

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, NOVEMBER 29, 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

Thanksgiving /JPM jumps in /Trump boost to roaring 20s

US Thanksgiving week - Expected equity markets to be flat
- Dow and S&P 500 all-time highs - November historically a positive month- Will we see a YE Santa Claus rally?

Positives: **AAII Investor Sentiment Survey** - 37.1% bullish/ 24.3% neutral/ 38.6% bearish - bullish reading slipping - is it because of Thanksgiving week - many are on holidays?

RBC CM Strategy -10 things heading into 2025 US equities. YE 2025 price target 6600 S&P 500. Sentiment set up modestly constructive on a 12-month view but with potential for near term pullback. Not much room for further P/E expansion. Earnings outlook supportive of further S&P 500 appreciation. US equities may soon lose their appeal relative to bonds. US economy is at an important crossroads from stock market perspective. Interest rates may soon start to pinch more broadly. Political backdrop presents both tailwinds and possible headwinds. Value greater than growth and broadening of market leadership. Small versus large cap trade to remain choppy again to 2016 - 2018.

Charts - S&P 500 buybacks jump 35% in Q2 2024 to \$236 billion near the all-time high record. Buybacks are fueling the stock market rally.

JP Morgan jumps into the party. Wall Street's most bearish bank has raised their 2025 YE price target to 6500.

Ed Pennock - "GDP came in at 2.8% right in line. Headline PCE is at 1.5% - 1.8% was expected. The economy is doing fine. That's the underlying reason that consumer confidence numbers are holding in and core PCE is at 2.1% is now essentially flat."

Jim Paulsen -"The 60/40 portfolio 4% trigger. The relative cost of the 60/40 balance portfolio skyrockets when the 10-year treasury bond yield is below the 4% trigger. The balance 60/40 asset mix reduces volatility. Since 1945, it comes with the cost of a lower long-term return- 9.4% annual total return which is 2.2% less than the 11.6% total return achieved by the S&P 500. Since 1945, the 60/40

portfolio has generated about 33% less volatility at a cost of about 20% lower total return. Essentially, at least since 1945, 4% bond yield is acted as a trigger for toggle switch significantly altering cost of investing in 60/40 portfolio."

Dr. Ed Yardeni- "The bond market reacted favorably to Trump's pick for treasury Secretary. We like Bessents plan, which might boost US economic growth and improve the perilous fiscal outlook. This should set the stage for a continuation of the roaring 2020 scenario for the rest of the decade. Potential normalization of the yield curve -we think it may be flatter than in past using cycles much as it was during the last half of the 1990s. With economic growth robust, the stock market at a record high - we're living the roaring 2020s now. Economies resilience has been remarkable considering the headwind it has faced. Trump might boost productivity and economic growth, keep inflation of low, shrink the Federal government, slow the growth of government spending, and narrow the Federal deficit."

Tom Lee - "Bottom line - stay on target into YE. Thanksgiving rally to 6100 remains intact. Beyond that, we see positive supports for equities into YE. 1. The median post-election and 2. given no recession and markets declined, 3. is 7% implying the S&P 500 6,300 or so. The drivers are 1. Deregulation. 2. Drop in cost of capital for businesses.3. General animal spirits given Republican White House and Senate."

Negatives: **Trumps** 25% tariffs on products from Canada in Mexico- unclear if Trump actually intends to proceed with punitive tariffs on Canada or if this is a strong-arm tactic for better trade deals - Multiple sectors could see price reaction to potential tariffs- like Uranium.

Charts - Corporate insiders are dumping shares at the fastest pace in at least the last two decades.

Brian Westbury – "Budget rule shenanigans. The biggest problem today is not tax revenues. It is spending. Congress never has a problem spending more and the rules are biased against tax cuts."

Investment strategy – “Life isn’t about getting and having, it’s about giving and being.” **Kevin Kruse**.

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GDP per capita falls for sixth straight quarter, economists split on rate cut size

The Canadian economy shrank on a per-person basis for a sixth consecutive quarter as higher interest rates continued to weigh on business investment.

Statistics Canada's gross domestic product report says the economy grew at an annualized rate of one per cent in the third quarter, down from 2.2 per cent in the second quarter.

The figure is in line with economists' expectations, but lower than the Bank of Canada's October forecast of 1.5 per cent.

Real GDP per capita fell 0.4 per cent in the quarter.

[GDP per capita falls for sixth straight quarter, economists split on rate cut size – BNN Bloomberg](#)

JPMorgan Sees Half-Point ECB Cut in December on Weak Economy

JPMorgan Chase & Co. has brought forward its call for a half-point interest-rate cut from the European Central Bank to December, citing the bloc's slowing economic activity.

The bank previously expected policymakers to wait until January to accelerate the pace of easing. The JPM report encouraged money market traders to bet on a 50-basis-point cut next month, boosting the chance of such outcome to 20% from 10%.

“The case seems strong given the sharp PMI drop, slowing services inflation momentum, likelihood of persistent trade uncertainty and a starting point of restrictive rates,” economist Greg Fuzesi wrote in a client note.

Euro-area business activity unexpectedly shrank in November, and inflation in Germany failed to accelerate as economists expected. Also the bloc's core inflation rate didn't edge higher as forecast.

[JPMorgan Sees Half-Point ECB Cut in December on Weak Economy – BNN Bloomberg](#)

As Trump vows major tariff hike, a look at what the U.S. imports from Canada

Some Canadian products could face huge tariffs on the first day of Donald Trump's administration in January, potentially hurting companies, workers and consumers on both sides of the border if the U.S. president-elect is able to implement them.

