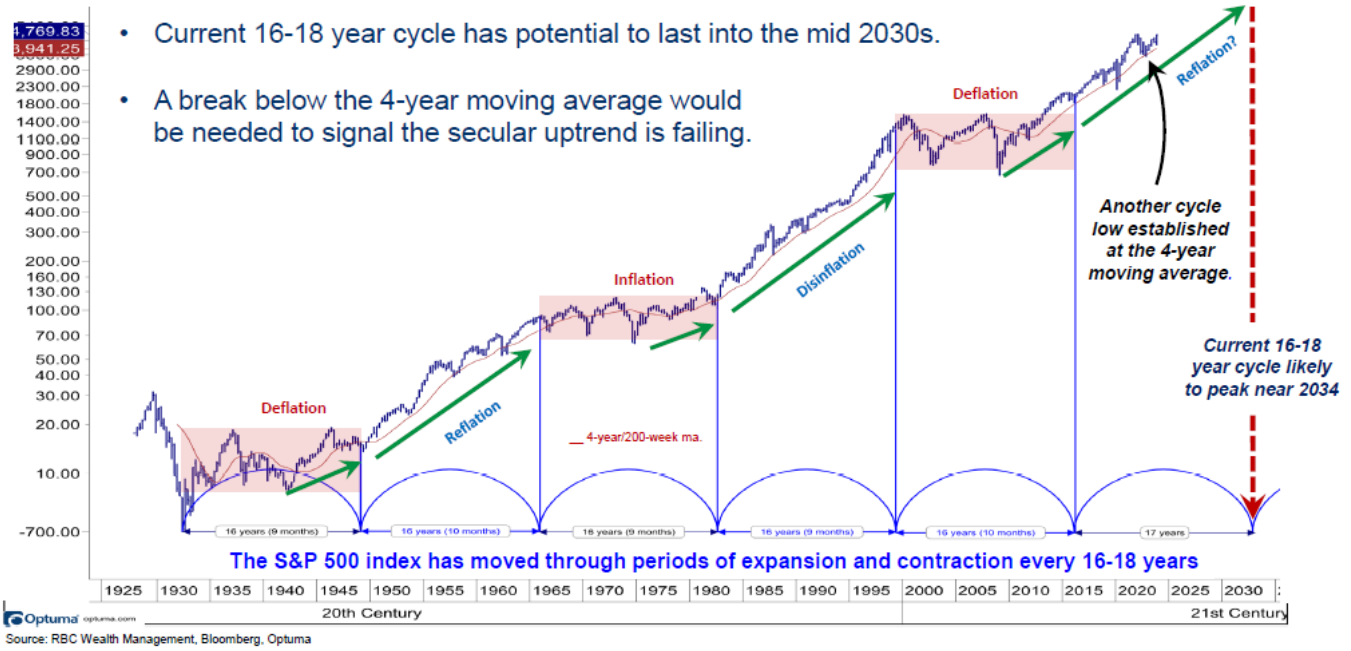
AAII US Bullish and Bearish Sentiment Survey – Contrary indicators



