

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, SEPTEMBER 13, 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

Volatility/ Vulnerability modest/No recession scenario

Back-and-forth equity indices this week – some indices close to highs. September - October the volatile months - also, correction months - Will this year be different?

Positives: **AAll Investor Sentiment Survey** - 39.8% bullish /29.3% neutral/ 31% bearish- bullish reading was over 50% two weeks ago, what is changing - is it the approaching US election? - cash is building on sidelines!

RBC GAM – “The US treasury yield curve has officially turned positive. Nearly all companies in the S&P 500 index have reported their Q2 2024 earnings with 79% surpassing expectations - slightly above five-year average of 77%. US Investment Strategy team noted that commentary from company management over earning season has reflected an economy that is slowing and reacting to pressure but isn’t on the cusp of an outright downturn. US Federal Reserve will cut interest rates by a total of 75 basis points in the remaining three meetings this year, according to a growing majority of economists polled by Reuters. US employment to population ratio is not yet signaling recession. Small businesses have been feeling more optimistic.”

Jim Paulsen – “The US could enter a recession anytime. Nonetheless, currently the "recession vulnerability" among households and businesses seems to be modest. Indeed, private sector balance sheets have seldom been stronger, earnings prospects remain healthy, liquidity holdings are ample, several major economic policies are supportive, and pessimism is simply too widespread. This recovery still has an elastic labor supply, it now has additional slack with a recent rise in the unemployment rate. It has considerable buying power still on the sidelines, there is a lot of room to lower interest rates and bond yields, and it has considerable capacity to raise optimism among private sector players. It is important to realize that every road to a soft landing is littered by recession fear potholes.”

Dr. Ed Yardeni – “Yes, the unemployment rate has edged up over last year. No, that doesn’t reflect the weakening of the economy at large. Permanent layoffs are muted, wages are rising CEOs plan to hire. No unemployment spike heralding a recession is likely. We expect interest rate cutting to be shallow and at a measured pace. Revised Q2 economic output suggest an impressive rate of productivity growth last quarter, boding well for corporate profit margins and the no recession scenario.”

Tom Lee - “Bottom line -small cap leads and the Fed is dovish. Feds focus on keeping labor market strong. With inflation softening the mandate focusses on strong jobs. That acts as an implicit" PUT" on the equity market, as falling prices would be weak with threaten to weaken labor markets. Six reasons we expect the S&P 500 to finish the second half strong. 1. Soft landing intact, not barreling towards recession. 2. High yielding bonds rallied in September. 3. S&P 500 advanced decline reach new highs in August. 4. Nvidia -25% drawdown is the 21st past 25 years, since 2000. 5. 2024 already strong market year, second half gain +10%. 6. While VIX might peak near election day, S&P 500 bottoms in August 46% of the time -meaning we expect August lows to hold.”

Negatives: **RBC GAM** – “PMI manufacturing flashing recessionary signals. A recession is closing in, but part of the economy is still strong. They’re likely a few months of market upside left.” **Chart of the day** - historically when the Fed starts dropping rates a recession follows within months. Rising uncertainty regarding labor market. Overall suggest cooling normalization rather than recession but note rising tech layoffs. US consumer loan delinquency is now rising. US growth has slowed significantly. Job market has weakened. Canadian unemployment rate has been rising.”

Brian Wesbury – “Last Friday employment report shows US economy may be slowing down faster than most investors think. Why? Because monetary policy has been tight. The M2 measure of money supply peaked in early

2022 - 3.1% from the peak in April 2022. The problem is the Feds still thinks its focus should be on rates, not the money supply. If growth and M2 picks up, we risk a return to higher inflation like we did multiple times the 1970s. Growth in M2 remains lackluster despite rate cuts, the landing could get harder than anyone thinks.”

Investment strategy: “The big money is not in the buying or the selling, but in the sitting.” **Jesse Livermore.**

Have a nice weekend, Bruce.

Canada is on a path to get inflation under control, Stephen Poloz says – BNN Bloomberg

Former Bank of Canada Governor Stephen Poloz says “everything is going as it should” for Canada to get inflation under control. “We have a lot of downward pressure built up in the system now, inflation down to 2.5 per cent, so I think the risks actually are accumulating on the downside now,” Poloz, the former head of Canada’s central bank and current special advisor at Osler, said in an interview with BNN Bloomberg on Thursday.

Inflation in this country hit 2.5 per cent in July, its lowest level since March 2021, according to Statistics Canada. The former governor says current Bank of Canada Governor Tiff Macklem is right to keep an eye on downside risks to the economy.

“With the [inflation] target in sight and more excess supply in the economy, the downside risks are taking on increased weight in our monetary policy deliberations. We need growth to pick up so inflation does not fall too much, even as we work to get inflation down to the two per cent target,” Macklem said at a press conference in July.

