



MacKay

WEEKLY INVESTMENT REPORT

WEEK ENDING FRIDAY, NOVEMBER 24, 2017

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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 MacKay

Regulation Relief/Monetary Velocity/Unintended

Another good week for equities in CAD, US & globally. We now approach tax loss selling period – should be light this year. Ned Davis S&P 500 Sector Road Map expects overall year end equity rally.

Positives: US economy is accelerating – that’s what stocks have been telling us for months – halfway through Q4 monthly data releases show Real GDP growing at 3%+ annual rate – if it holds 3 consecutive quarters of 3%+ – last time this happened was 2004. US leads global economies – good for emerging markets. After years of smothering the growth potential of amazing technologies, the US government is finally getting out of the way – Obama & Bush regulatory state is being dismantled piece by piece and spending growth has slowed relative to GDP – tax cuts are moving through congress – monetary velocity/the speed at which money moves through the economy is picking up – anima spirits are stirring. Power of technology grows economies and entrepreneurship is alive and well in US (B Wesbury). Fed points to above trend economic growth – rate hike expected next month. OPEC hopes and declining inventories lifts sentiment towards oil – expect good earnings reports for energy sector this quarter. NAFTA negotiations remain locked in stalemate. Euro shrugged off German political certainty. Pension flows could be contributing to yield curve flattening – companies with underfunded pensions rushing to make contributions in 2017 because contributions to pension plans are tax deductible and corporations will get a larger deduction in 2017 than 2018 if tax reform happens and corporate tax rates decline – they buy long-term bonds – flows should reverse into 2018 (Bloomberg). Trump has changed the mood toward business in Washington in a positive way – upside of unintended consequences (B. Wein).

Negatives: Household debt to GDP from Bloomberg notes that household debt in emerging economies is elevated and rising – CAD is worst at 100% of GDP. Chinese markets under pressure from debt clampdown – Beijing’s efforts to curtail leverage in financial system and could dampen growth. AII Investor Bullish Sentiment rising. Bitcoin & Blockchain – CAD pension says investible and watching – uncertain the end result of this Disrupter. There is always the inevitable correction – Ned Davis S&P 500 Sector Roadmap for 2018 is a flat year. American concern about US economy are by one measure the lowest in 18 years. US poised to reinstate it’s designation of North Korea as a state sponsor of terrorism – leading to more sanctions.

Investment Wisdom: “It’s not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep for it.” - Robert Kiyosaki

PORTFOLIO MANAGEMENT-Week’s Highlights

Stock of the Days: CNR, BABA, BCE, WCN, AQN

New Issue Offerings: EF.un, CSH.un

Have a great weekend. Bruce

Exchange	23-Nov-17	YoY	MoM
S&P/TSX	16,074.30	6.6%	1.1%
DJIA	23,526.18	22.8%	0.4%
S&P 500	2,597.08	17.3%	1.1%
Nasdaq	6,867.36	27.2%	4.1%
FTSE 100 Index (UK)	7,417.24	8.6%	-1.5%
DAX Index (Germany)	13,008.55	21.7%	0.0%
Hang Seng Index (HK)	29,707.94	31.4%	5.5%
Nikkei 225 (Japan)	22,523.15	22.9%	3.3%
Shanghai 180 (China)	8,843.59	17.5%	3.8%

MacKay Weekly Investment Report Contents:

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THIS WEEK'S NOTES & QUOTES - News and Opinions Worth Repeating

The Upside of Unintended Consequences – Advisor Perspectives – Byron Wien

There are two broad macroeconomic factors that have been influencing the financial markets and the world economies positively over the past nine years. The first is the abundance of liquidity that has been provided by the major central banks: in 2008 the combined balance sheets of the Federal Reserve, the Bank of England, the European Central Bank and the Bank of Japan were \$3 trillion; they are now \$14 trillion. One quarter of this monetary accommodation found its way into the real economy, stimulating growth; three-quarters went into financial assets, inflating price-earnings ratios and keeping interest rates low. The second factor has been China's nominal growth of over 10% for the past decade. Their demand for imported goods from around the world has helped the economies of every developed country, and many undeveloped countries as well.

What could upset this applecart of favorable economic performance across the globe? I am watching eight indicators. The first is the U.S. Treasury yield curve. Right now the spread between the 2-year and the 10-year is 70 basis points positive. This is a warning area. We probably have at least a year before an inversion, if it occurs, and sometimes the market has a sharp rally when it does, but it always signals a bear market and a coming recession. We know the Federal Reserve is thinking about raising short term interest rates 25 basis points in December, so that will narrow the spread further. The second is the Leading Economic Indicator Index. This index always loses momentum a year or two before a recession is upon us. It is strongly positive now. Related to this are corporate earnings, which are increasing sharply now. When year-over-year comparisons become less favorable, it is a warning signal. Inventories should be watched. Usually before a recession they are increasing as orders decline. Watch investor sentiment. Right now investors are optimistic, but not euphoric. Individual investors have not yet embraced the market with enthusiasm. That usually happens before the end. While the Federal Reserve is poised to raise rates, it has not been in an aggressive tightening posture. That usually happens because inflation is increasing virulently, but inflation is tame now. Average hourly earnings are a good way to keep tabs on inflation. They are increasing at an annual rate of about 2.5% now. The danger point occurs at 4%, and we are nowhere near that now.