Trump pledged Monday to impose a 25 per cent tariff on all imports from Canada and Mexico. Trump said the measure is meant as retaliation for illegal immigration and “crime and drugs” crossing the border.

He also said China will face tariff hikes of 10 per cent above any existing tariffs until it stops the flow of illegal drugs.

[As Trump vows major tariff hike, a look at what the U.S. imports from Canada – BNN Bloomberg](#)

Gargoyles, stained glass and the spire: How Notre-Dame was restored

French President Emmanuel Macron has toured Paris's Notre-Dame cathedral live on TV, giving the public a first look inside the building since much of it was destroyed or damaged in a huge fire in 2019.

From the spire to the stained glass, it has been completely transformed. It is not just a renovation after the fire, but a complete overhaul including removing decades of crud and soot built up since the last restoration.

Here we take a look at some of the key features of the repair work and how it was achieved.

[Notre Dame: How Paris's cathedral was restored after fire](#)

The UK's network of free hiking 'hotels'

You can't book them and you don't know who else will be there, but they're an excellent way to explore Britain's most remote corners – for free.

Hiking up to the top of a valley in Wales' Cambrian Mountains, I was struck by the silence. The noise of the modern world that we've trained ourselves to filter out becomes conspicuous by its absence. This is probably the best indication that you've entered one of Britain's remote places, and a good sign if you're trying to find a bothy, one of the free-to-use shelters that dot the country's wild areas.

[The UK's network of free hiking 'hotels'](#)

Babygirl to A Complete Unknown: 12 of the best films to watch this December

From a steamy age-gap thriller starring Nicole Kidman to a Bob Dylan biopic featuring Timothée Chalamet, these are the films to stream and watch at the cinema this month.

[Babygirl to A Complete Unknown: 12 of the best films to watch this December](#)

How the bullet train transformed Japan

Sixty years after the world's first high-speed train launched, rail enthusiast Paul Carter rides the bullet train along what's been dubbed the "New Golden Route".

Standing on platform 19 at Tokyo Station, a bustling cathedral to modern rail travel, it's hard to believe that it was 60 years ago this year that the first Shinkansen train departed from here, bound for the port city of Osaka.

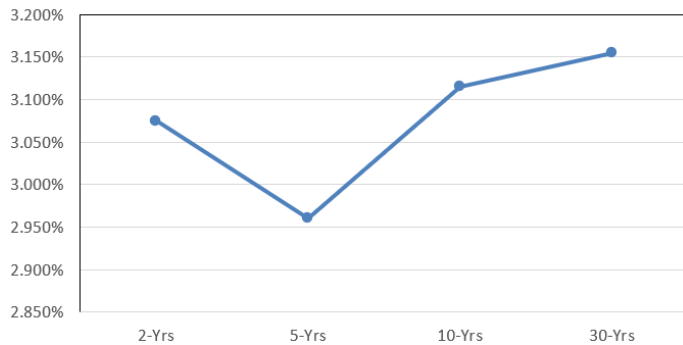
Instantly recognisable for its striking, sloping nose and sweeping aerodynamic curves, the Shinkansen was the world's first high-speed train and quickly became known around the world by its English-language moniker: the bullet train.

[How the bullet train transformed Japan](#)

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

**Benchmark Canada Government Bonds
CDN Yield Curve @ Nov 29, 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 - Nov 2024

Agnico Eagle Mines, 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

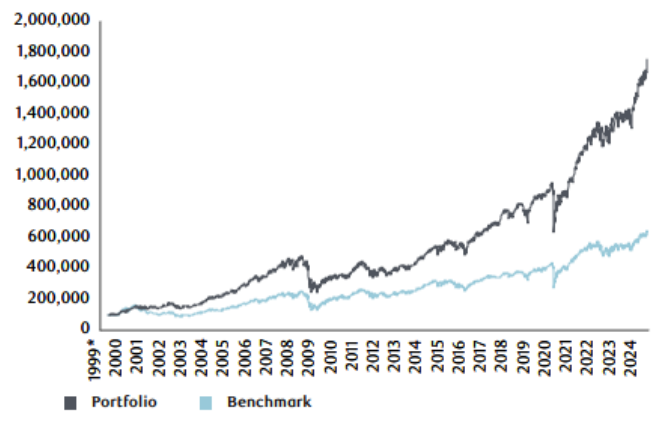
2024 Contribution Limits	Amount (\$CAD)
TFSA	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
RRSP	
2024	\$ 31,560

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

Mackay Group Portfolio Investment Management (PIM) Models – based on RBC DS Focus Lists. We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists. Our models are designed to mirror their performance.

Let’s talk, to see if appropriate for you.

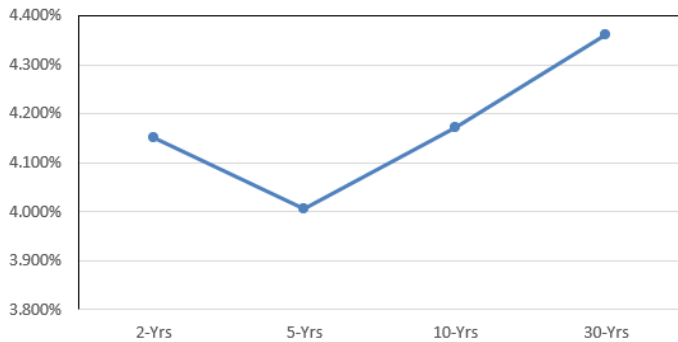


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ Nov 29, 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)