[Canada is on a path to get inflation under control, Stephen Poloz says – BNN Bloomberg](#)

Saving up for the next market plunge? Keep your cash working while you wait – BNN Bloomberg

If you want to be ready to pounce at any moment, your cash needs to be as liquid as possible. The best, and most common form of near cash is a high-interest or high-yield savings account.

Most investment firms offer them and it’s just a matter of transferring the cash within the portfolio when you need it. The interest rate they offer is known as the annual percentage yield, or APY. It is expressed as an annual yield but calculated for shorter periods of time. The yield can be ten times higher than a regular savings account, which pays close to nothing. The rates on some high-yield savings accounts currently top five per cent. Yields are normally highest for large amounts of cash.

[Saving up for the next market plunge? Keep your cash working while you wait – BNN Bloomberg](#)

Interest payments on the national debt top \$1 trillion as deficit swells (cnbc.com)

The U.S. government for the first time has spent more than \$1 trillion this year on interest payments for its \$35.3 trillion national debt, the Treasury Department reported Thursday.

With the Federal Reserve holding benchmark rates at their highest in 23 years, the government has laid out \$1.049 trillion on debt service, up 30% from the same period a year ago and part of a projected \$1.158 trillion in payments for the full year.

Subtracting the interest the government earns on its investments, net interest payments have totaled \$843 billion, higher than any other category except Social Security and Medicare.

[Interest payments on the national debt top \\$1 trillion as deficit swells \(cnbc.com\)](#)

Here's why September and October are historically weak for stocks (cnbc.com)

What is it with September and October being weak months for stocks? Has this always been the case? Yes. The most intense panics on Wall Street have tended to occur during the late summer and early autumn months. This can be traced all the way back to the 1800s. A few notable examples of exceptional panics include Black Friday of 1869, the Panic of 1873 and the Panic of 1907.

But why September and October? It is a byproduct of an old weakness in the U.S. financial system. Prior to the reintroduction of a central banking system with the passage of the Federal Reserve Act of 1913, the U.S. was limited in its ability to adjust the money supply in response to market conditions. The inelasticity of the U.S. currency made the late summer and early autumn months an especially precarious time, due to the agricultural financing cycle. In the 1800s, the U.S. economy still relied heavily on agricultural production.

[Here's why September and October are historically weak for stocks \(cnbc.com\)](#)

China's plan to boost consumption by encouraging trade-ins has yet to show results (cnbc.com)

BEIJING — China's plan to boost consumption by encouraging trade-ins has yet to show significant results, several businesses told CNBC.

China in July announced allocation of 300 billion yuan (\$41.5 billion) in ultra-long special government bonds to expand its existing trade-in and equipment upgrade policy, in its bid to boost consumption.

Half that amount is aimed at subsidizing trade-ins of cars, home appliances and other bigger-ticket consumer goods, while the rest is for supporting upgrades of large equipment such as elevators. Local governments can use the ultra-long government bonds to subsidize certain purchases by consumers and businesses. While the targeted move to boost consumption surprised analysts, the measures still require China's cautious consumer to spend some money up front and have a used product to trade in.

[China's plan to boost consumption by encouraging trade-ins has yet to show results \(cnbc.com\)](#)

Harris' rise in polls sparks wave of wealth transfers to kids (cnbc.com)

The tightening presidential race has touched off a wave of tax planning by ultra-wealthy investors, especially given fears of a higher estate tax, according to advisors and tax attorneys.

The scheduled "sunset" of a generous provision in the estate tax next year has taken on new urgency as the odds of a divided government or Democratic president have increased, tax experts say.

Under current law, individuals can transfer up to \$13.61 million (and couples can send up to \$27.22 million) to family members or beneficiaries without owing estate or gift taxes.

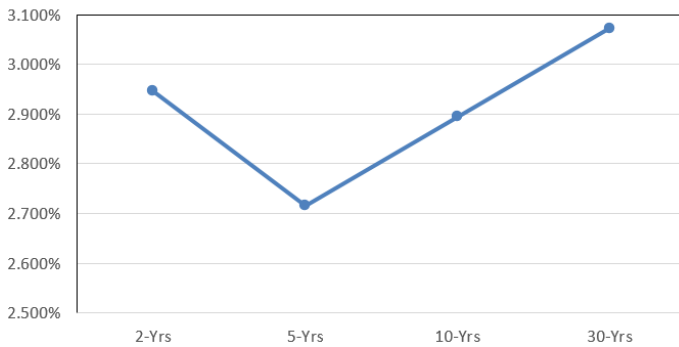
[Harris' rise in polls sparks wave of wealth transfers to kids \(cnbc.com\)](#)

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ Sept 13, 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, Altagas 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

