



MacKay

WEEKLY INVESTMENT REPORT

WEEK ENDING FRIDAY, FEBRUARY 2, 2018

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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.

Volatility Returns/Clear Skies Ahead/S&P 500 Tgt

Rocky equity markets this week as volatility returns. We have seen a lot of good news over past few months – perhaps a break for a while. Correction?

Positives: Income producing stocks still place to be – P/E's climbing – they deserve to be as earnings expected to be great this year – US 10 year of 3.25% is where we dreamed of years ago – S&P 500 dividend yield is 1.75% and bonds 2X will give equities time to pause – Europe & Asia should outperform US as they have lower P/E (J. Siegel). US Friday's GDP report showed economy grew 2.5% in 2017, an acceleration from average 2.2% from 2009 to 2016 - core US GDP grew 4.6% annual rate, up from 3.3% in 2017. Asset values soared in 2017 as investors' anticipated better economic policies – S&P 500 up \$3.7 Trillion – US owner occupied real estate up \$1.5 Trillion. Stock market capitalized profit model still says stock market is undervalued and price-to-rent ratio for residential real estate is near the long-term norm, not widely overvalued like 2005. Tax cuts in US raise after-tax income - \$189 billion - extra growth from extra income (B. Wesbury). AAI Investor Bullish Sentiment dropping to 44% - its typical range. Economic indicators and prospects for earnings growth remains very strong and technically our technicians agree 8-year bull market remains intact. 2018 US equity market outlook – keep calm and carry on – believe US equities in the later stages of bull market – no imminent signs of recession or crisis – S&P 500 3,000 target (12% gain potential) driven by M&A deals and cash deployment, revisions/earnings, economy + policy + retail money flows. Fed stays the course – Fed's rate setting committee held the target range of short-term rates steady at 1.25% + 1.50% & characterized the US labour market household spending &

business investment conditions as solid.

Negatives: FOMO (Fear of Missing Out) theme built among investors. US personal savings rate drop to 2.6% in Q4, lowest since 2005 – does that mean rising debt concerns? Dollar value of share repurchases down. Corporate borrowers start to feel the effect of higher rates. Is US housing getting too hot again (Bloomberg)? London's bankers haven't been this gloomy since 2008 (Bloomberg). Once hot Toronto housing its deep freeze as lending rules bite (Bloomberg). Citi Economic Surprise Index – rate at which data exceeds analyst's expectations has started to fall after reaching a five year high in Dec. Speculation – cryptocurrencies & marijuana stocks correcting. China PMI declined to 51.3 in Jan from 51.6 in Dec. Trump's State of Union – a non-event?

Investment Wisdom: "Hard choices, easy life. Easy choices, hard life." – Jerzy Gregorek

PORTFOLIO MANAGEMENT-Week's Highlights

Stock of the Days: PNC, BCE, CNQ, OTEX, AMZN

New Issues: SJ, PLZ.un, SIA, MRG.un

Have a great weekend .Bruce

Exchange	01-Feb-18	YoY	MoM
S&P/TSX	15,860.92	3.0%	-3.1%
DJIA	26,186.71	31.7%	5.1%
S&P 500	2,821.98	23.7%	4.0%
Nasdaq	7,385.86	31.0%	4.5%
FTSE 100 Index (UK)	7,490.39	4.9%	-2.4%
DAX Index (Germany)	13,003.90	11.8%	0.2%
Hang Seng Index (HK)	32,642.09	40.8%	6.8%
Nikkei 225 (Japan)	23,486.11	24.2%	-0.1%
Shanghai 180 (China)	9,265.13	25.1%	5.0%

MacKay Weekly Investment Report Contents:

Page 1 - How I see It, Pages 2 & 3 - Notes and Quotes, Page 4 - CDN Mkts, Page 5 - Int'l Mkts, Page 6- Funds & ETFs, Page 7-9 – Favourite Charts, Page 10 – MacKay Group Portfolio Management Page 11 – Comprehensive Wealth Management Page 12 – MacKay Group News & Events

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

Why Markets Love Trump's Tax Cuts – Bloomberg – Barry Ritholtz

Here we go again.