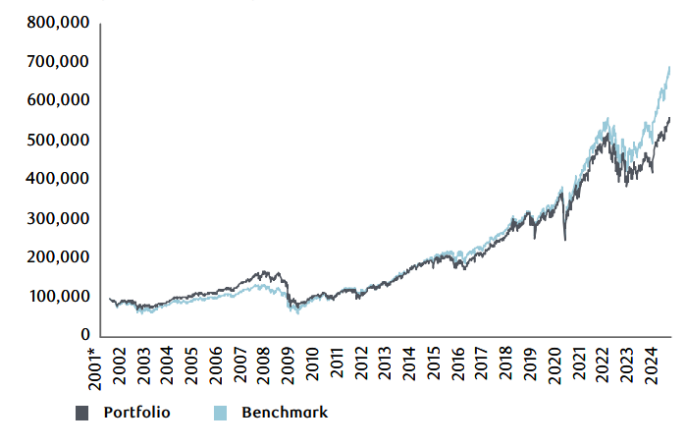
- RBC Imagine – A cross sector view of GenAI
- Global Energy Best Ideas
- Top 30 Global Ideas for 2024 – 3Q

IV. RBC DS US Equity Focus List – October 2024:

Aon Plc., JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Amazon, Home Depot, McDonalds, 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

Mackay Group Portfolio Investment Management (PIM) Models – based on RBC DS Focus Lists.

We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists.

Our models are designed to mirror their performance.

Let’s talk, to see if appropriate for you.



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

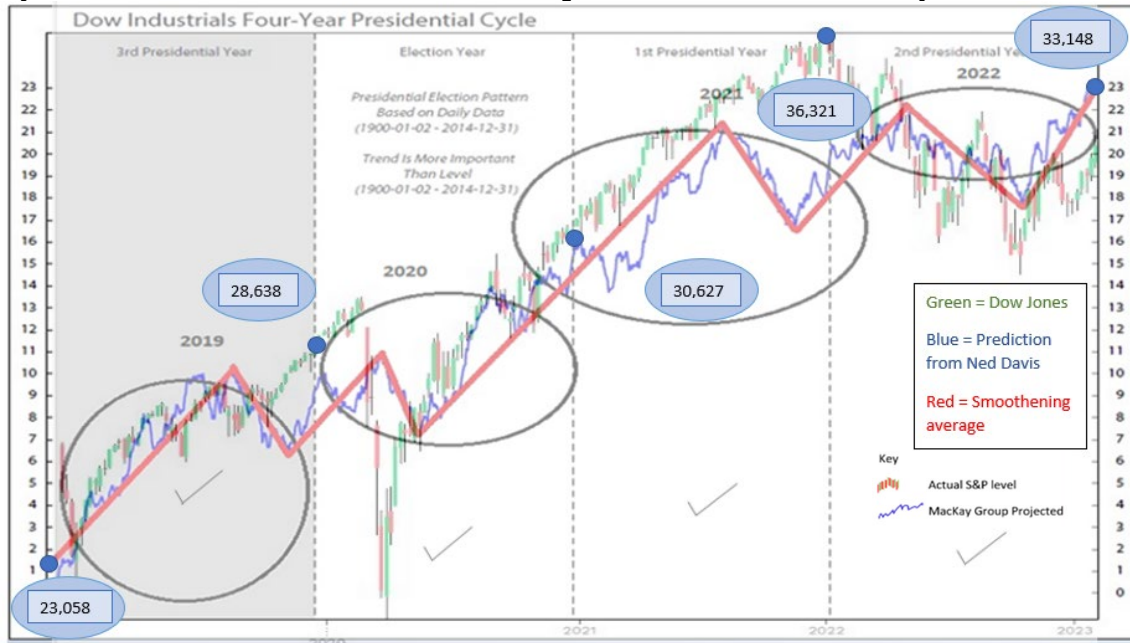




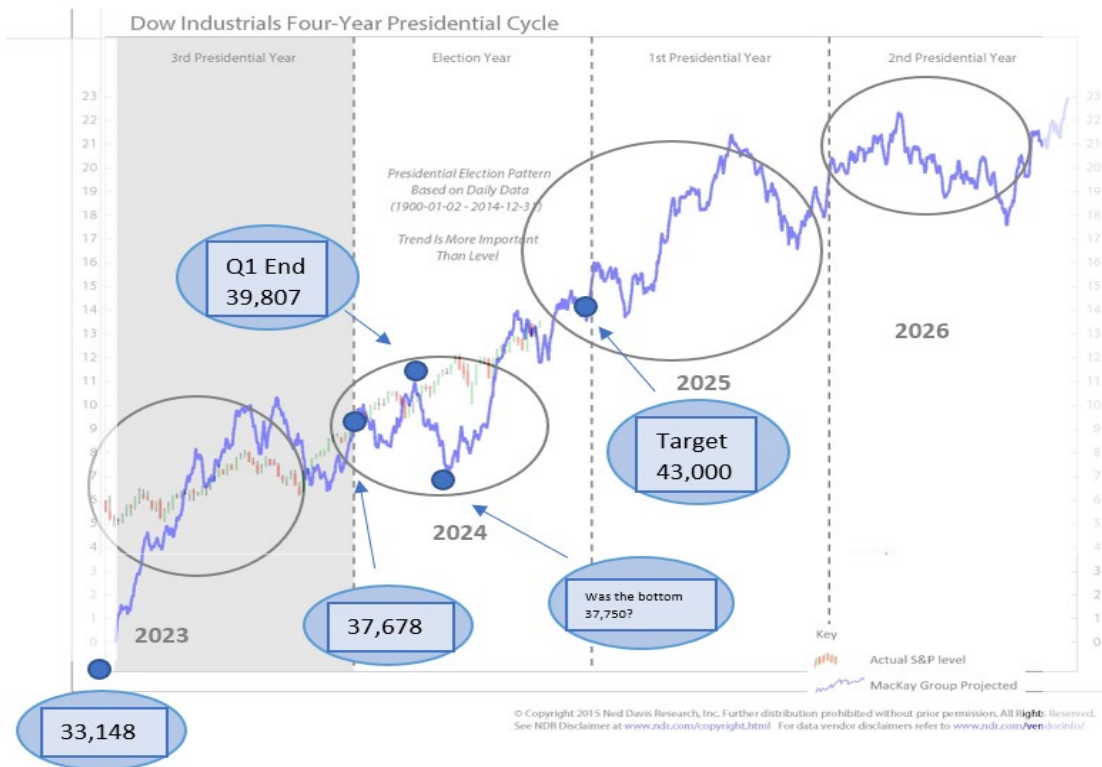
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