... <https://www.advisorperspectives.com/commentaries/2017/11/22/the-upside-of-unintended-consequences>

A Reality Check on Stock-Market "Anomalies" – Wall Street Journal – Wesley Gray

Investors looking to take advantage of "anomalies" in the stock market may want to read this first.

Three academics have been making waves in the investing community with a paper published earlier this year that challenges much of the research out there about market "anomalies." In the paper, "Replicating Anomalies" Lu Zhang and his colleagues, Kewei Hou and Chen Xue, spent nearly three years compiling and replicating 447 market anomalies identified in academic literature.

Their takeaway, as a recent WSJ article nicely summarized: "Most of the supposed market anomalies academics have identified don't exist, or are too small to matter."

To be sure, the paper is so dense we even created a blog post that outlines, "How to read the Lu Zhang paper." But what is inside is of great value to everyday investors.

In fact, this paper will make you question deeply held investment beliefs. For example, do you believe, like many investors do, that searching for high-dividend yielding stocks is a sound approach for generating higher returns? Think again. ...

<https://blogs.wsj.com/experts/2017/11/05/a-reality-check-on-stock-market-anomalies/>

Business Lessons from Ben Thompson of Stratechery – 25iq – Tren Griffin

Ben Thompson is the founder of the subscription newsletter Stratechery. He previously worked at Apple, Microsoft, and Automattic, where he focused on strategy, developer relations, and marketing. I love the way he thinks and writes. I always look at something in a new way after I read his writing. Thompson has said about the nature of his work: “I don’t think there are enough writers talking about how things work from an economics or business perspective. I try to ask ‘Why do businesses do what they do?’”

1. “Zero distribution costs. Zero marginal costs. Zero transactions. This is what the Internet enables, and it is completely transforming not just technology companies but companies in every single industry.”
“Aggregation Theory is a completely new way to understand business in the Internet age.”

Aggregators create platforms, which are a type of “multi-sided market,” which I have written about before on this blog. Multi-sided markets bring together two or more interdependent groups who need each other in some way. Uber, Lyft, eBay, and Airbnb are examples of a multi-sided market, which are sometimes called platforms. Each of the four businesses I just mentioned is also an aggregator. Every aggregator operates a platform, but not all platforms are aggregators. ...

<https://25iq.com/2017/11/18/business-lessons-from-ben-thompsons-stratechery/>

The Emerging Markets Performance Cycle – A Wealth of Common Sense – Ben Carlson

Emerging-market stocks are quietly having a huge year. Through mid-September the iShares MSCI Emerging Markets ETF, known as EEM, is up more than 31 percent, outpacing gains in both U.S. and foreign developed markets, which are up 13 percent and 19 percent, respectively.

If you’ve been a long-term holder in emerging markets, this year’s gains have felt like they were a long time coming. Total returns in EEM from 2008 to 2016 were minus 16 percent. In that same time, the S&P 500 was up almost 85 percent. Before rallying double digits in 2016, emerging-market stocks were in negative territory in four out of five years beginning in 2011. Looking a little further back, you can see the MSCI Emerging Markets Index is currently in a lost decade in terms of price performance: ...

<http://awealthofcommonsense.com/2017/11/the-emerging-markets-cycle/>

A Case Against Overweighting International Equity – Think NewFound – Corey Hoffstein

- We’ve read a number of outlooks and commentaries lately from firms arguing for investors to take a tactical tilt away from U.S. equities and towards International equities.
- The logic behind this tilt is largely driven by relative valuations: international equities appear significantly cheaper than U.S. equities based on most valuation metrics.
- In this commentary, we discuss why such a valuation-driven argument can be dangerous as the sole basis for a tactical tilt. ...

<https://blog.thinknewfound.com/2017/11/case-overweighting-international-equity/>

This Company’s Robots Are Making Everything – and Reshaping the World – Bloomberg – Joshua Hunt

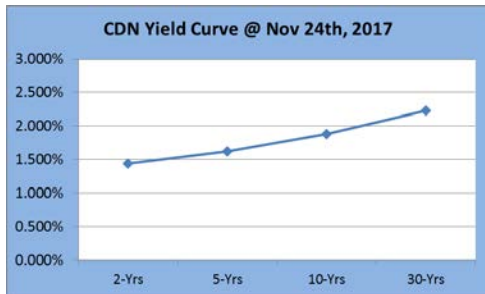
The headquarters of Fanuc sit in the shadow of Mt. Fuji, on a sprawling, secluded campus of 22 windowless factories and dozens of office buildings. The grounds approach the lower slopes of Japan’s most famous peak, encircled by a dense forest that Fanuc’s founding CEO, Seiueemon Inaba, planted decades ago to shield the company’s operations from prying eyes – an example of the preoccupation with secrecy that once led Fortune to compare him to a bond villain. ...