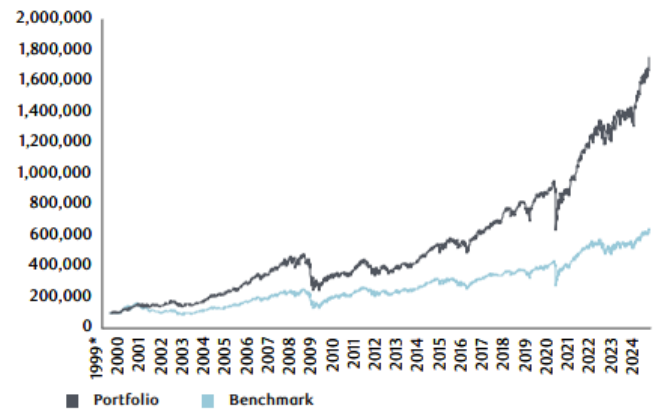
2024 Contribution Limits	Amount (\$CAD)
TFSA	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
RRSP	
2024	\$ 31,560

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 (%)

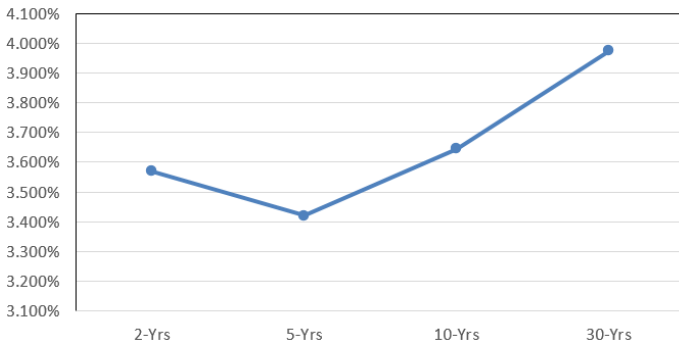
	2019	2020	2021	2022	2023
Canadian Focus List	24.13	6.81	31.46	1.89	16.28
S&P/TSX Composite	22.88	5.58	25.09	-5.84	11.75

INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ Sept 13, 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)

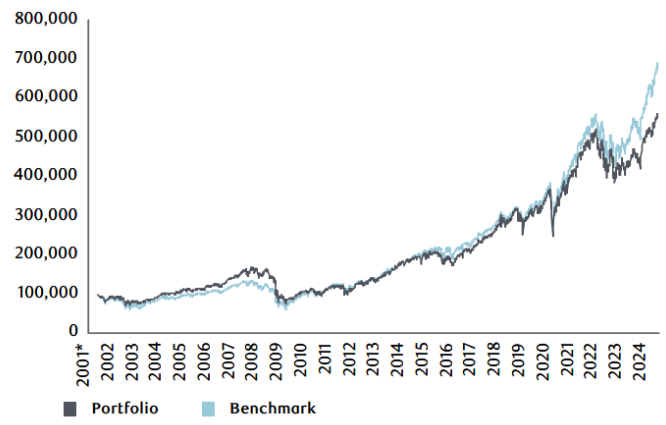
- RBC Imagine – A cross sector view of GenAI
- Global Energy Best Ideas
- Top 30 Global Ideas for 2024 – 3Q