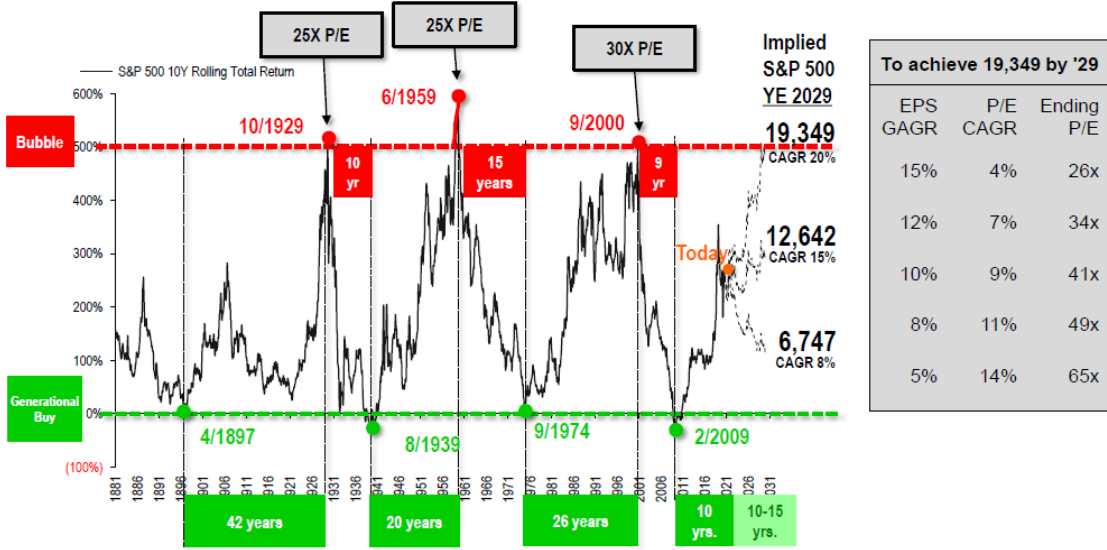
FAVOURITE CHARTS

Long-term bull markets see peak acceleration to 500% 10-yr returns

Long-term bull markets last 20-42 years and peak returns accelerate to cumulative gain 500%...

- **The current bull market has risen for 10 years and if the history plays out, S&P 500 could reach 19,000 YE 2029 vs. 3,000 now.**

Figure: 10-year rolling returns of the US equities Since 1881



Source: Fundstrat, Bloomberg.

Dow Jones Industrial Average - 1789 to Date

Stock Prices

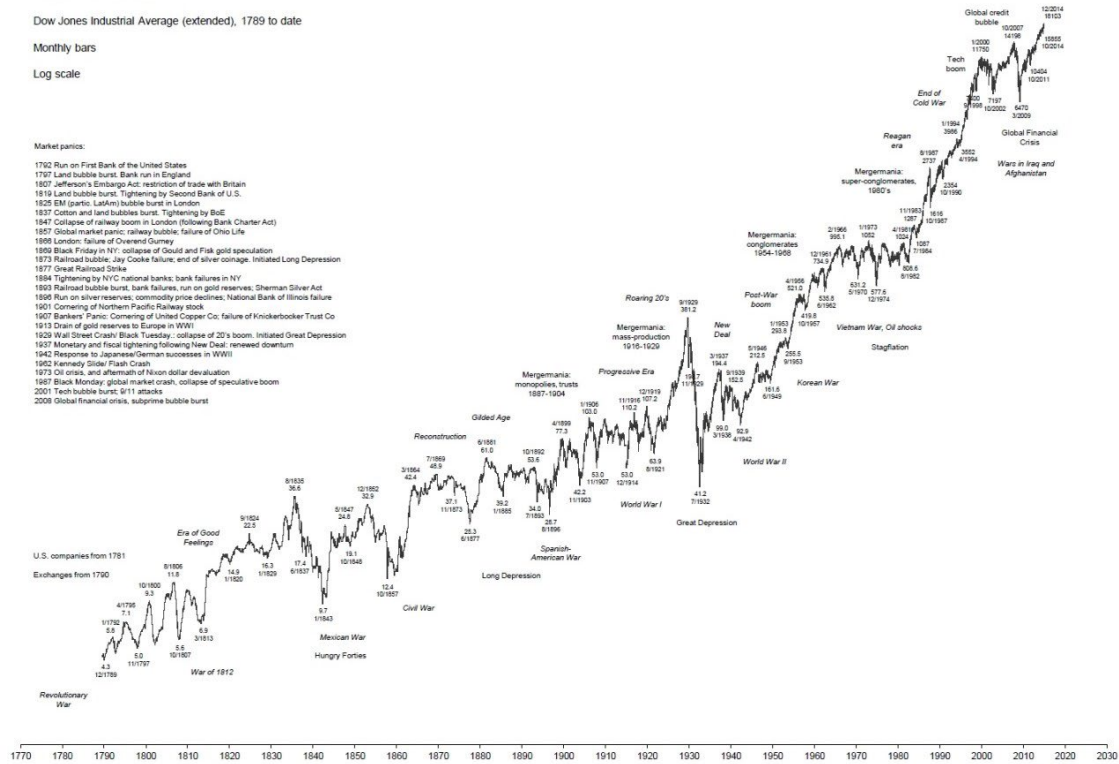
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