<https://www.bloomberg.com/news/features/2017-10-18/this-company-s-robots-are-making-everything-and-reshaping-the-world>

CANADIAN MARKETS

I. Canadian Fixed Income

Benchmark Canada Government Bonds



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
- High Yield Mortgage Funds

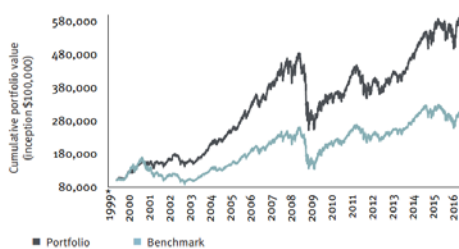
II. MG Top Holdings and RBC DS Winter CDN 2017 Focus List

TD Bank, Royal Bank, Bank of Nova Scotia, National Bank, Bank of Montreal, Brookfield Asset Management, Intact Financial, Brookfield Property Partners, Rogers, Restaurant Brands, Magna International, Dollarama, Alimentation Couche-Tard, CN Rail, CP Rail, Toromont, Waste Connections, Air Canada, Canadian Natural Resources, Suncor, Vermilion, Pembina, TransCanada, Agrium, Franco-Nevada

Plus MG Favs: CAP REIT, REF.un, Plaza Corp, Manulife, Fortis Inc, Hydro One, BCE Inc, Canadian Tire, Dollarama, Crescent Point, GLD.

RBC Canadian Focus List Performance

Historical total return since inception to May 31, 2016



Research Publications (available upon request)

- RBC CM 2017 Look-Ahead: CDN Equities
- RBC Strategy CDN Focus List: Winter 2017
- RBC CM FEW Portfolio - Winter 2017
- RBC CM CDN Sm Cap Conviction List - Wtr'17

III. News We Recommend On Our CDN Holdings

Market prices as of market close on Nov 23rd, 2017

Dollarama (DOL)

Minter: Growth outlook, Competitive Moat

Ranking: **Outperform (RBC CM)**

Price: \$160.14 CAD - Target: \$161.00 CAD

Metro Inc (MRU)

Peckish: Q4 Solid but Not Quite Enough to Support Valuation, Downgrading

Ranking: **Sector Perform (RBC CM)**

Price: \$40.00 CAD - Target: \$44.00 CAD

Premium Brands Holdings Corp (PBH)

Paying a Premium for Growth

Ranking: **Outperform (RBC CM)**

Price: \$106.66 CAD - Target: \$118.00 CAD

Alimentation Couche-Tard (ATD'b)

Perfect Storm: Q2 will be Messy

Ranking: **Outperform (RBC CM)**

Price: \$63.81 CAD - Target: \$80.00 CAD

Cenovus Energy (CVE)

Alex Pourbaix - Positive First Impressions

Ranking: **Outperform (RBC CM)**

Price: \$12.45 CAD - Target: \$15.00 CAD

TransCanada Corp (TRP)

KXL Decision is a Nice Positive for the Stock

Ranking: **Outperform (RBC CM)**

Price: \$62.91 CAD - Target: \$76.00 CAD

Pure Multi-Family REIT (RUF.un)

Poised for a Rebound in 2018

Ranking: **Outperform (RBC CM)**

Price: \$8.00 CAD - Target: 8.60 CAD

Stock of the Day Picks this Week:

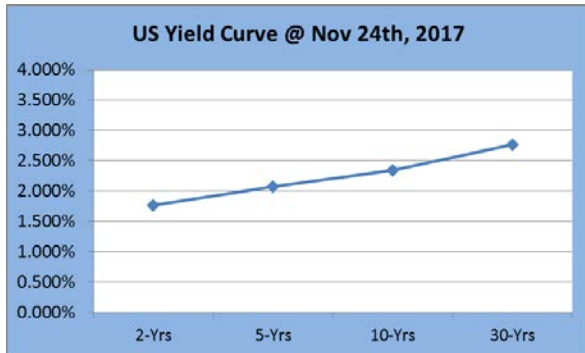
- Prepared by Ryan

- Canadian National Railway (CNR)
- BCE Inc (BCE)
- Waste Connections (WCN)
- Algonquin Power (AQN)

INTERNATIONAL MARKETS

I. US Fixed Income

Benchmark USA Government Bonds



MG US Fixed Income Top Holdings include

- Government & Corporate Bonds
- High Yield Open & Closed Funds
- Rate Reset/Fixed Floater Preferreds
- SPDR Barclays High Yield Bond (JNK) **Yield 5.7%**
- iShares Mortgage Plus Index (REM) **Yield 8.8%**

II. MG Top Holdings and RBC DS Fall '17 Equity Focus List

PNC Financial, JP Morgan, US Bancorp, Verizon, Yum Brands, Amazon, Nike, Johnson & Johnson, UnitedHealth Group, Thermo Fisher, Costco Corp, Kraft Heinz, Union Pacific, Honeywell, 3M Co, Equifax, Alphabet Inc, Apple Inc, Mastercard, Microsoft, Facebook, Ecolab, EOG Resources
Plus MG Favs: Berkshire Hathaway, Bank of America, Visa, Boston Properties, Toll Brothers, Verizon, Apple, Starbucks, Procter & Gamble, Wal-Mart, and Johnson & Johnson.