It has barely been a month since the Tax Cuts and Jobs Act of 2017 passed. Despite a volley of criticism over the bill, Mr. Market has voted with his feet. The U.S. equity rally since then has been substantial -- so much so that many market observers seem fixated on negative issues such as valuation, the speed of the run-up, and why a bad ending is inevitable.

This smells to me like one of the most expensive errors investors can make: allowing partisan political views to creep into investment decisions. Experience teaches us that emotions -- and these play a large role in shaping our political views -- are not your friends when it comes to putting money to work in capital markets.

Market historians can point to multiple examples of this during the past few decades. Some of the most egregious investing errors began with a partisan (and therefore emotional) underpinning. Consider these four historical scenarios, and how they affected some investors at the time: ...

<https://www.bloomberg.com/view/articles/2018-01-29/why-markets-love-trump-s-tax-cuts>

How over 46,000 wealthy immigrants took a back door into Vancouver and Toronto's housing markets – Global News – Jesse Ferreras

Over 46,000 wealthy immigrants took a back door into Vancouver and Toronto's housing markets over the past three decades, according to custom Census data obtained exclusively by Global News.

That back door is the Quebec Immigrant Investor Program (QIIP). Established in 1986, it offers permanent residency to international business people with net assets of at least \$1.6 million, who make an interest-free investment of \$800,000 in la belle province – and the government returns their money after five years.

Applicants are supposed to settle in Quebec. But data shows just how many of them have ended up elsewhere – leaving Quebec with their investments, other provinces with their health care bills, and cities with flows of foreign capital that have been linked to soaring home prices. ...

<https://globalnews.ca/news/3886743/quebec-immigrant-investor-program-vancouver/>

Amazon Go and the Future – Stratechery – Ben Thompson

Yesterday the Amazon Go concept store in Seattle opened to the public, filled with sandwiches, salads, snacks, various groceries, and even beer and wine (Recode has a great set of pictures here). The trick is that you don't pay, at least in person: a collection of cameras and sensors pair your selection to your Amazon account – registered at the door via smartphone app – which rather redefines the concept of “grab-and-go.”

The economics of Amazon Go define the tech industry; the strategy, though, is uniquely Amazon's. Most of all, the implications of Amazon Go explain both the challenges and opportunities faced by society broadly by the rise of tech.

THE ECONOMICS OF TECH

This point is foundational to nearly all of the analysis of Stratechery, which is why it's worth repeating. To understand the economics of tech companies one must understand the difference between fixed and marginal costs, and for this Amazon Go provides a perfect example.

<https://stratechery.com/2018/amazons-go-and-the-future/>

The Mysterious Private Company Controlling Corporate America – Institutional Investor – Michelle Celarier

The vote was still 13 days away, but Mick McGuire knew he was going to lose. McGuire, who got his start at Bill Ackman's activist hedge fund Pershing Square Capital Management before launching his own firm in 2010, is one of the most aggressive shareholder activists to explode onto the scene during the post-financial-crisis bull market. In little more than seven years, he has taken activist stakes in 22 companies. Last year he waged proxy battles – heated contests over board seats that can change a company's future – with two of them.

But on December 1 he got some horrible news: Institutional Shareholder Services, the privately owned proxy adviser whose recommendations can make or break a deal, released its much-anticipated report. Over 33 pages, ISS advised investors in Ugg boot-maker Deckers Outdoor Corp. – where McGuire had acquired an 8.4 percent stake – to vote for the board of directors recommended by the company's management and not the hedge fund's.

For months McGuire's Marcato Capital Management had been waging a proxy war with the California company, even suing Deckers for postponing the shareholder meeting. Marcato initially put up a ten-person director slate hoping to topple Deckers' entire board at the shareholder meeting scheduled for December 14. The plan was ambitious – even audacious.

For ISS, it wasn't good enough. While endorsing three of Marcato's proposed directors even as it recommended voting a management slate, ISS wrote that Marcato "could not meet the requirements of ISS's framework . . . involving a possible change of boardroom control." ...

<https://www.institutionalinvestor.com/article/b16pv90bf0zjb8/the-mysterious-private-company-controlling-corporate-america>

China Looks to the Dumb Money for Its Financial Industry – Bloomberg – Noah Smith

On Nov. 10, Vice Finance Minister Zhu Guangyao announced changes in the rules limiting foreign ownership of Chinese financial companies. Foreign investors will now be allowed to take controlling interests in Chinese securities firms, insurance companies, asset managers and futures traders. Banks may soon follow.