Market panics:

- 1792 Run on First Bank of the United States
- 1797 Land bubble burst; Bank run in England
- 1807 Jefferson's Embargo Act; restriction of trade with Britain
- 1819 Land bubble burst; Tightening by Second Bank of U.S.
- 1825 EM (paris; LaAm) bubble burst in London
- 1837 Cotton and land bubbles burst; Tightening by B&E
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1847 Global market panic; railway bubble; failure of Ohio Life
- 1898 London: failure of Overend Gurney
- 1898 Black Friday in NY; collapse of Gould and Fish gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage. Initiated Long Depression
- 1877 Great Railroad Strike
- 1894 Tightening by NYC national banks; bank failures in NY
- 1893 Railroad bubble burst, bank failures, run on gold reserves, Sherman Silver Act
- 1896 Run on silver reserves; commodity price declines; National Bank of Illinois failure
- 1901 Cornering of Northern Pacific Railway stock
- 1907 Bankers' Panic; Cornering of United Copper Co; failure of Knickerbocker Trust Co
- 1913 Drain of gold reserves to Europe in WWI
- 1929 Wall Street Crash; Black Tuesday; collapse of 20% boom. Initiated Great Depression
- 1927 Monetary and fiscal tightening following New Deal; renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1982 Kennedy Slide; Flash Crash
- 1973 Oil crisis, and aftermath of Nixon dollar devaluation
- 1987 Black Monday; global market crash, collapse of speculative boom
- 2001 Tech bubble burst; 9/11 attacks
- 2008 Global financial crisis, subprime bubble burst



S&P 500 Index Snapshot

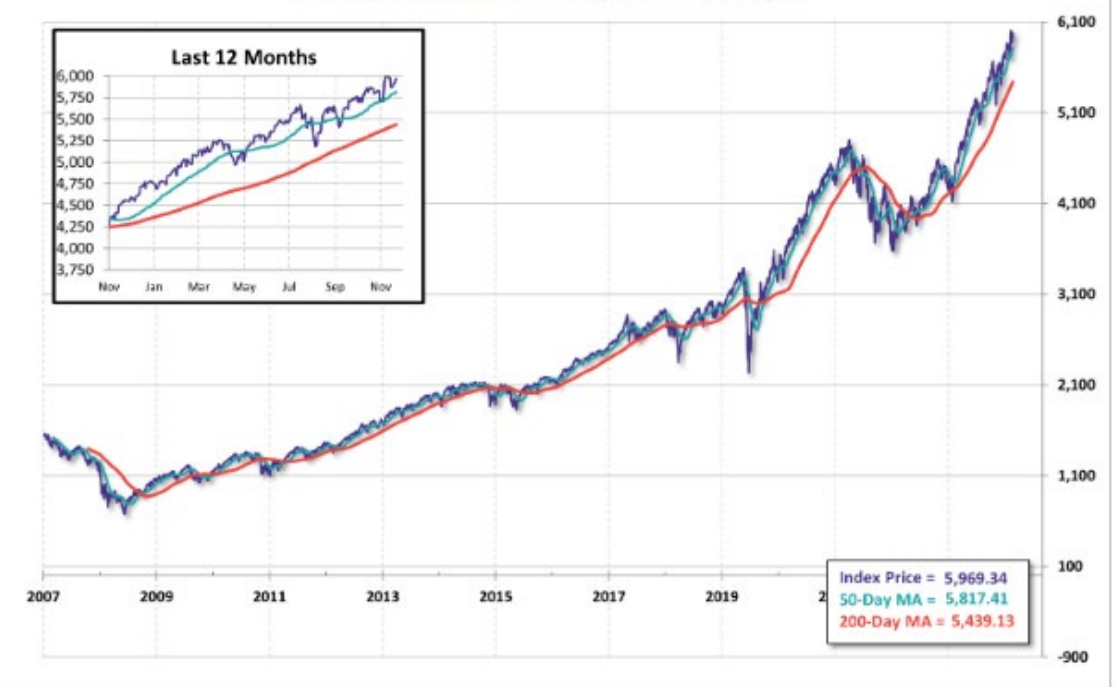
Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present

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



The S&P 500 could hit 7,000 by the end of next year, says Ed Yardeni



[The S&P 500 could hit 7,000 by the end of next year, says Ed Yardeni](#)

S&P 500 – Trend remains positive but monthly momentum is advanced and bears close watching in Q1.