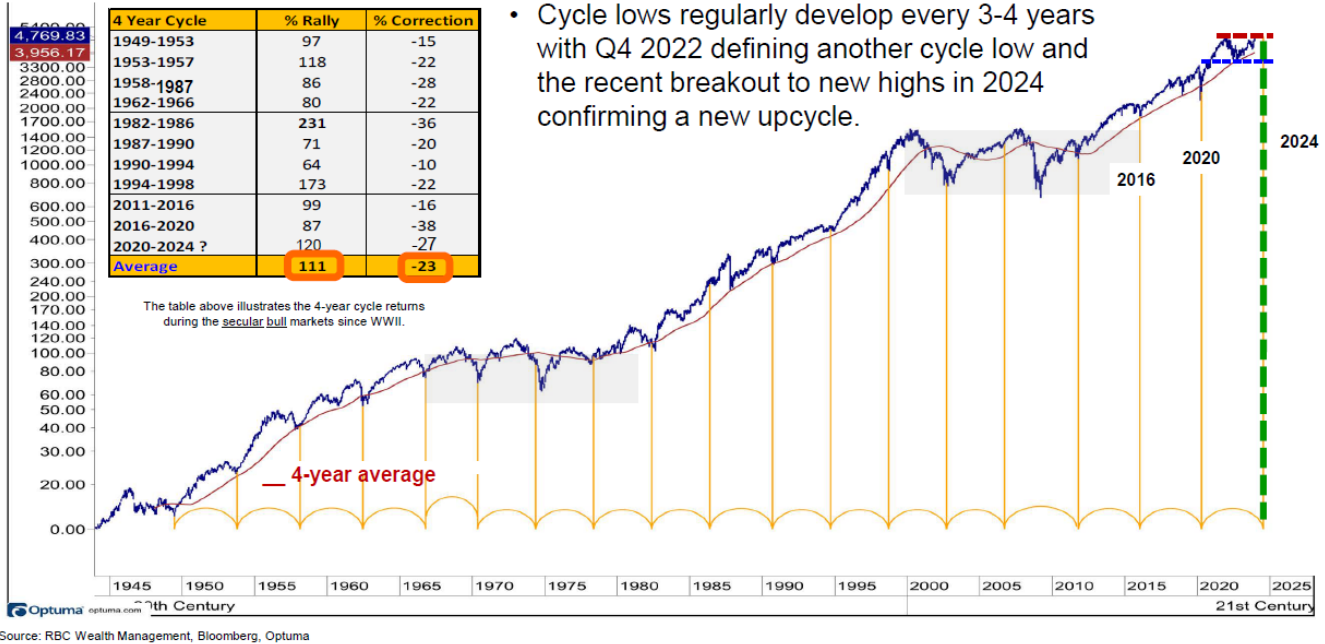
- Bullish Sentiment (top panel) has rebounded while...

- ...bearish sentiment has fallen again.