That sounds like a move toward greater openness for the world's biggest economy. If so, it would run exactly counter to the recent trend of increased Chinese protectionism and economic nationalism. Why would China open its financial system to foreign investment even while it slowly closes off its consumer markets? I suspect that this move toward openness and globalization might not be all that it appears.

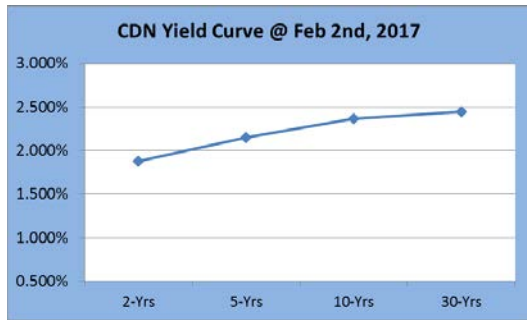
China's financial system has been on shaky ground for at least two years now. The root cause is a cooling of the country's rapid economic growth: ...

<https://www.bloomberg.com/view/articles/2017-11-20/china-looks-to-the-dumb-money-for-its-financial-industry>

CANADIAN MARKETS

I. Canadian Fixed Income

Benchmark Canada Government Bonds



MG Canadian Fixed Income Top Holdings

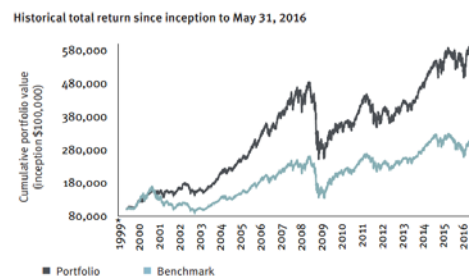
- Government & Corporate Bonds
- Convertible Debentures
- High Yield Open End & Closed End Funds
- Rate Reset/Fixed Floater Preferreds
- Perpetual Preferreds
- High Yield Mortgage Funds

II. MG Top Holdings and RBC DS Winter CDN 2018 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



Research Publications (available upon request)

- RBC CM 2018 Look-Ahead: CDN Equities
- RBC Strategy CDN Focus List: Winter 2018
- RBC CM FEW Portfolio - Winter 2018
- RBC CM CDN Sm Cap Conviction List - Wtr'18

III. News We Recommend On Our CDN Holdings

Market prices as of market close on Feb 1st, 2017

Open Text (OTEX)

Ranking: **Documentum Delivers, Raising Target**

Price: \$45.45 CAD - Target: \$56.00 CAD

Canadian Natural Resources (CNQ)

The Whole Package

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

Price: \$42.49 CAD - Target: \$52.00 CAD

Loblaw Companies Ltd (L)

A New Rx for Canada: Generic Drug Price Agreement Removes Uncertainty

Ranking: **Outperform (RBC CM)**

Price: \$65.38 CAD - Target: \$84.00 CAD

Metro Inc (MRU)

Second Course: Focus Turns to PJCC Closing, Min Wage Impact and CPI Outlook for 2018

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

Price: \$40.04 CAD - Target: \$44.00 CAD

Thomson Reuters Corp (TRI)

Blackstone to Acquire 55% of the F&R Business

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

Price: \$53.02 CAD - Target: \$59.00 CAD

The Bank of Nova Scotia (BNS)

All Bank Investor Day - All Good

Ranking: **Outperform (RBC CM)**

Price: \$80.54 CAD - Target: \$91.00 CAD

Stock of the Day Picks this Week:

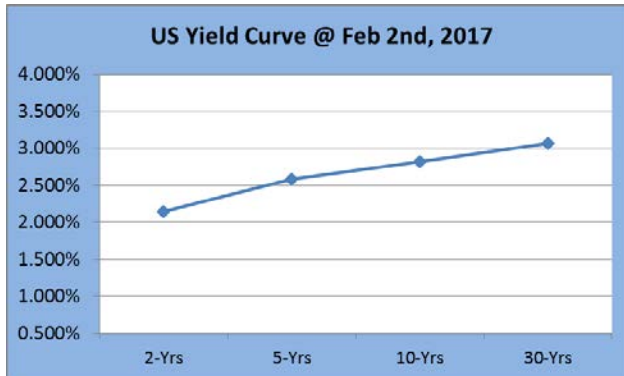
- Prepared by Ryan

- BCE Inc (BCE)
- Canadian Natural Resources (CNQ)
- Open Text Corp (OTEX)

