

## MacKay Weekly Investment Report

WEEK ENDING FRIDAY, SEPTEMBER 6, 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

#### RBC GAM Global Investment Outlook- Fall 2024 release

Back to school- back to work – feel this week. Dow hit all-time high last Friday. Markets correct first week of Sept.- similar pattern last month - and many Septembers.

**Positives:** **AAll Investment Sentiment Survey** - 45.3% bullish/ 29.8% neutral/ 24.9% bearish - Bullish reading slips - Good it's not euphoric.

#### RBC GAM – Global Investment Outlook Fall 2024 release.

“Key conclusions - cooling inflation and moderating growth prompt interest rate relief. Trimming fixed income allocation as lower yields reduces return potential- placing the proceeds into cash. Despite the risks stocks rebounded to near record levels as investors gain confidence in an economic soft landing aided by loosening of monetary conditions. Global Purchasing Managers Index - growth in the world's major regions moderated amid rapidly tightening monetary conditions since early 2022, but importantly leading indicators have been trending sideways for nearly 2 years are consistent with sluggish growth rather than recession. Consensus of analyst expectations look for 9% profit growth in 2024 followed by an acceleration to 15% in 2025. We place a 40% chance of recession over the next 12 months. More likely outcome is that the US and global economy will continue in moderate expansion, particularly as the interest rate backdrop becomes more supportive.”

**Lori Calvasina** - “First, major challenges for US equities are still working post Labor Day. We remain confident in our 5700-year end 2024 S&P 500 price target but acknowledge the challenges that must be worked through. Second, updates from high frequency indicators keep us in the camp that believes the US economy is slowing but isn't on the cusp of an outright downturn. We continue to take comfort in earnings and economic data.”

**Jim Paulsen** - “1. The Tortoise and the Hare - Are utilities again, indicating that tech stocks are about to spurt again after their most recent pause. The last three times utilities

stocks caught the tech stocks, the tech sector soon again caught fire. 2. Private sector confidence - both consumer and business - seems poised to enjoy a persistent advance for the first time since 2020 pandemic which should raise it from a bottom quartile.”

**Dr. Ed Yardeni** - “US economy has become less interest rate sensitive than it's been in the past, so another thing to forget about are the 'long and variable lags' before the economy reacts to the latest round of tightening - they are not coming. Since 1945 the US economy has been in a recession 14% of the time - most of the nine recessions stemmed from the credit crunching effects of monetary tightening - this tightening round is different in many respects, one being the immaculate disinflation, it has achieved (moderating inflation without a recession). For multiple reasons we think it's wrong to expect a hard landing to unfold from this tightening around. This is shaping up as another immaculate quarter.”

**Tom Lee** – “Stocks could pull back as much as 10% the next eight weeks. Investor should be cautious ahead of Fed interest rate cut and the election. The sell off will be an ideal time to buy the dip. Markets have been up seven of the eight months this year. Tom in June argued that the S&P 500, this decade, reaching 15,000 by 2030.

**Negatives:** **RBC GAM** – “The markets don't like September. Historically the worst month of the year. S&P 500 has fallen 2.3% on average in September over the last 10 years. Subsequently in October and November the S&P 500 has seen a 1.6% and 3.8% rally on average. Job openings are down- all of them ended with a sharp economic downturn - worst part, this is happening when consumers are running of excess savings and is holding record levels of credit card debt.” US manufacturing activity contracted moderately in August with some improvements, decline in new orders for 5th month.

**Investment strategy:** “Strive not to be a success, but rather to be a value.” **Albert Einstein.**

Have a nice weekend, Bruce.

## **Canada's unemployment rate approaching 'worrying levels': senior economist**

A senior economist at job-search website Indeed says that Canada's unemployment rate is approaching "worrying levels" as employment growth continues to lag behind the number of new participants in the labour force.

"The story really is that the job numbers aren't keeping up with that soaring size of the labour force and it's resulting in a weaker employment situation," Brendon Bernard told BNN Bloomberg in a Friday interview.

Bernard's comments came immediately after Statistics Canada released its August labour force survey, which revealed that the Canadian economy added 22,000 jobs last month. Canada's jobless rate increased to 6.6 per cent in August, up from 6.4 per cent in July, the agency said.

<https://www.bnnbloomberg.ca/business/economics/2024/09/06/canadas-unemployment-rate-approaching-worrying-levels-senior-economist/>

## **Some banks rethinking strategy on home mortgage competition**

Some Canadian banks say they're starting to question how aggressively they go after mortgage customers amid intense competition.

Speaking at the Scotiabank Financials Summit on Wednesday, RBC chief executive Dave McKay said the bank is being more careful when making mortgage offers that wouldn't meet its threshold rate of return, or hurdle rate. "We've been more careful in saying we won't chase hot money, where our customer's just shopping their mortgage at a below hurdle rate."

<https://www.bnnbloomberg.ca/business/company-news/2024/09/04/some-banks-rethinking-strategy-on-home-mortgage-competition/>

## **The No. 1 Destination of the Summer Slid Totally Under the Radar**

Your social media feeds this past summer were likely filled with images of Barcelona's cobblestoned streets, Mallorca's beaches and Venice's bridges.