MG Top ADR Holdings and RBC DS Fall 2017

ADR Focus List

Honda Motor Co, WPP Plc, Diageo, Unilever, China Petroleum & Chem Corp, Eni SpA, Royal Dutch Shell, Barclays, HSBC Holdings, INCG Groep, Prudential PLC, Wespac Banking Corp, Fresenius Medical Care, Sanofi, Teva Pharmaceutical, AerCap Holdings, Nice Systems, SAP SE, BP Billiton, LyondellBasell Industries, BT Group, China Unicorn

Research Publications:

- RBC GAM - Global Investment Outlook
- RBC CM - Top 30 Global Ideas for 2017

III. News We Recommend on our Intl Holdings

Market prices as of market close on Nov 23rd, 2017

Netflix (NFLX)

Updating the Long Thesis: The Strangest Thing

Ranking: **Outperform (RBC CM)**

Price: \$196.32 USD - Target: \$250.00 USD

Dollar Tree (DLTR)

With MSD Dollar Tree Comps and ~60% Family Dollar EBIT\$ Growth, This Story has Legs

Ranking: **Top Pick (RBC CM)**

Price: \$99.77 USD - Target: \$111.00 USD

Medtronic PLC (MDT)

CVG Growth Accelerates, led by CSH; FY18 Guidance Remains in Place

Ranking: **Outperform (RBC CM)**

Price: \$82.34 USD - Target: \$85.00 USD

US Banks - Dissecting the Top 20 Banks

Focus on profitability, RC CM examines the components of profitability at the top 20 US banks using 3Q17 data. Please contact our office if you would like a copy of this report.

Raytheon Company (RTN)

IDS Visit Highlights Attractive Competitive Position in Radar/Missile Defense

Ranking: **Outperform (RBC CM)**

Price: \$185.46 USD - Target: \$225.00 USD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Alibaba Group (BABA)

MUTUAL FUNDS Closed/Open- Top Holdings

Canadian Fixed Income

Canso Credit Income
Dynamic Strategic Yield
Atrium Mortgage Fund
Ridgewood Investment Grade Fund

Canadian Equity

Fidelity - CDN Large Cap/Growth/Special Opp
Mackenzie - Ivey CDN / Cundhill
Middlefield - CDN Dividend Growers/REIT Plus
Franklin Templeton - Bissett CDN Div/CDN Equity
RBC -CDN Div/CDN Equity/ O'Shaughnessy
Dynamic - Strategic Yield
Jarislowsky - Select CDN Div
Trimark - CDN

US Fixed income

Franklin High Yield
Fidelity American High Yield
Annaly Capital (NLY)

US Equity

Fidelity - American Eq/Small Cap American/Euro
Mackenzie - US Mid-Cap
Middlefield - US Div Growers / American Core
Franklin Templeton - Growth
RBC - NA Value
Dynamic - Strategic Yield
Trimark - Trimark /Fund

GLOBAL Equity

Fidelity - Global Div/Monthly Income
Mackenzie - Ivey Foreign
Middlefield - Health Care/Global Div Growers
Franklin Templeton - Growth / Intl
RBC - Global Fund / Int. Div G
Dynamic - Global Value
Trimark - Global

2017 Flow Through Share Offerings

Discovery 2017 Flow Through

ETFS - Top Holdings

Canada - Fixed Income

Bonds - XBB, XCB, XGB
Preferred Shares - CPD, PSF.UN

Canadian 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 Sectors - iShares TSX Financials, iShares TSX REITs, BMO Equal Weight Utilities, iShares TSX Info Tech, iShares TSX Energy, iShares TSX Materials

US - Fixed Income

US Bonds - XIG, TLT,
US Preferred Shares - PFF

US 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 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, iShares Energy Index, DJ Basic Materials Index, iShares Homebuilders Index, Market Vectors Jnr Gold Miners

GLOBAL Equity

China ETF, Europe ETF, Germany ETF, India ETF, iShares Emerging Mkts, iShares International Dividend

FAVOURITE CHARTS

Long-term market cycles 1925–2017

\$SPX S&P 500 Large Cap Index: INDX
30-Jun-2017

© StockCharts.com

This chart shows the long-term secular trends of the stock market that can be in place for many years, with the approximate 16-year periods for both the growth and bearish periods taking about one generation to complete the whole cycle. This makes it difficult to see or imagine the long-term trends that form these very long periods. Generally, the economic growth, stock earnings, and the sentiment are mixed but improving overall in the early stages of the growth periods, and then tend to accelerate later in the cycle when the improvements become more evident to the majority of investors.