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 5.6%**
- iShares Mortgage Plus Index (REM) **Yield 10.83%**

II. MG Top Holdings and RBC DS Winter '18

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 Winter 2018

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 2018

III. News We Recommend on our Intl Holdings

Market prices as of market close on Feb 1st, 2017

Microsoft Corp (MSFT)

Soup to Nuts, Cloud to Edge

Ranking: **Outperform (RBC CM)**

Price: \$94.26 USD - Target: \$105.00 USD

Facebook Inc (FB)

Jumping Over Walls

Ranking: **Outperform (RBC CM)**

Price: \$193.09 USD - Target: \$250.00 USD

Thermo Fisher Scientific (TMO)

4Q17 Review: Thermo is the One Who Knocks... +8% Organic Easily Exceeds High Expectations, While '18 Set Up Looks Strong

Ranking: **Outperform (RBC CM)**

Price: \$222.36 USD - Target: \$250.00 USD

The Boeing Co (BA)

Cash Flow Topping Recently Raised Expectations

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

Price: \$356.94 USD - Target: \$378.00 USD

Mondelez International (MDLZ)

Good to be Global

Ranking: **Outperform (RBC CM)**

Price: \$45.87 USD - Target: \$52.00 USD

McDonalds Corp (MCD)

Raising the Bar for Competitors

Ranking: **Outperform (RBC CM)**

Price: \$171.90 USD - Target: \$190.00 USD

Lockheed Martin (LMT)

Solid 4Q7 Rev Beat and Higher 3-Yr Crash Outlook Despite Increased Pension Funding

Ranking: **Outperform (RBC CM)**

Price: \$357.38 USD - Target: \$386.00 USD

Stock of the Day Picks this Week:

- Prepared by Ryan

- PNC Financial (PNC)
- Amazon Inc (AMZN)

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

MRF 2018 Flow Through
CMP 2018 Flow Through
Ninepoint 2018 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