But there's one destination that soared in popularity among North American travelers—and managed to stay under the radar.

The Azores, an archipelago of nine volcanic and densely forested islands 850 miles west of mainland Portugal, experienced a 203% year-over-year increase in flights from North America in July 2024, according to data pulled for Bloomberg News by aviation analytics firm Cirium, charting the fastest growing transatlantic flight routes this summer.

<https://www.bnnbloomberg.ca/investing/commodities/2024/09/06/the-no-1-destination-of-the-summer-slid-totally-under-the-radar/>

## Across London, Smash Burgers Are Taking Over Restaurants

By now, everyone knows that smash burgers have taken over London. You can practically hear the patties sizzle on griddles across the city.

The burgers, named for their smashed-down patties that maximize the amount of charred meat in each bite, have made serious inroads since last autumn, when the Parisian brand Supernova launched a storefront in Soho, with lines down the block and notably thin, cheese-covered patties tucked into a potato bun with a few pickles thrown in.

The scene has grown exponentially since. In the spring, Supra Burger started a long-term pop-up in Queen's Park with bacon-cheese and, more controversially, Spicy BBQ options. The proliferating Honest Burgers chain added a smashed burger to its rotation.

<https://www.bnnbloomberg.ca/investing/commodities/2024/09/05/across-london-smash-burgers-are-taking-over-restaurants/>

## NDP grew 'increasingly uncomfortable' with Liberals' decisions: John Manley

A former deputy prime minister of Canada says the federal New Democratic Party's (NDP) decision to pull its support for Justin Trudeau's minority government was influenced by the Liberals' handling of a number of hot-button issues, including the recent national rail strike.

"The NDP has been increasingly uncomfortable with some of the decisions the government has had to take; most recently the rail strike, which they have been very critical about," John Manley, chair of Jefferies Canada and former Liberal finance minister told BNN Bloomberg in an interview.

"They are anticipating an Air Canada pilots' strike coming up in the next few weeks, and the NDP doesn't want to be accused of talking out of both sides of their mouths by criticizing the Liberals on one hand and yet supporting the government on the other."

<https://www.bnnbloomberg.ca/business/politics/2024/09/04/ndp-grew-increasingly-uncomfortable-with-liberals-decisions-john-manley/>

## 25 movies for book lovers to see at TIFF 2024

The Toronto International Film Festival (TIFF) 2024 is now upon us — and the festival features multiple book-to-screen adaptations. TIFF 2024 runs from Sept. 5 - 15.

CBC Books went through the lineup and found all the literary inspired titles for you to check out this year!

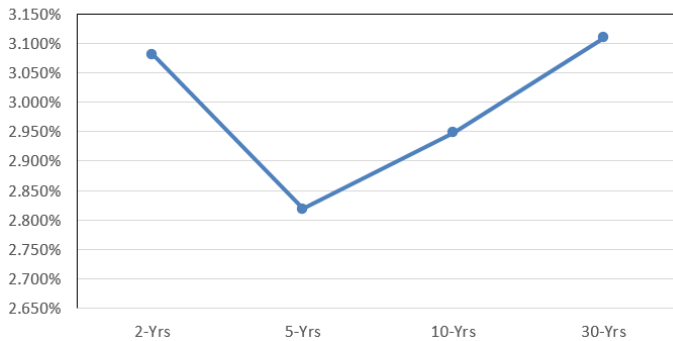
<https://www.cbc.ca/books/25-movies-for-book-lovers-to-see-at-tiff-2024-1.7301207>

## CANADIAN MARKETS - By Andrew

### I. Canadian Fixed Income

#### Benchmark Canada Government Bonds

#### CDN Yield Curve @ Sept 6, 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 Veritas V- list - July 2024

Agnico Eagle Mines, Altogas Ltd., ATCO Ltd., Canadian Natural Resources, Canadian Pacific Kansas City, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Metro Inc., Restaurants Brands International, Rogers Communications, Stella Jones Inc., Tourmaline Oil Corp, Wheaton Precious Metals.

### Research Publications (available upon request)

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

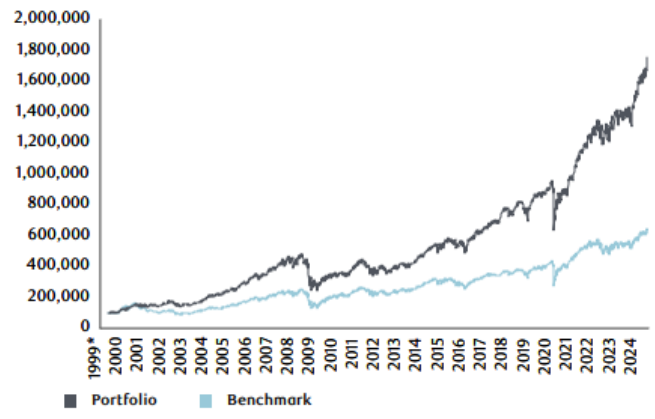
2024 Contribution Limits	Amount (\$CAD)
<b>TFSA</b>	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
<b>RRSP</b>	
2024	\$ 31,560