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

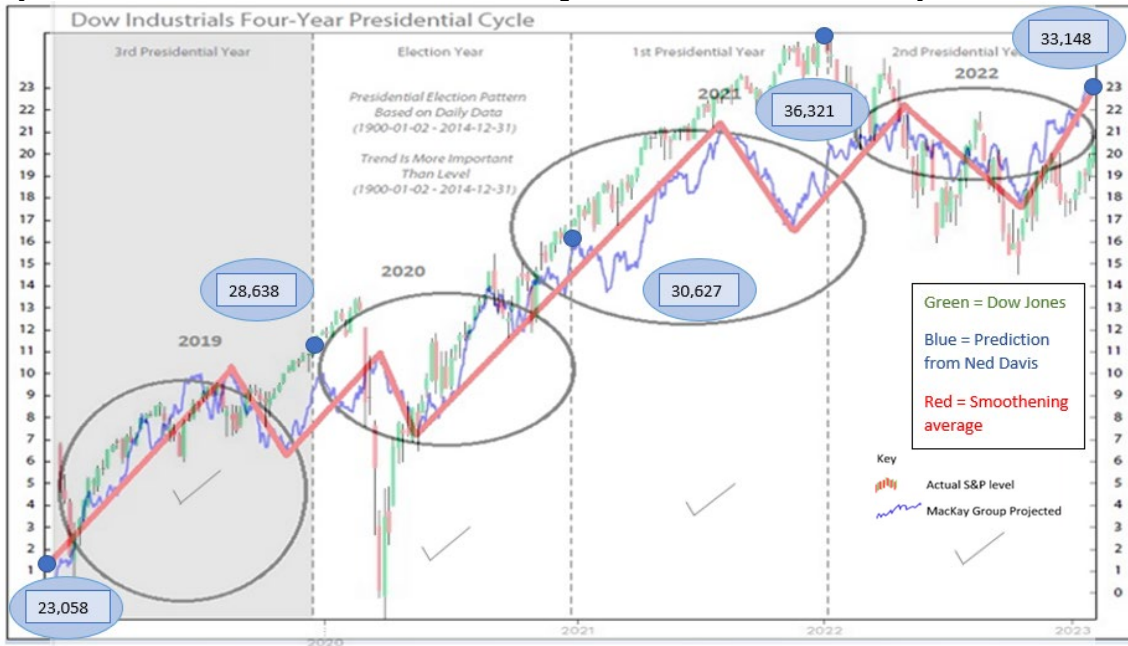




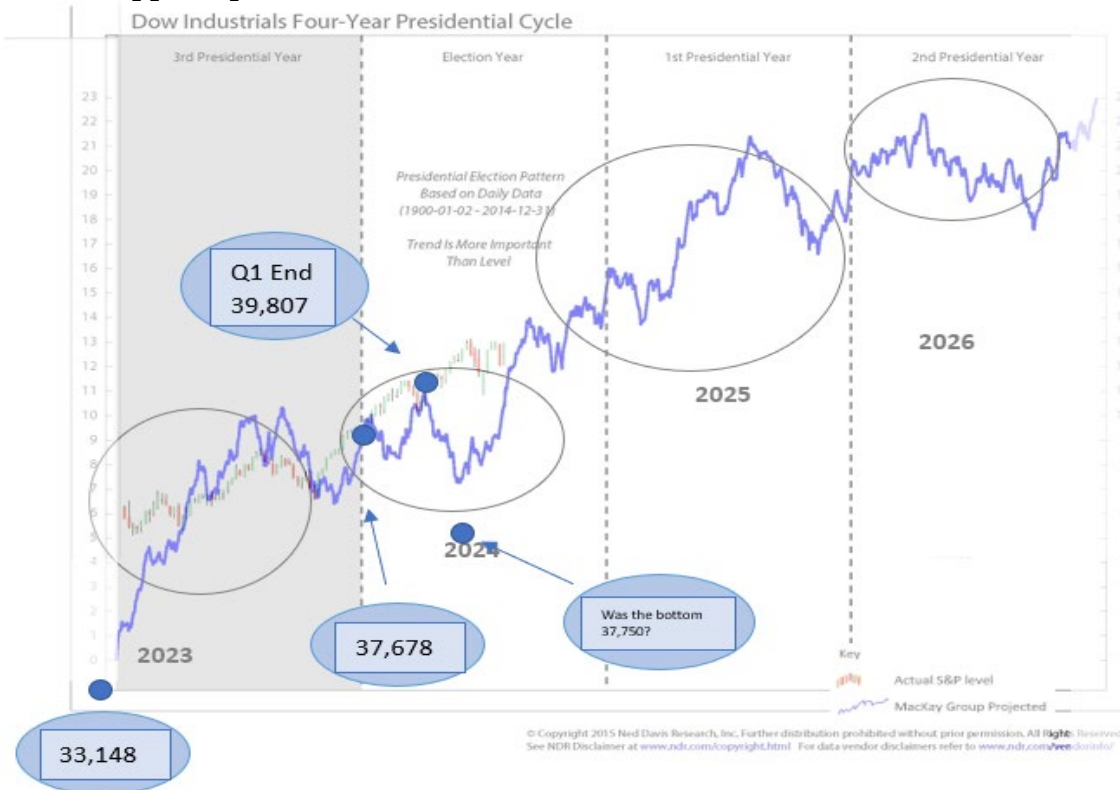
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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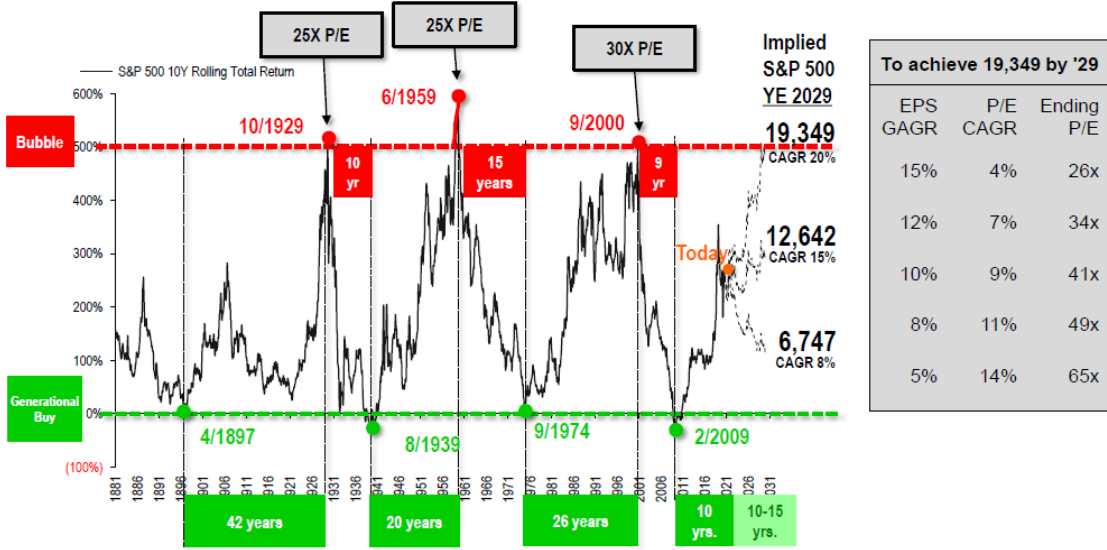
FAVOURITE CHARTS