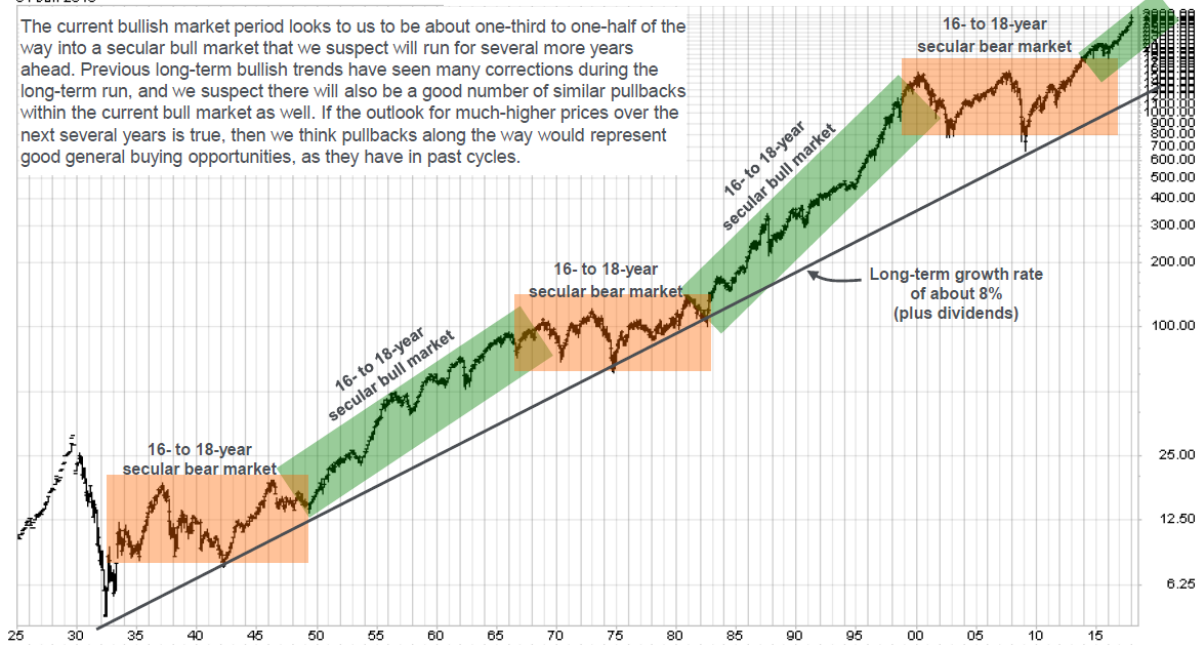
FAVOURITE CHARTS

Long-term market cycles 1925–2018

\$\$\$SPX S&P 500 Large Cap Index: INDX
31-Jan-2018

© StockCharts.com

The current bullish market period looks to us to be about one-third to one-half of the way into a secular bull market that we suspect will run for several more years ahead. Previous long-term bullish trends have seen many corrections during the long-term run, and we suspect there will also be a good number of similar pullbacks within the current bull market as well. If the outlook for much-higher prices over the next several years is true, then we think pullbacks along the way would represent good general buying opportunities, as they have in past cycles.