### III. RBC DS Canadian Equity Focus List - Sept 2024

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

#### Historical total return since inception to July 31, 2024

Cumulative portfolio value (inception \$100,000)



#### Calendar year performance (%)

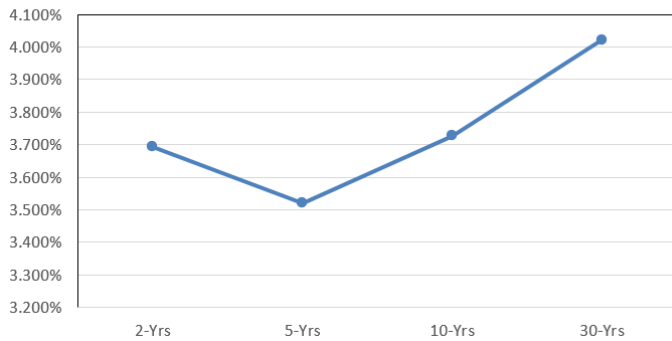
	2019	2020	2021	2022	2023
Canadian Focus List	24.13	6.81	31.46	1.89	16.28
S&P/TSX Composite	22.88	5.58	25.09	-5.84	11.75

**INTERNATIONAL MARKETS – By Andrew**

**I. US Fixed Income**

**Benchmark Canada Government Bonds**

**US Yield Curve @ Sept 6, 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 N.A. Focus List – September 2024:**

Meta, ServiceNow, Amazon, Alimentation Couche-Tard, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Brookfield Asset Management, Intact Financial, MasterCard, Royal Bank of Canada, S&P Global, TD Bank, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Accenture, Adobe, Apple, Constellation Software, Microsoft, NVIDIA, CCL Industries, Element Fleet Management.

**III. 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

**Research Publications (available upon request)**

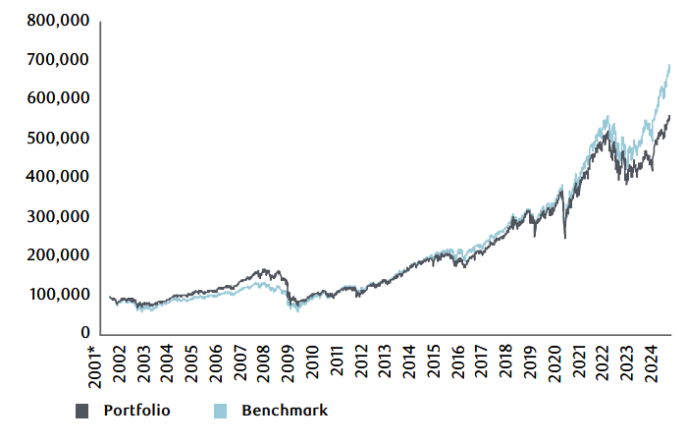
- RBC Imagine – A cross sector view of GenAI
- Global Energy Best Ideas
- Top 30 Global Ideas for 2024 – 3Q

**IV. 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.

**Historical total return since inception to July 31, 2024**

Cumulative portfolio value (inception \$100,000)



**Calendar year performance (%)**

	2019	2020	2021	2022	2023
U.S. Focus List (USD)	31.48	15.45	26.80	-21.34	21.38
S&P 500	31.49	18.32	28.71	-18.11	26.29