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

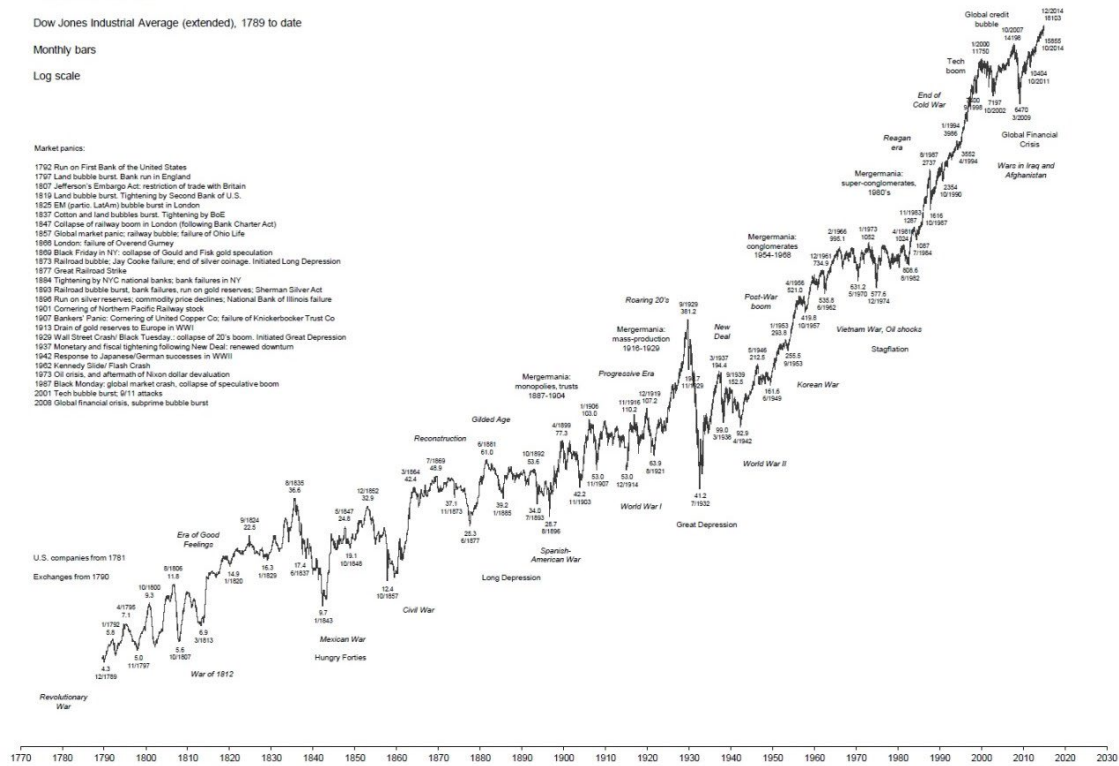
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