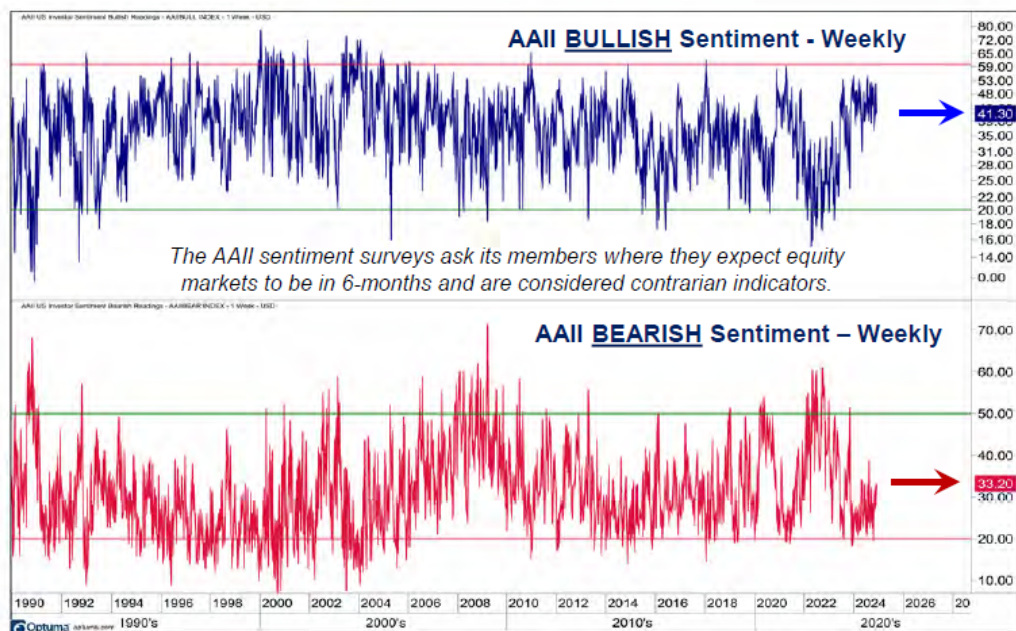
- After bottoming in Q4 2022, monthly cycle momentum (top panel) is advanced with signs of peaking. While a downturn on these momentum indicators would be an important yellow flag, note that momentum peaks can precede a market top by many quarters.
- **Resistance:** After pausing around a key technical level coinciding with its 162% Fibonacci extension at 5638, the S&P has made new highs and remains in an uptrend with next major resistance near 7000 at its 262% extension level.
- **Support** begins at 5638 then 5119 with a major band of support between 4584-4818 that we expect will hold should volatility accelerate in the coming weeks/months. **However, a break below that support band, near the rising red 200-week ma would turn the technical backdrop negative and signal the cycle that began in Q4 2022 is failing**

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
Nov 27	37.1%	24.3%	38.6%
Nov 20	41.3%	25.5%	33.2%
Nov 13	49.8%	21.8%	28.3%
Nov 6	41.5%	30.9%	27.6%
Oct 30	39.5%	29.6%	30.9%
Oct 23	37.7%	32.4%	29.9%
Oct 16	45.5%	29.2%	25.4%
Oct 9	49.0%	30.4%	20.6%
Oct 2	45.5%	27.3%	27.3%
Sep 25	49.6%	26.7%	23.7%
Sep 18	50.8%	22.8%	26.4%
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%

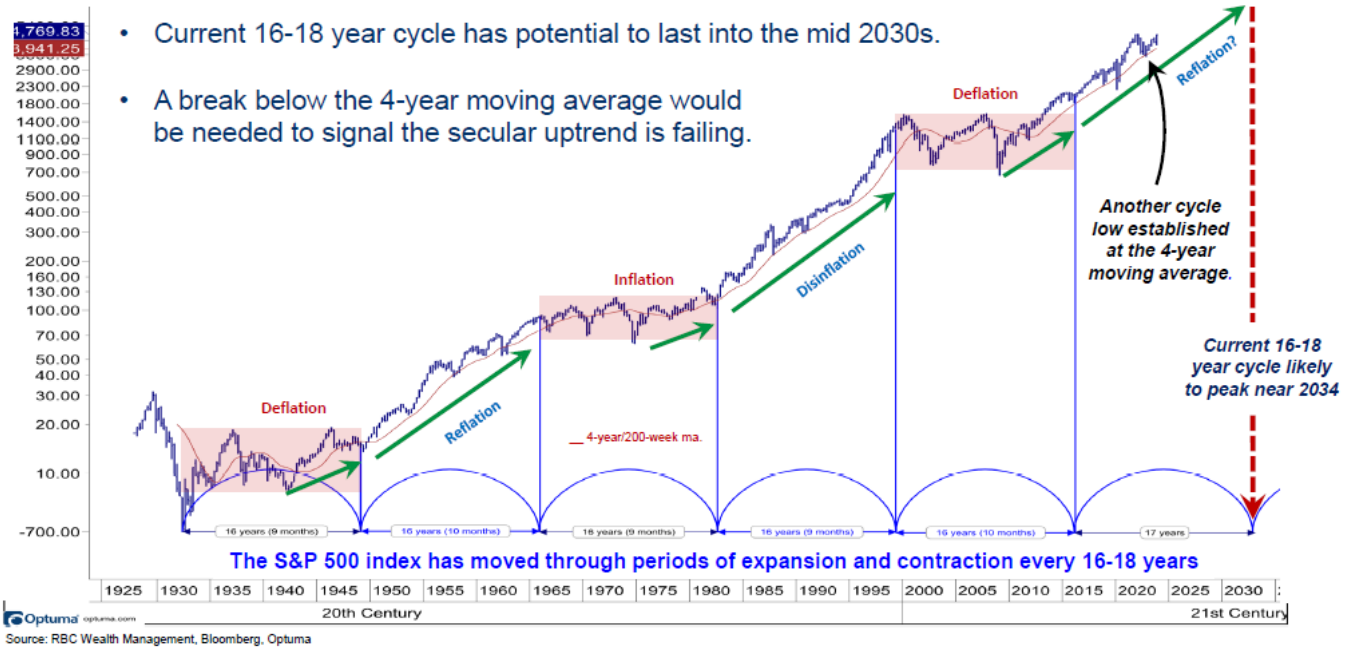
The sentiment survey measures the percentage of individual investors who are bullish, bearish, and neutral on the stock market short term; individuals are polled from the AAI Web site on a weekly basis. Only one vote per member is accepted in each weekly voting period.