**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

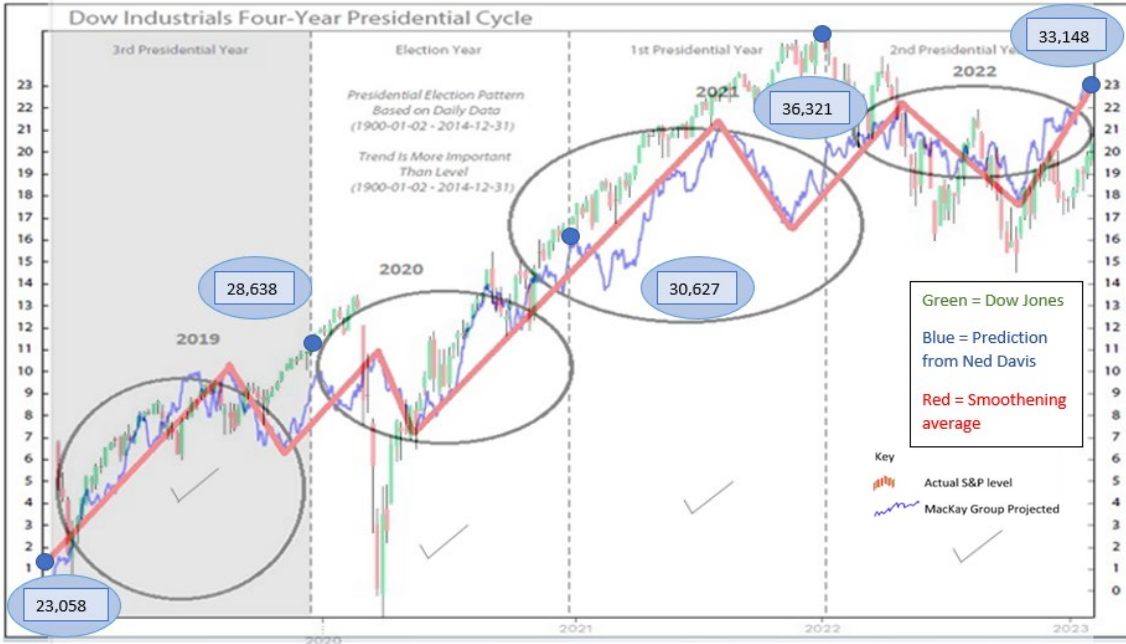




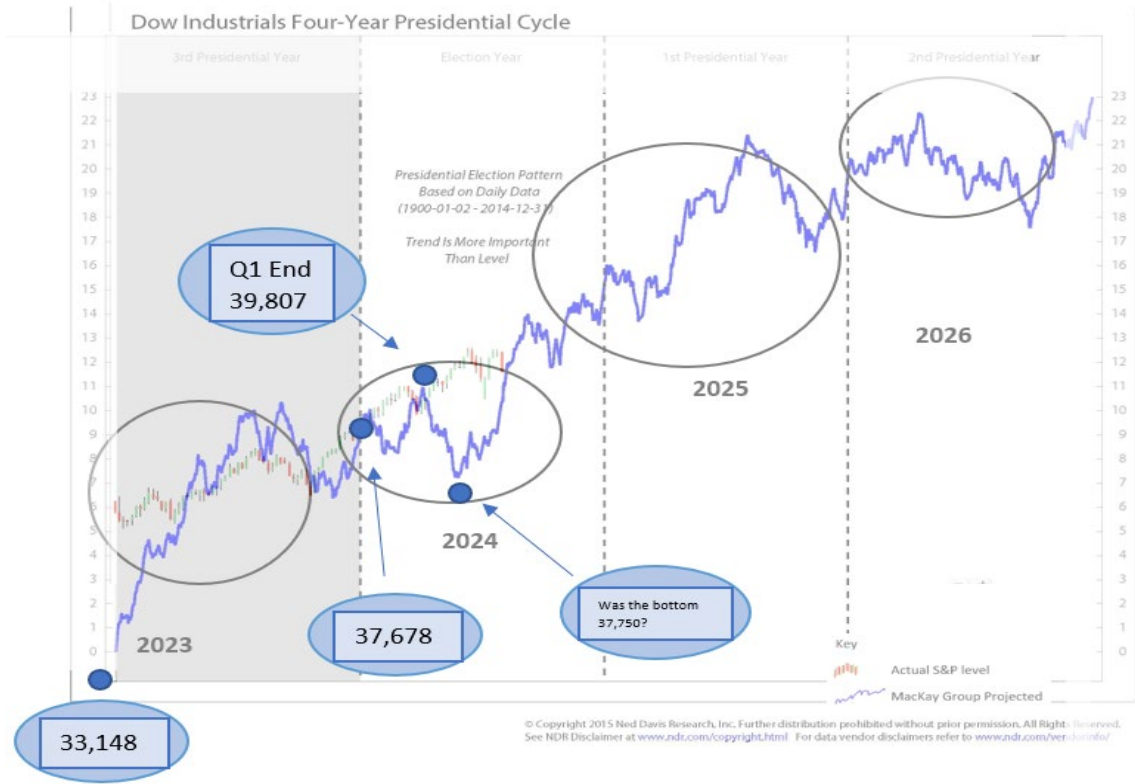
# Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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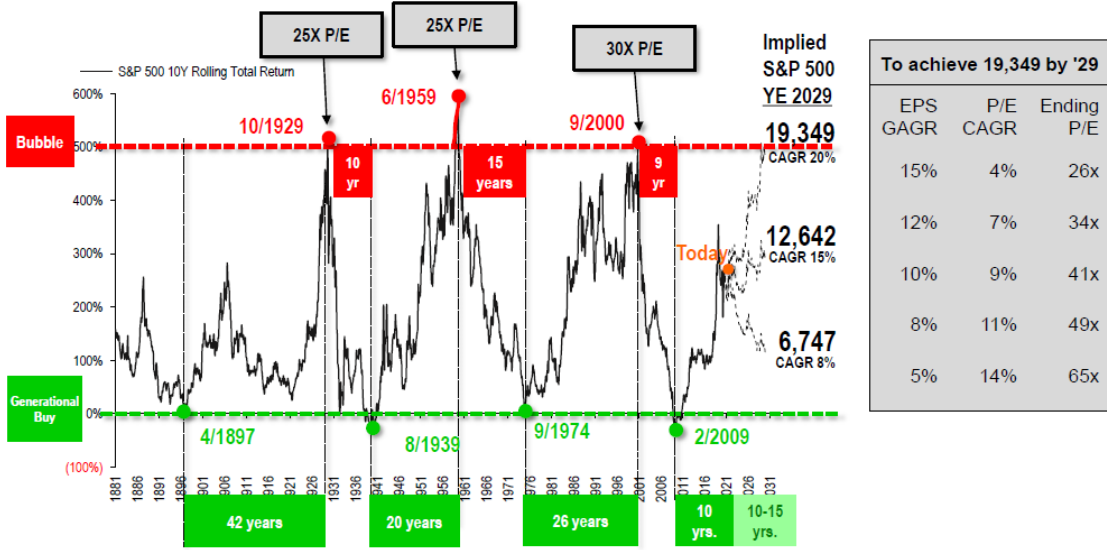
# FAVOURITE CHARTS