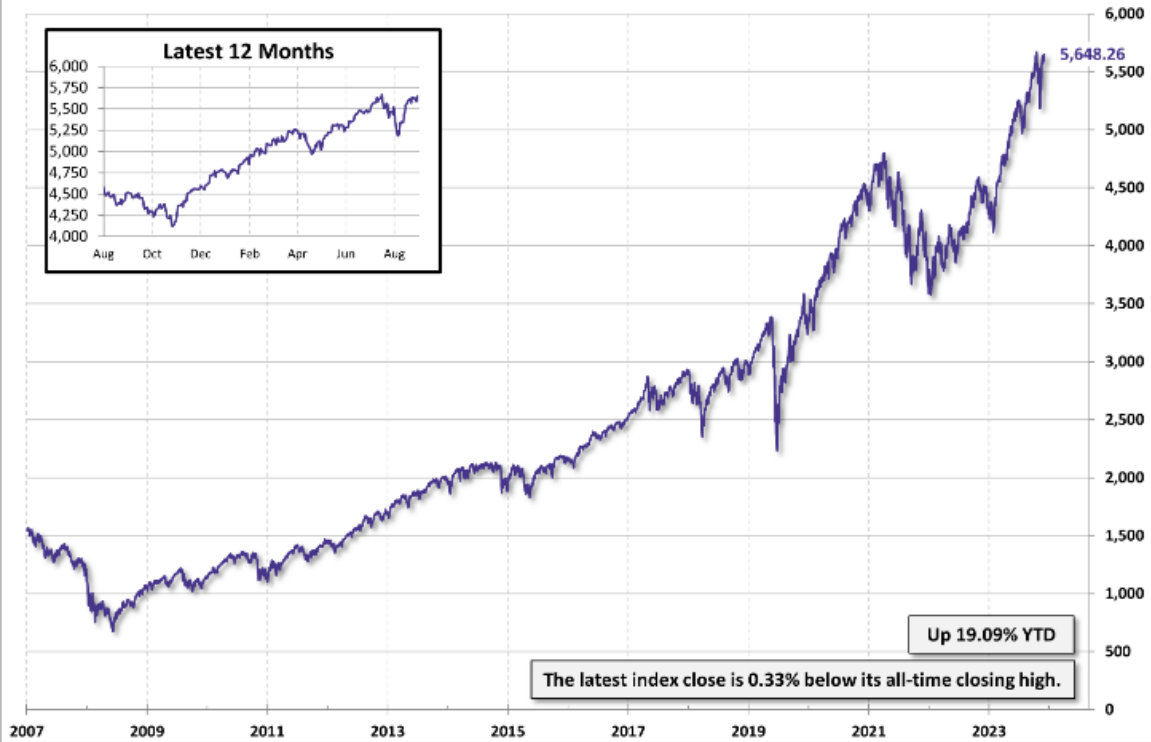
Market panics:

- 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 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

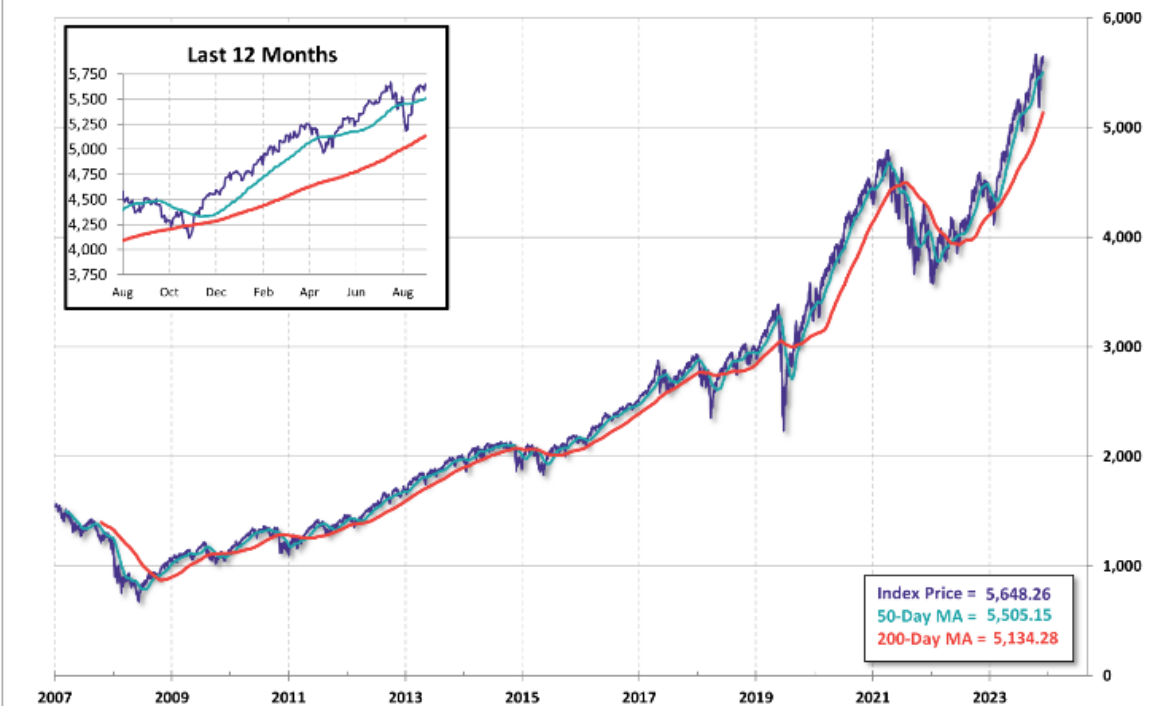
Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