AAII US Bullish and Bearish Sentiment Survey – Contrary indicators – Optimism declining



- Bullish Sentiment remains moderately elevated.
- ...while...
-bearish sentiment has risen moderately.
- Overall, a pullback would be helpful to reduce optimism/increase pessimism which is often needed for markets to stage another multi-month rally.

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



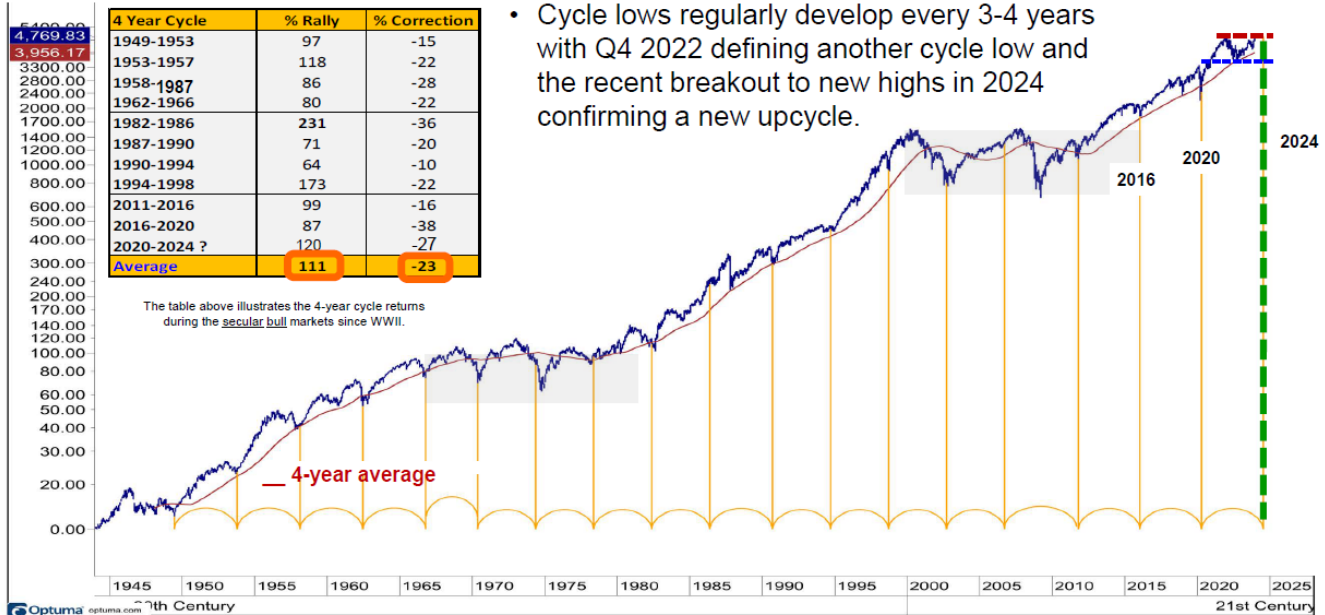
S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



4 Year Cycle	% Rally	% Correction
1949-1953	97	-15
1953-1957	118	-22
1958-1987	86	-28
1962-1966	80	-22
1982-1986	231	-36
1987-1990	71	-20
1990-1994	64	-10
1994-1998	173	-22
2011-2016	99	-16
2016-2020	87	-38
2020-2024 ?	120	-27
Average	111	-23

The table above illustrates the 4-year cycle returns during the secular bull markets since WWII.

- Cycle lows regularly develop every 3-4 years with Q4 2022 defining another cycle low and the recent breakout to new highs in 2024 confirming a new upcycle.



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



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

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

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

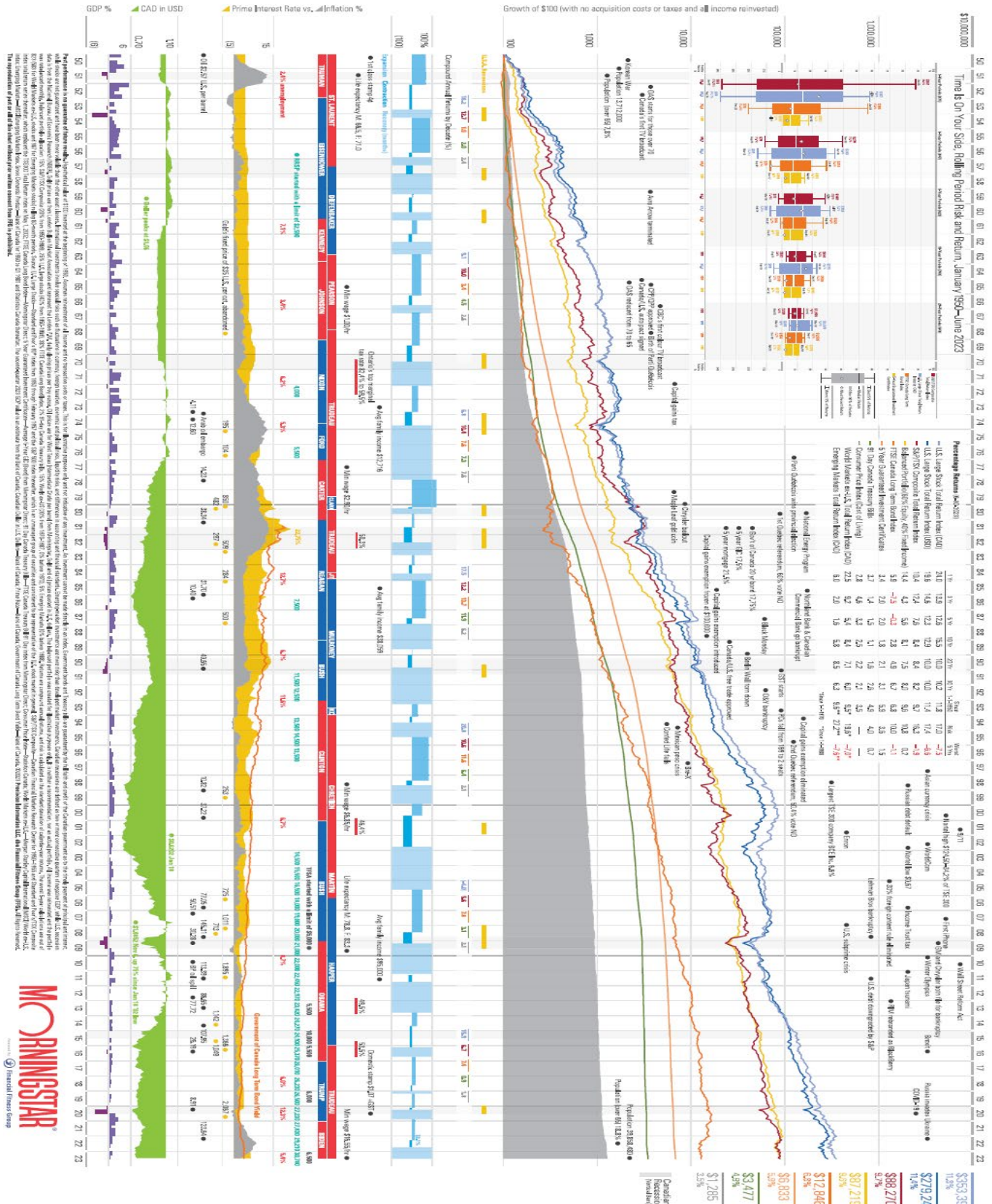
DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