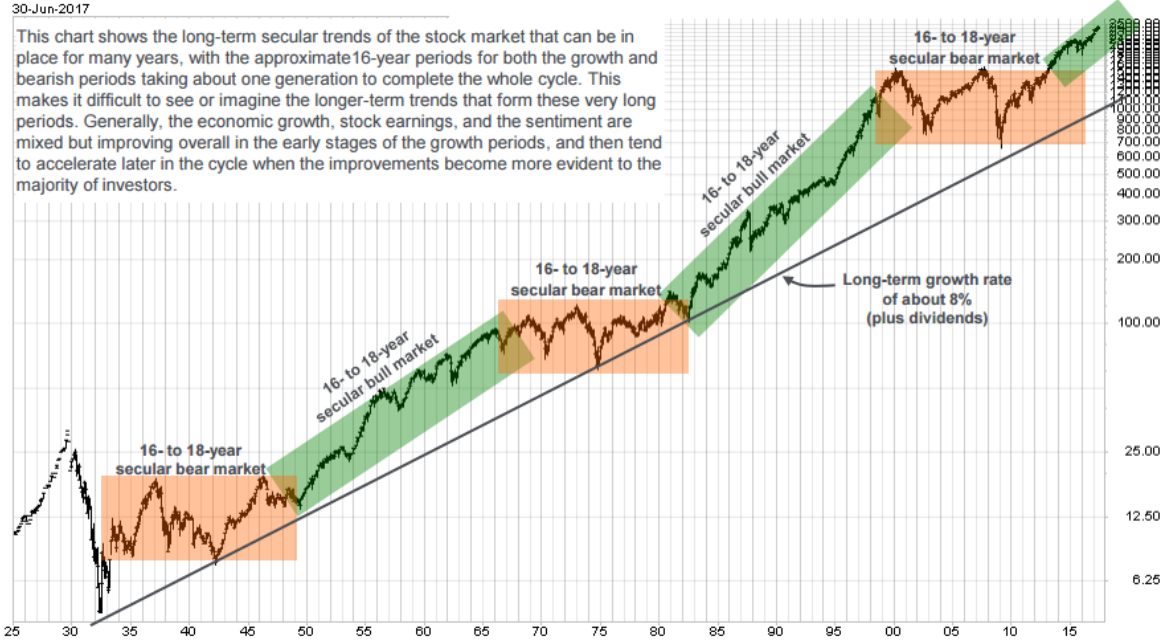


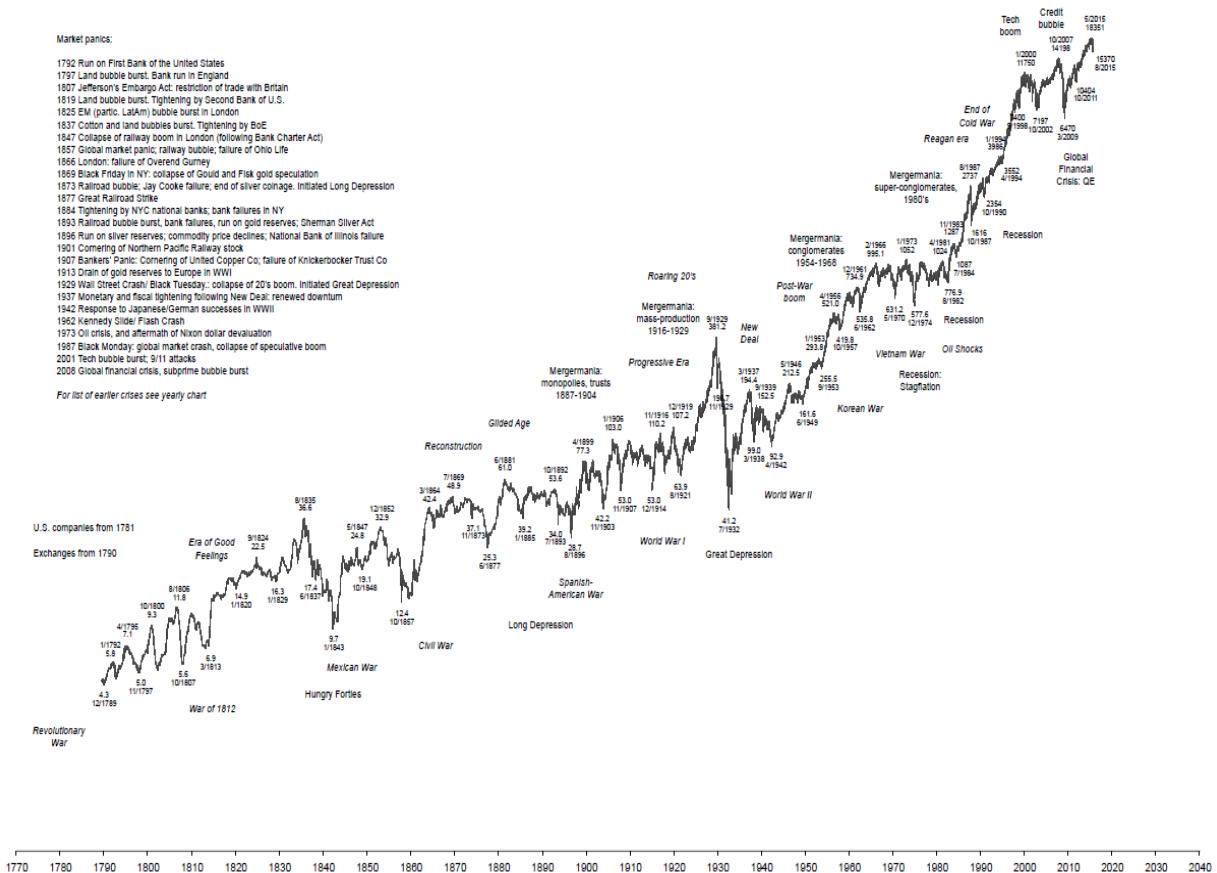
Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results