## 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

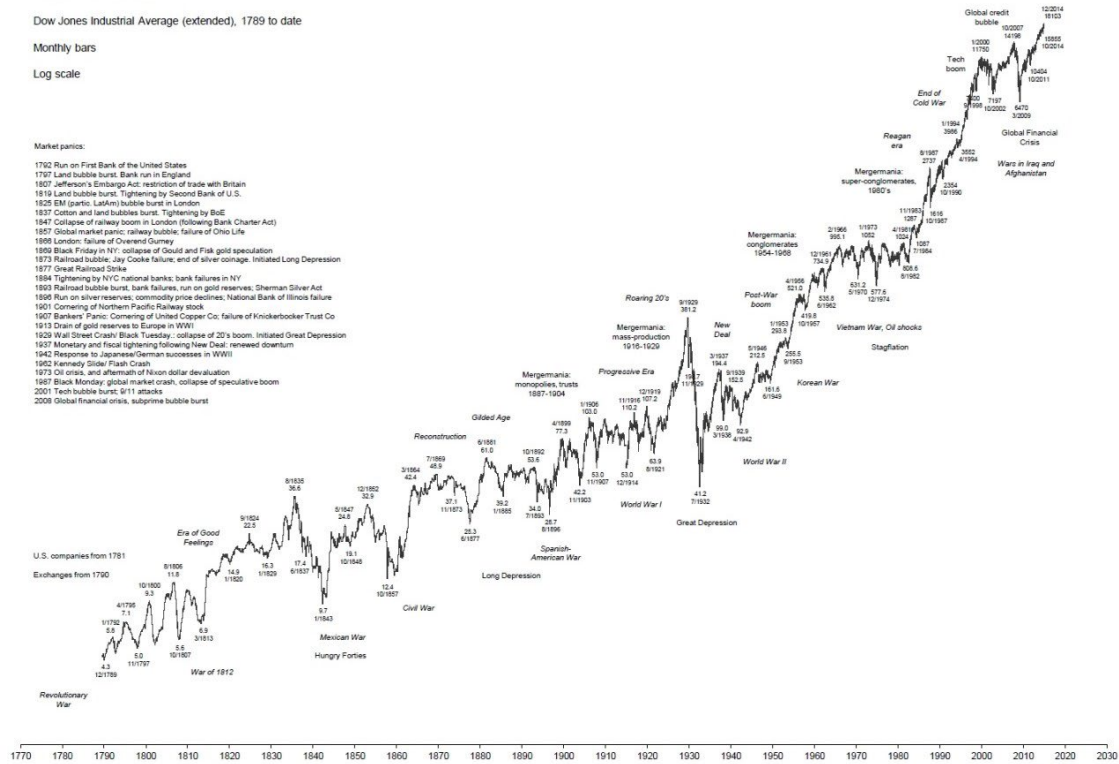
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

#### Market panics:

- 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





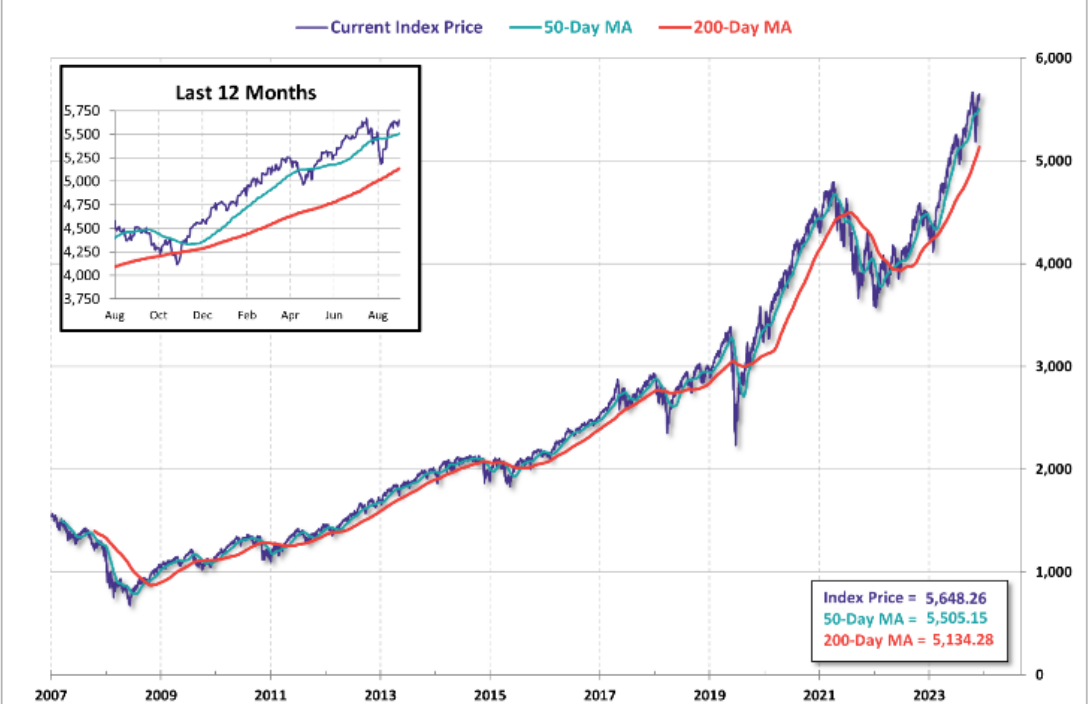
### S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