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



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



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



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

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

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

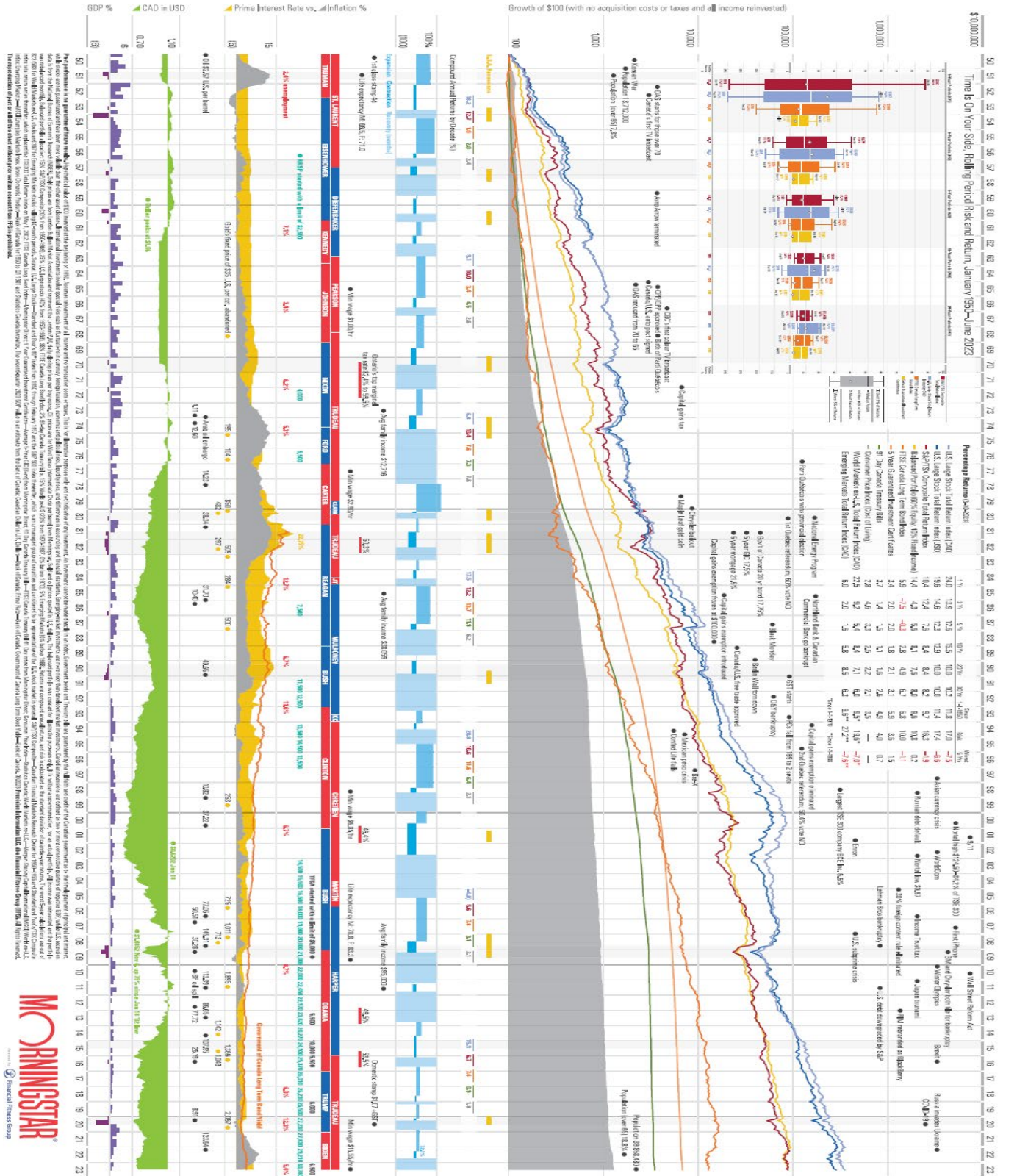
DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

Index Chart

The Index Chart tracks the performance of \$100 invested over a 72-year period in different types of investments amid the context of significant historical, political, economic and social developments. It helps you consider current events through a long-term lens and, as a result, make informed investment decisions. Each coloured line in the Index Chart represents the performance of a different investment type or asset class. While each type of investment has charted an upward course over time, their movements differed under the same economic circumstances, underscoring the importance of diversification.



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, Erinoak Kids, Alzheimer's & Dorothy Ley Hospice.

MacKay Group Wealth Management

www.mackaygroup.com

Brookfield Place

181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

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



Wealth Management
Dominion Securities

Disclaimer

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus before investing. Mutual fund securities are not covered by the Canadian Deposit Insurance Corporation or by any other government insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated. This information is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This commentary is based on information that is believed to be accurate at the time of writing, and is subject to change. 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The model portfolio reflects the actual investment recommendations (buys, sells) of the strategy as they were communicated historically; however, a number of implementation assumptions (which may include but are not limited to the timing and diligence with which the portfolio is rebalanced, the execution price for securities transactions, and any trading and account related costs, fees, or commissions) have been made when calculating the model returns that may be difficult or impossible for any investor to exactly replicate the model portfolio. For this reason, there is no expectation that the model returns will perfectly replicate the actual performance of any client following the same guided portfolio strategy. Specifically, the following assumptions have been made when calculating model portfolio returns: the portfolio is rebalanced monthly and any time a change to portfolio holdings is made; market close prices are used for all valuations; and returns are gross of all account fees and transaction costs. Insurance products are offered through RBC Wealth Management Financial Services Inc. ("RBC WMFS"), a subsidiary of RBC Dominion Securities Inc.* RBC WMFS is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc., RBC WMFS and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. and RBC WMFS are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2018 RBC Dominion Securities Inc. All rights reserved.