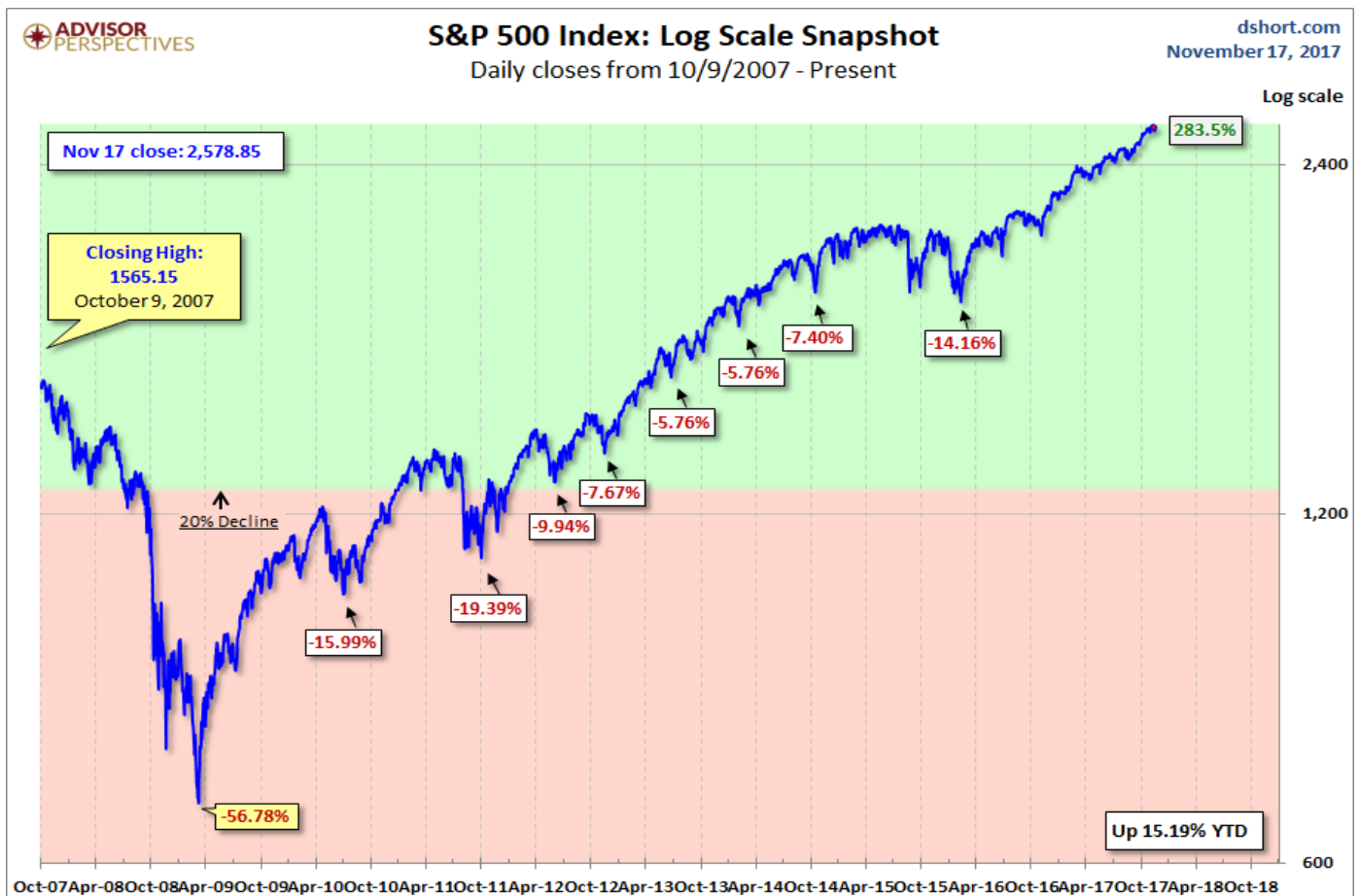
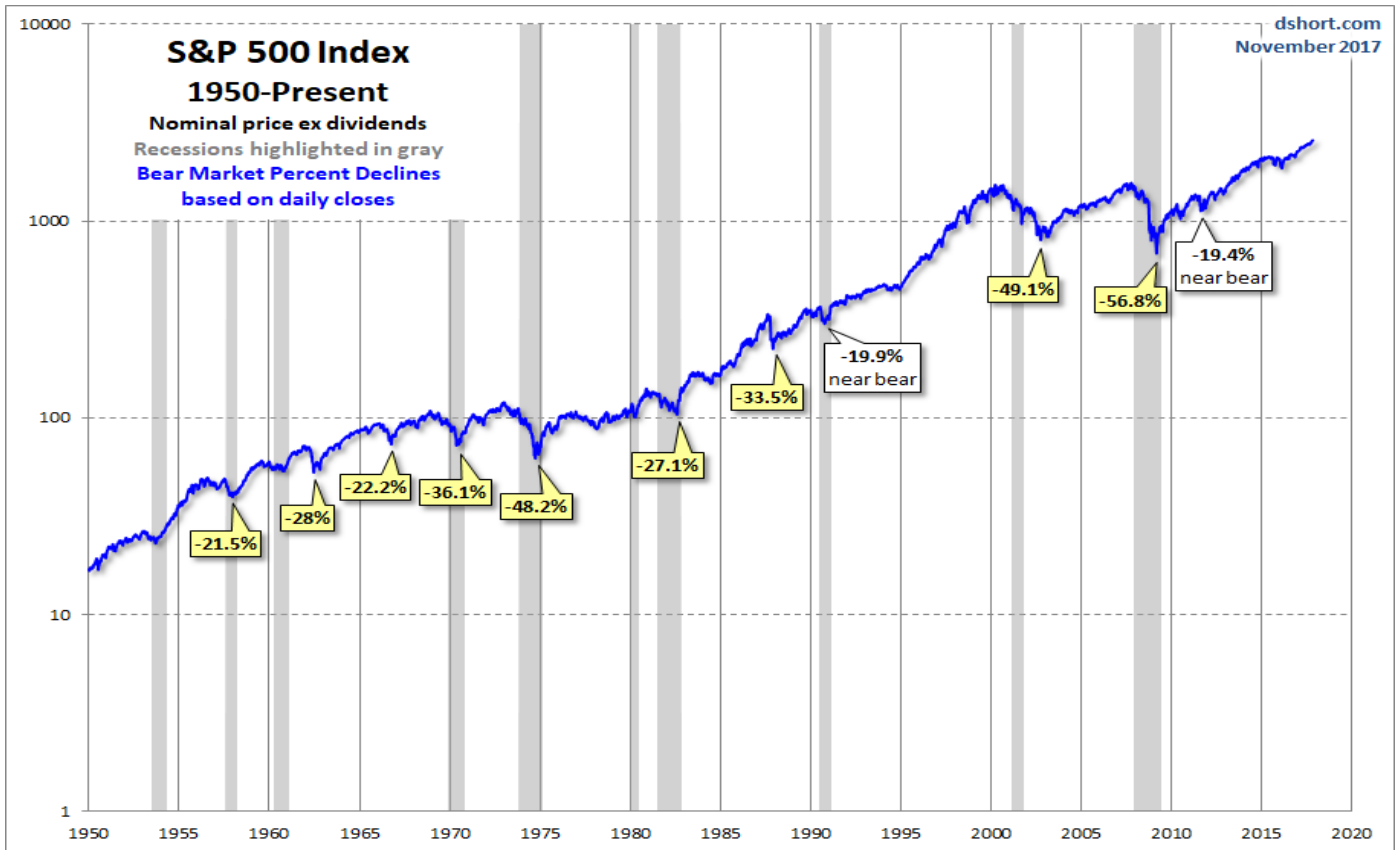
Dow Jones Industrial Average - 1789 to Date