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

Daily closes from 10/9/2007 - Present

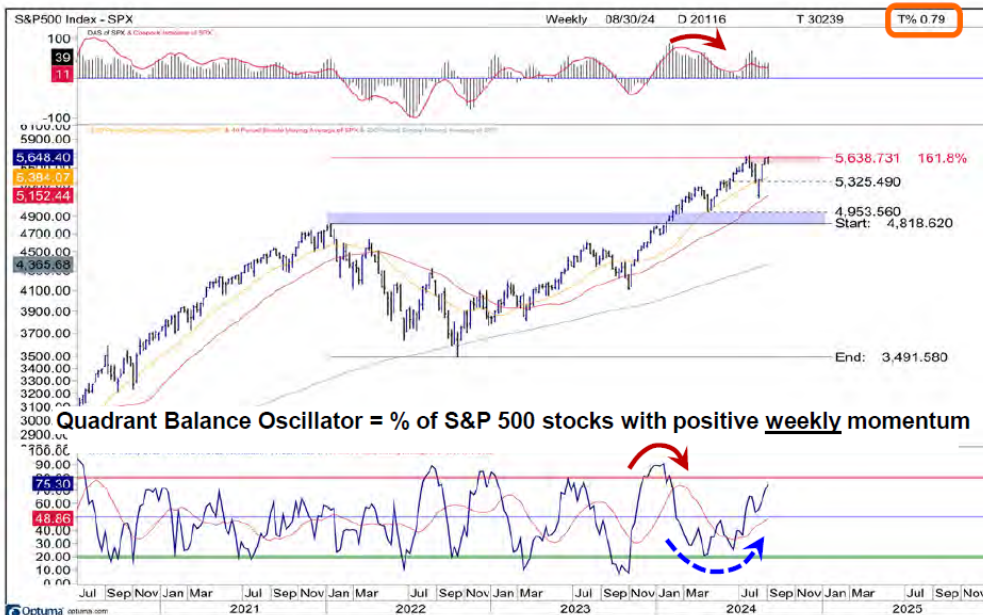


Economy grew at 3% pace in Q2, faster than previously thought (cnbc.com)



[August payrolls grew by a less-than-expected 142,000, but unemployment rate ticked down to 4.2% \(cnbc.com\)](#)

### S&P 500 with weekly Quadrant Balance momentum



- Weekly momentum indicators for the S&P 500 (top panel) remain negative but are within 1% of turning up again as the S&P rallies marginally above 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 (see next slide) 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 bottomed in early-mid Q3 and show ongoing evidence of improving.*

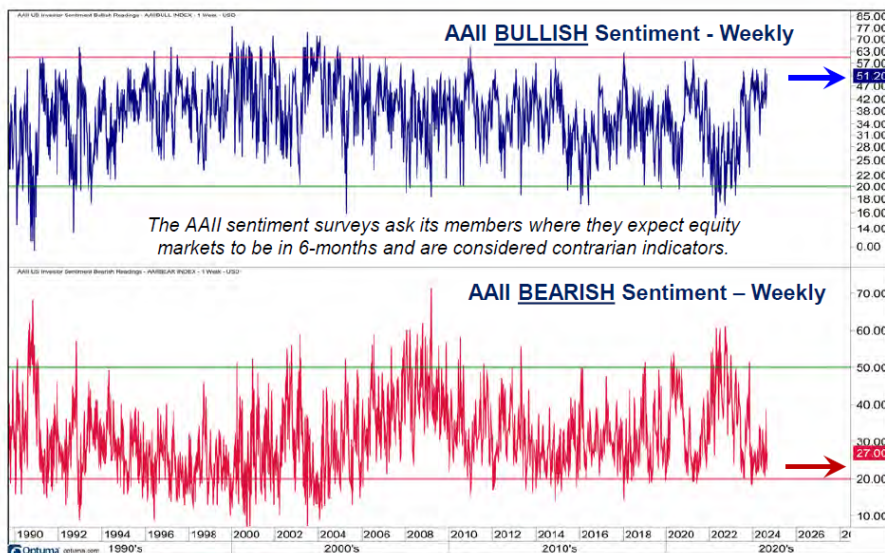
Source: RBC Wealth Management, Bloomberg, Optima

## Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Sep 4	45.3%	29.8%	24.9%
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%

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.