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 (AUM \$1.81B). 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. MG Private Investment Management - PIM (AUM \$200M)-Discretionary portfolio 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.

RBC DS-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, Templeton.

3.MG Non-Discretionary Advisory Management (AUM \$300M)- Non-discretionary investment portfolio management.

Highlights include:

Discussion on each investment, 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 - Ted Chan

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 - Andrew Sipes and Barrington Grey

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 - Ariel-Charles Guigui

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- Prashant Patel and Bobby Hinduja

Several 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 - Karen Snowdon-Steacy

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- Niaz Dharas & Margaret Caponio

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.

What clients have to say about us

Client Testimonials & Comments

Portfolio Management comments:

“Bruce and his team have been managing our financial lives for years. Always available, never too busy for a question or to allow us to pick their brains. We recently had the experience of sitting down in their office with them to review our up-coming retirement plans. Starting with the worksheet (homework as I called it) to the preparation and presentation of the fully detailed reports it was all handled in a most professional, yet personal and informative manner. During this current turmoil caused from COVID19, we have had our melt-downs but we have always known that Bruce and Andrew and the rest of the team were there for us and managing the mysteries of the market of 2020. Thanks to all of you” - **Bill & Deb.**

“I am very grateful for all your input and guidance that you provided to us. We could not have done this without the RBC information-very grateful, very thankful” – **Elaine.**

“We value Andrew's input and advice when making our investment decisions. He is always available to answer our questions and deal with any concerns we have regarding our investments. His tax saving suggestions have also been very helpful. He is a very valuable asset to the MacKay team.” – **Frances & Paul.**

“MacKay Group Wealth Management have been our family advisers for over ten years, through a financial crisis and now a pandemic. They are a knowledgeable and capable team that have provided us with sound advice through bad markets and good. They are always pro-active and available to discuss options and markets. We are very thankful that they are our team.” -**Gail & Ken.**

“I want you to know how happy Gail and I are with the MacKay Group Wealth Management. Your hands on advice and your constant returns are very much appreciated. I sleep very well at night. Thank you. What a wonderful team of talented, knowledgeable, helpful and friendly advisors you have in your office. You should be proud. You and your team deserve a big pat on the back.” – **Paul & Gail.**

“The MacKay Wealth Management Group always provides constructive information on investments I am considering or currently hold. They are responsive and informed. As well, on three separate occasions they have provided expert help in Estate and Will matters pertaining to my investments and financial institution. I would not hesitate to recommend the MacKay Group Wealth Management to potential clients” – **Paul.**

“The MacKay Group Wealth Management has been managing my investments for over 20 years. During that time, I have benefited from their collective knowledge of the markets; they have given me sage advice to protect and grow my assets. I have found the team to be knowledgeable, approachable and responsive. I have always been able to get my questions answered; no query of mine has ever been too trivial or time consuming not to elicit a timely response from the team. In dealing with the Mackay Group Wealth Management, I have the benefit of highly personalized service backed up by the security of the Royal Bank.” – **Jay.**

Financial and Will & Estate Planning comments:

“It was a good process to go through and Ted did a great job capturing all the information and formulating it into a coherent plan” – **Susan.**

“I appreciate how thorough Ted was, and how he seemed to drill down and get a better handle on our situation. I hadn't gone into such details with the discovery process before and value how deep our group wanted to dig to ensure the projections were accurate. A great start to the relationship.” **Ray.**

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.

Administration

Shannon - Senior Associate

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?

Melissa - Associate Advisor

Senior Portfolio Administration

Is your account information up to date - including investment objectives & risk parameters, beneficiary information, monthly payment plan?

Administration & 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.

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 your 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.

Niaz Dharass, Premier Banking

Provide banking and credit solutions for our clients.

MG and RBC Foundation Charitable Gifts

Please let us know if you have a charity you would like us to support.

Charities we support in 2024 - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, 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.