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

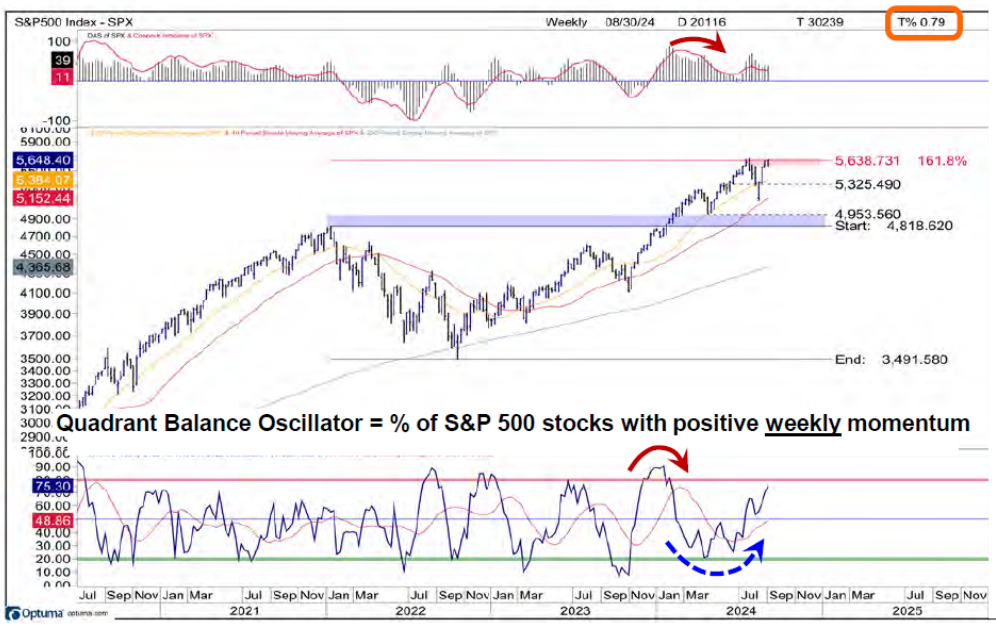


Import prices fell more than expected in August (cnbc.com)



[Import prices fell more than expected in August \(cnbc.com\)](https://www.cnbc.com)

S&P 500 with weekly Quadrant Balance momentum



- Weekly momentum indicators for the S&P 500 (top panel) remain negative 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.*

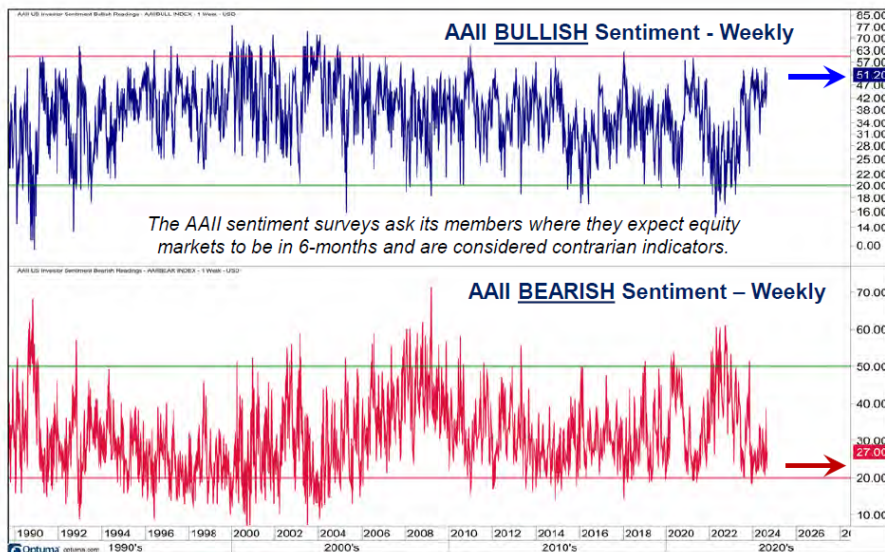
Source: RBC Wealth Management, Bloomberg, Optima

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Sep 11	39.8%	29.3%	31.0%
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%

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.