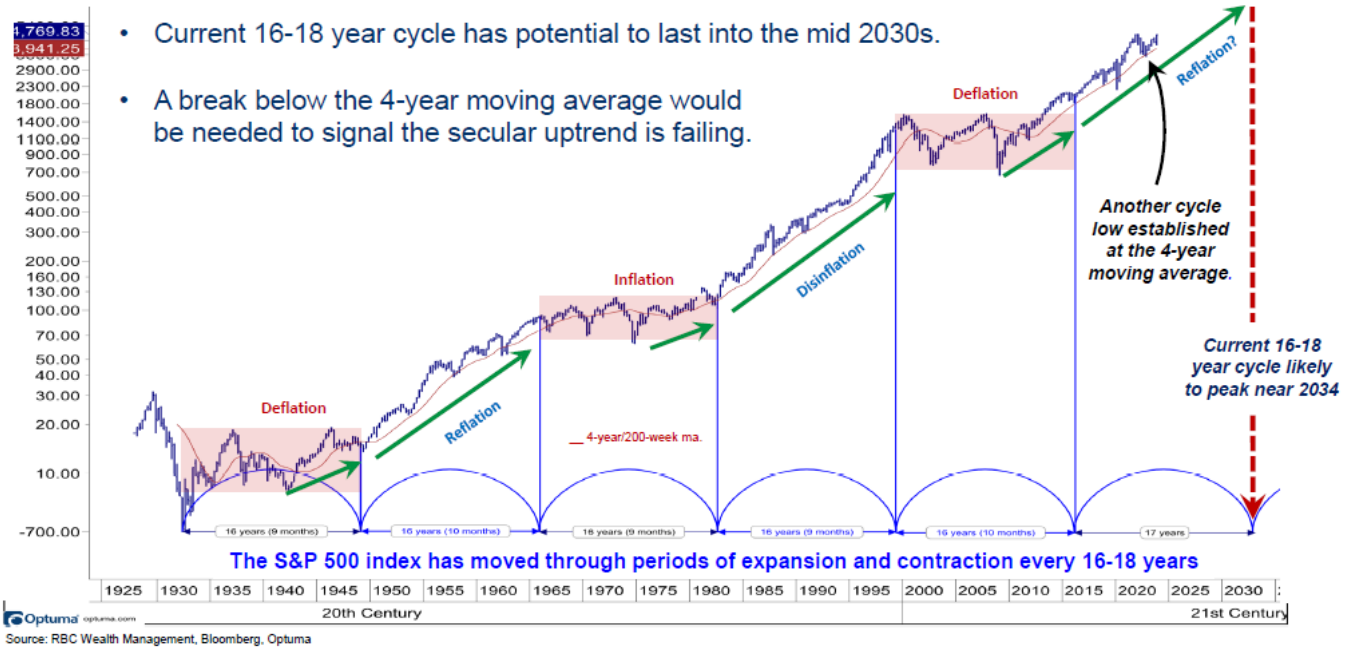
### AAII US Bullish and Bearish Sentiment Survey – Contrary indicators



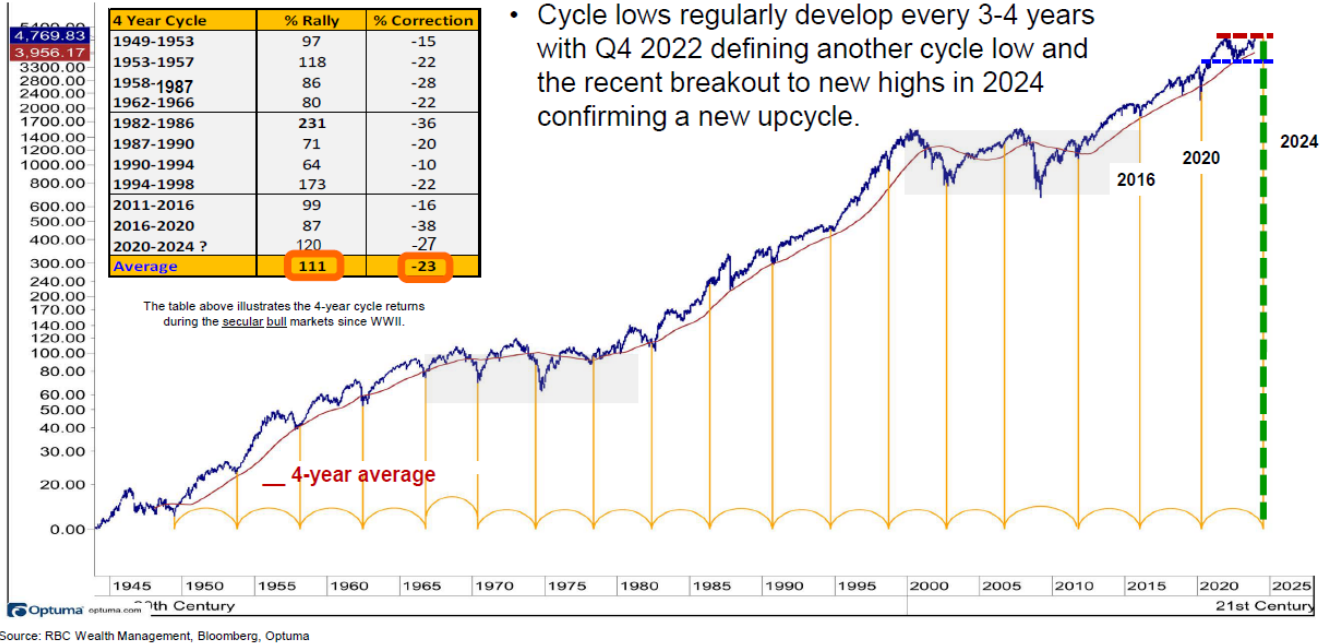
- Bullish Sentiment (top panel) has rebounded while....
- ....bearish sentiment has fallen again.
- While these contrary indicators are not signaling excessive optimism, they are also not at levels that normally signal a new multi-month rally.