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 (partic. L&Am) bubble burst in London
- 1837 Cotton and land bubbles burst, Tightening by BoE
- 1847 Collapse of railway boom in London (following Bank Charter Act)
- 1857 Global market panic; railway bubble, failure of Ohio Life
- 1866 London: failure of Overend Gurney
- 1869 Black Friday in NY: collapse of Gold and Plak gold speculation
- 1873 Railroad bubble: Jay Cooke failure; end of silver coinage, Initiated Long Depression
- 1877 Great Railroad Strike
- 1884 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 Coming of Northern Pacific Railway stock
- 1907 Bankers' Panic: Coming 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's boom, Initiated Great Depression
- 1937 Monetary and fiscal tightening following New Deal: renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1962 Kennedy Silver 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

For list of earlier crises see yearly chart



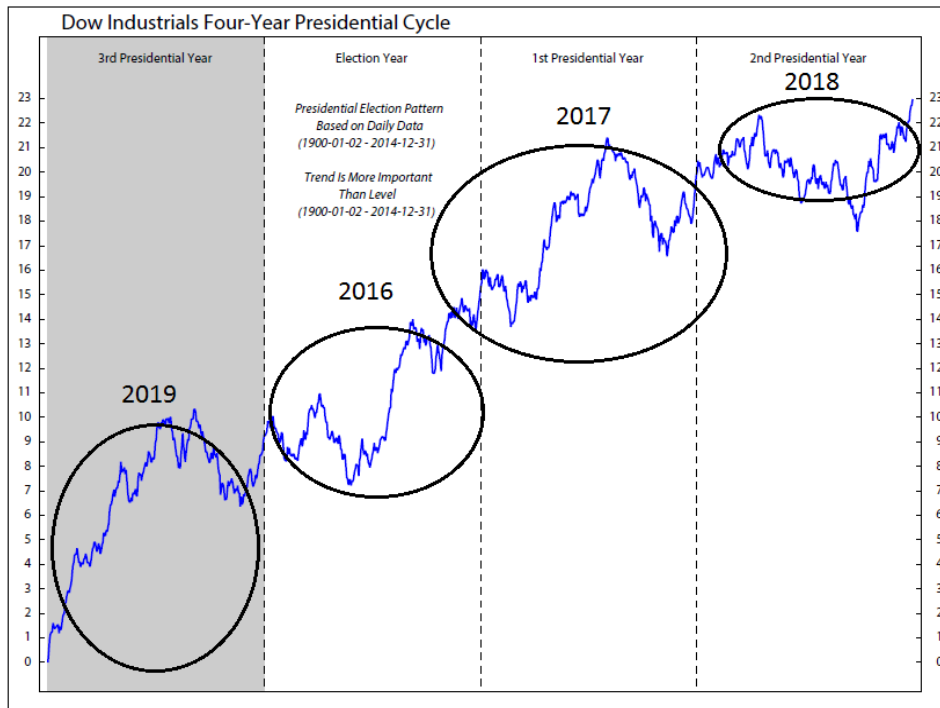




Technical Update

Portfolio Advisory Group

Top of the range. The Dow Industrials and S&P poked up to marginal new highs on Tuesday, while the Tech-heavy NASDAQ scored a new high by nearly a 1% margin. The small-cap stock indexes have also been performing well over the past several trading days, and this year's laggards of Energy and retailers are continuing their underperforming trends. Not much is changing in the overall trend, with the widely-anticipated correction continuing to be delayed. We recommend staying with your plan and resisting the lure to buy the stocks that are falling on disappointing news, and at the same time be vigilant about protecting the gains in those stocks that have made unusually strong moves to the upside.



AAII		American Association of Individual Investors		
Reported Date	Bullish	Neutral	Bearish	
November 23:	35.49%	35.49%	29.01%	
November 16:	29.35%	35.43%	35.22%	
November 9:	45.10%	31.82%	23.08%	
November 2:	45.05%	26.37%	28.57%	
October 26:	39.64%	27.33%	33.03%	
October 19:	37.93%	34.14%	27.93%	
October 12:	39.77%	33.33%	26.90%	

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 Account
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),
Option Strategies, Tax assisted investments

COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES

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
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively
- Taxation of the corporation at death and more.

Also:

- Business planning
- Estate planning
- Children's education and inheritance
- Family trusts for disabled dependents
- Retirement planning

2. Insurance Planning

Andrew Sipes – As estate planning specialists, 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
- Insured Retirement Plan (IRP)
- 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 – 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

Greg Woolston – 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
- Financial security and peace of mind to elder Canadians who require assistance in the management of their affairs as they grow older
- 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

THE MACKAY GROUP NEWS

Bruce's Comments

Is it time for a Financial Checkup?

Tax rates are increasing, financial solutions are evolving and RBC's suite of services has expanded to meet our clients' needs. We'll review your investment portfolios and introduce you to our expanded team of Wealth Management professionals and the full range of services we offer.

Andrew's Portfolio Managements Comments

We continually monitor your investments. Our objective is your objective - to maximize your returns given your risk parameters. We have a wide range of investment choices available for you. Just look at our MG weekly Focus List.

Harry's Discretionary Managements Comments

I help the team manage Discretionary Investment accounts. Glad to talk to you about the advantages of this portfolio management program. Also, will be managing clients TFSA's to maximize returns.

Ryan Research and PM Comments

I focus on research, MG Weekly & Daily Stock of the Day. For over 5 years, we have sent these well researched reports. Returns have been very impressive - I can send you our track record. I can also provide target & rank analysis on your investments.

Kristi's Wealth Management Comments

Would you like a Financial Plan, Will & Estate Consultation and Insurance review? We can also provide you RBC banking, private banking and mortgage lending assistance.

Melissa's Administration Comments

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

Suzanne's Admin and Charities Comments

Will provide clients with custom investment portfolio reports which include rates of returns, tax reporting and income projections. Help clients support their favorite charity with RBC foundation.

Our Mission

"To provide our clients superior investment advice, products and service at RBC Wealth management Dominion Securities since 1981."

Bruce MacKay, BA, HBComm, CIM

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Harry Sale, BA, Associate Wealth Advisor

Ryan MacKay, BA, Research & Associate Advisor

**Kristi MacKay, MBA, Business Development &
Associate Wealth Advisor**

Melissa Crawford, BA, Admin. & Associate Advisor

Suzanne Reid-Skidmore, BA, Associate Advisor

Estate + Financial Planning Advisors

Ted Chan, Financial Planner

Ariel-Charles Guigui, Will and Estate Consultant

Prashant Patel, Tax Consultant

Andrew Sipes, Estate Planning Specialist

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MacKay Group & RBC Foundation

We have contributed \$500,000+ over the years. Charities we support in 2017 - Jewish National Fund, Canadian Wildlife Federation, Canadian Civil Liberties, Toronto Public Library Foundation, ABC Life Literacy, Prostate Cancer Research, Canadian Canoe Museum, Erin Oak Kids, Trillium Hospital Foundation, CAMMAC, JVS Toronto, Operation Walk, Kids Cops & Computers, Ontario Track III, Camp Winston & The Barth Foundation.

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