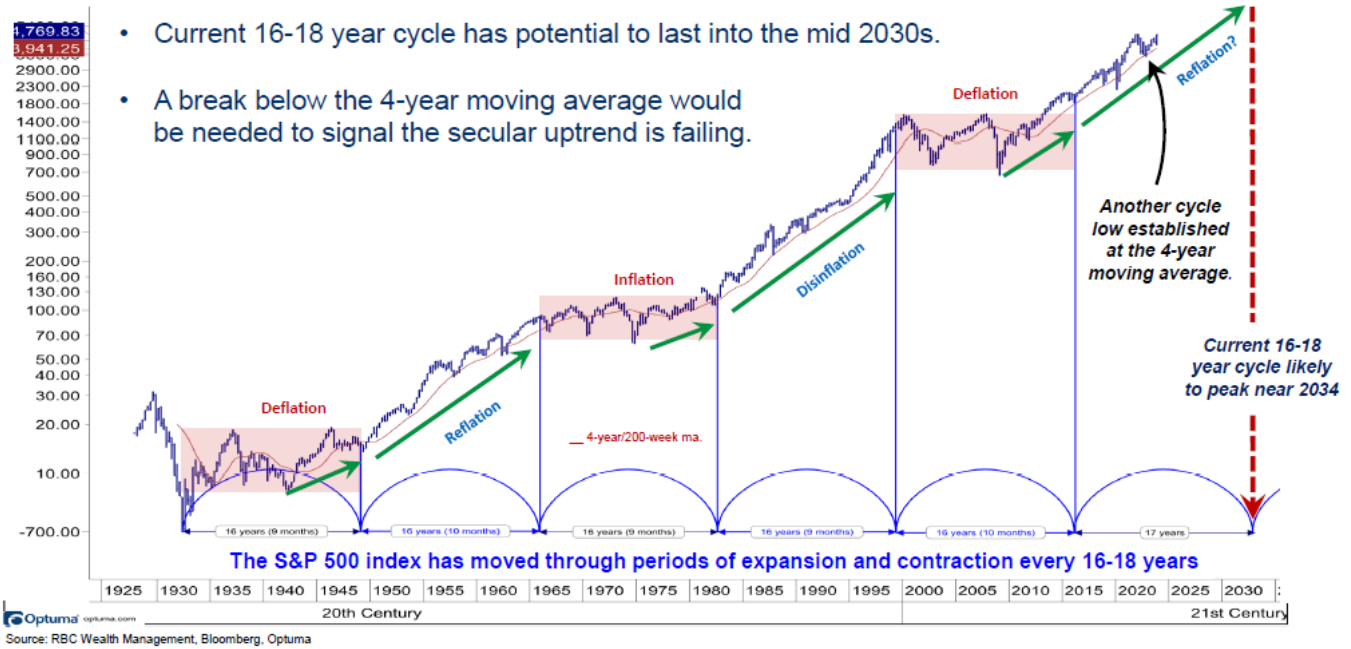
AAII US Bullish and Bearish Sentiment Survey – Contrary indicators



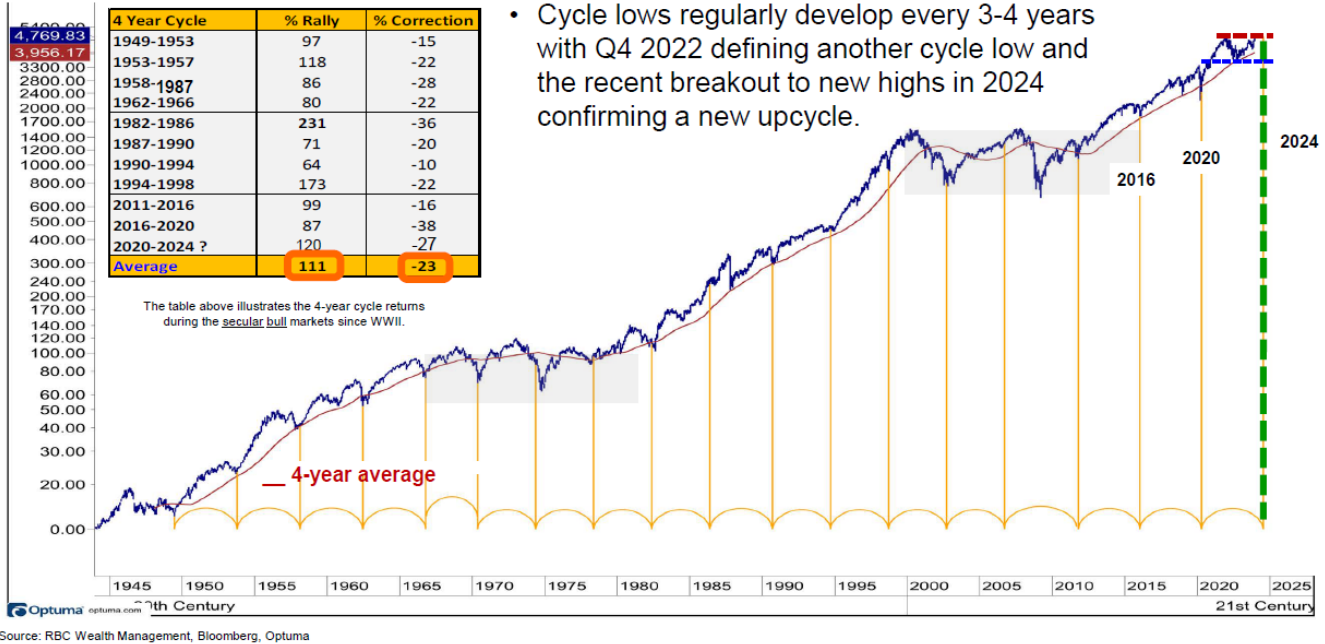
- Bullish Sentiment (top panel) has rebounded while...
- ...bearish sentiment has fallen again.
- While these contrary indicators are not signaling excessive optimism, they are also not at levels that normally signal a new multi-month rally.

Source: RBC Wealth Management, Bloomberg, Optuma

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.

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

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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.