Source: RBC Wealth Management, Bloomberg, Optima

# 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'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

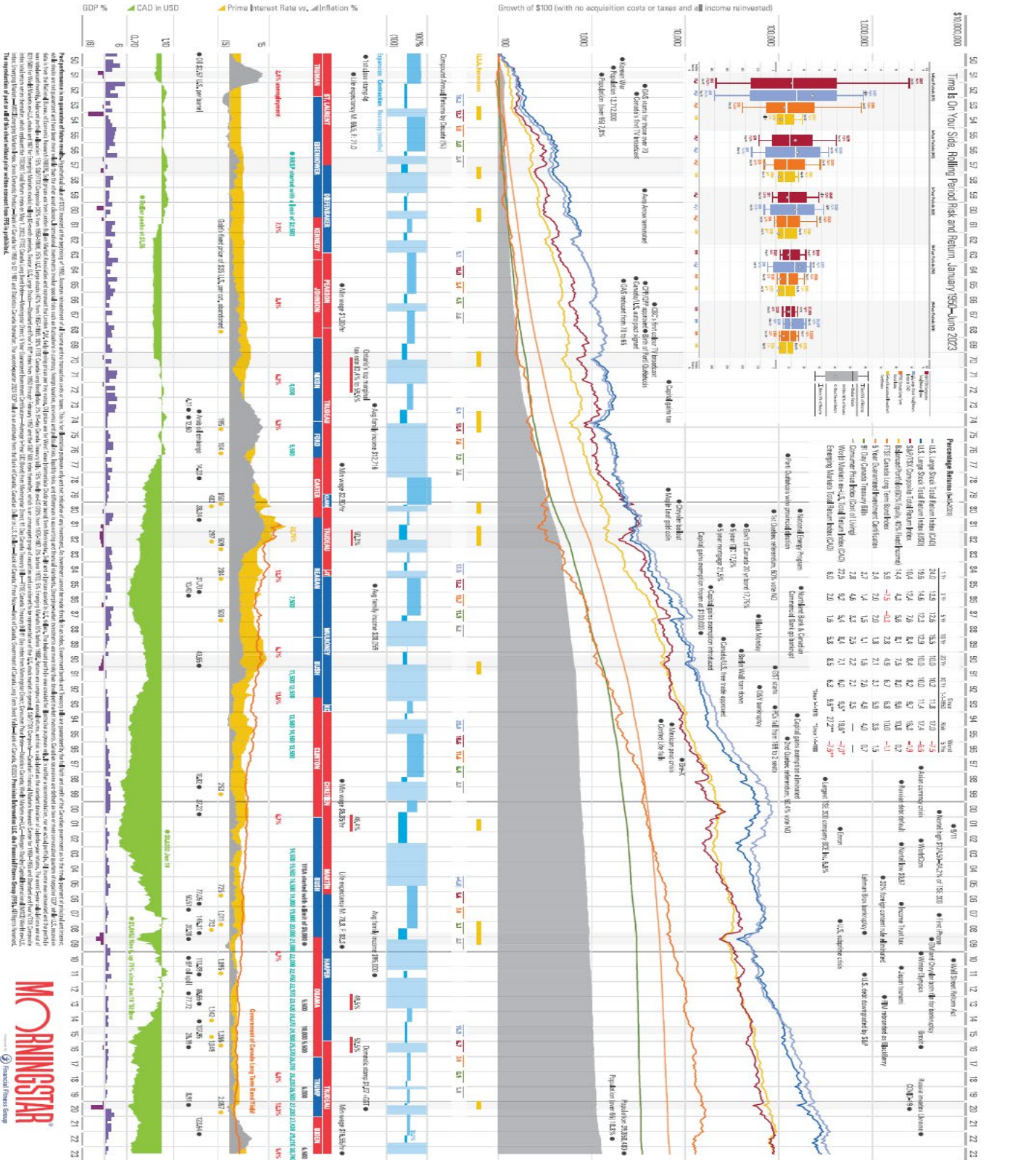
## DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

# 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

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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, Erinoak 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. 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.