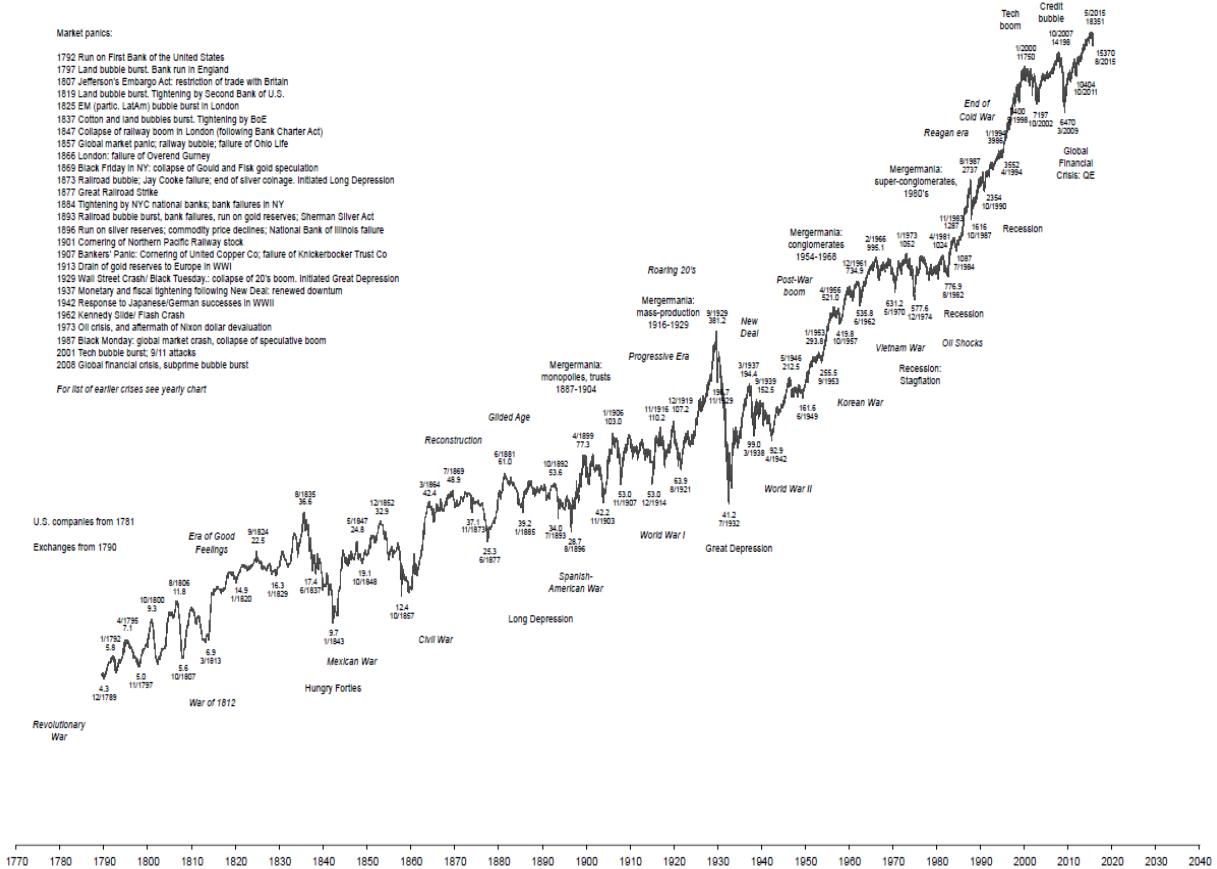


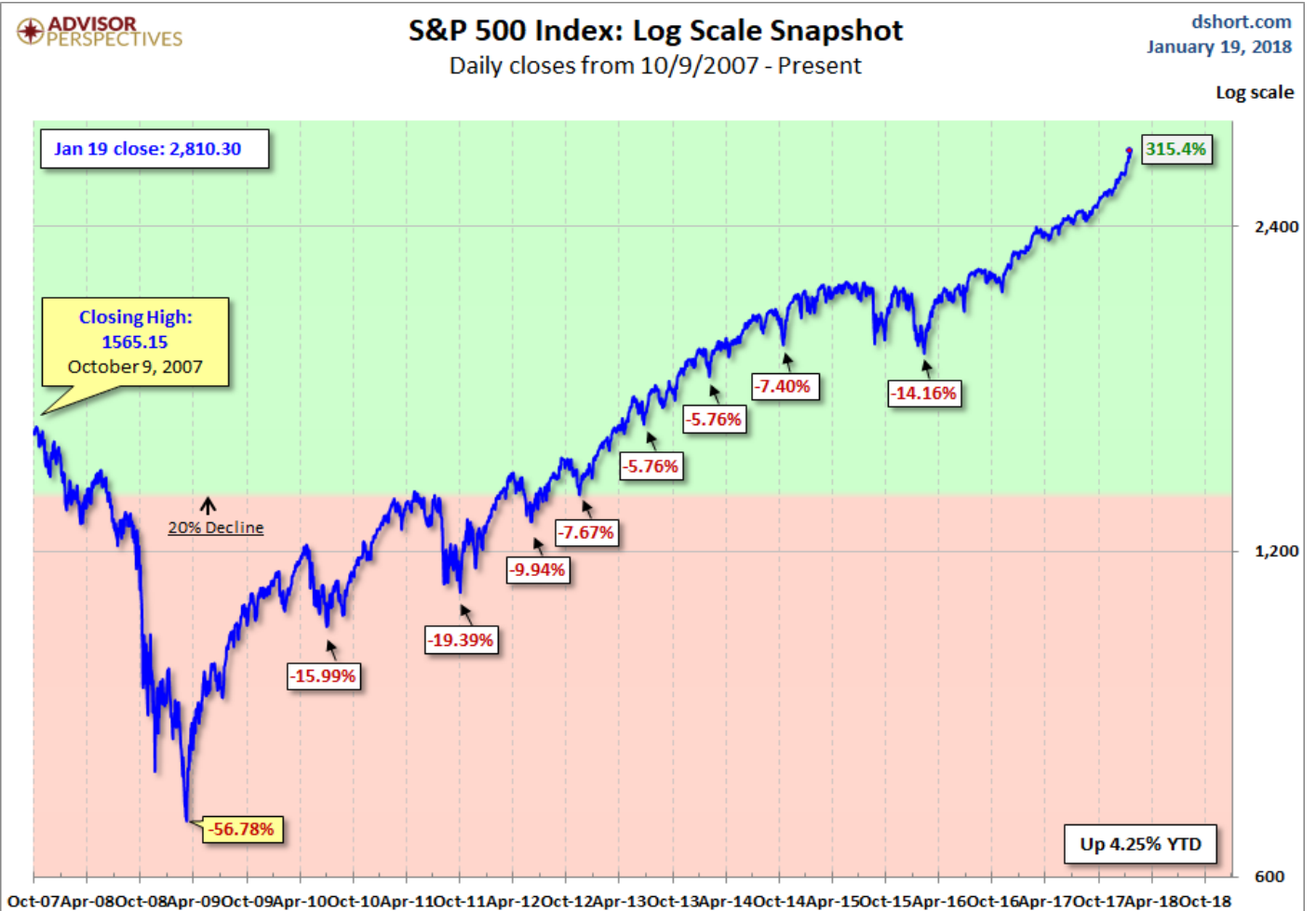
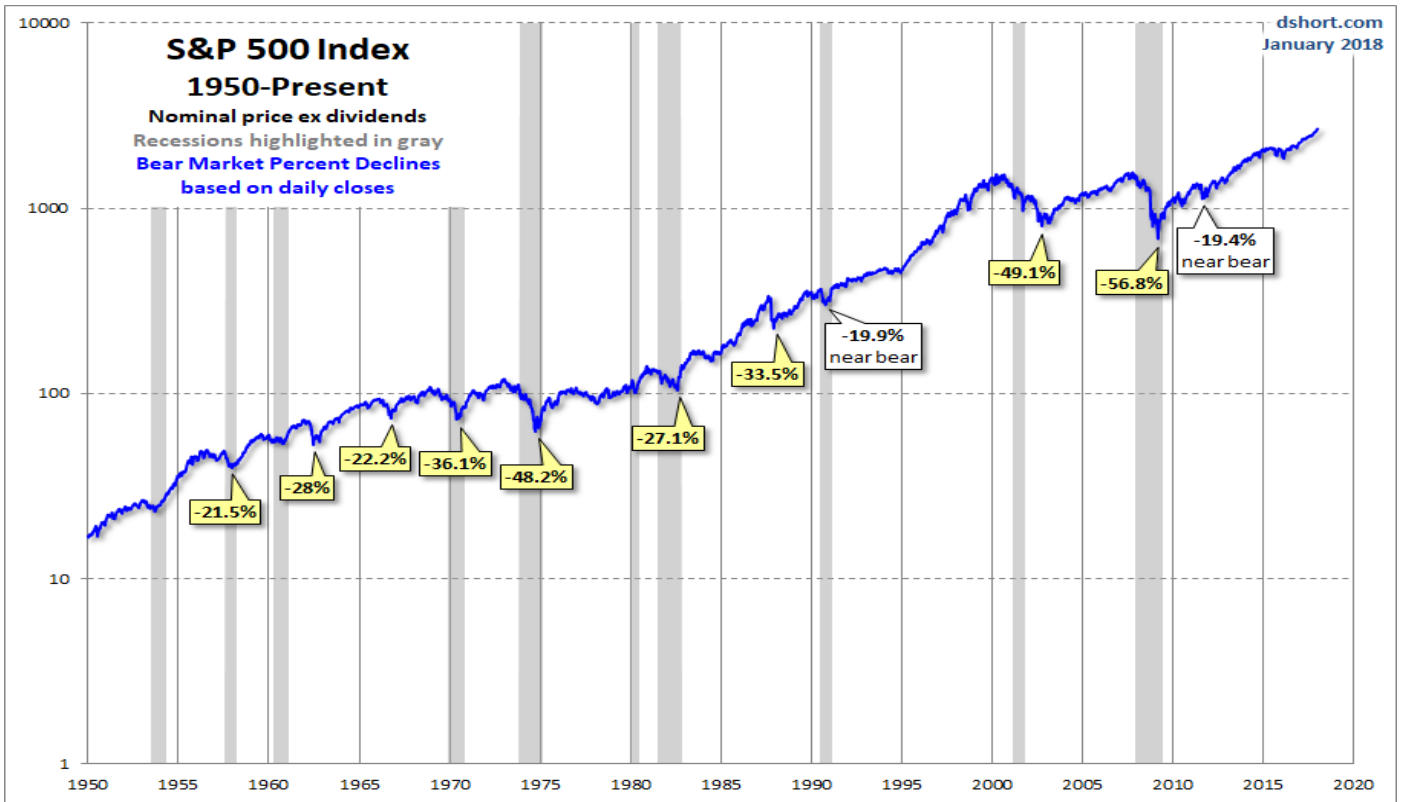
Dow Jones Industrial Average - 1789 to Date

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 (panic, 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)
- 1857 Global market panic; railway bubble; failure of Ohio Life
- 1856 London: failure of Overend Gurney
- 1859 Black Friday in NY; collapse of Gold and Flak 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 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: Stock 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 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

For list of earlier crises see yearly chart



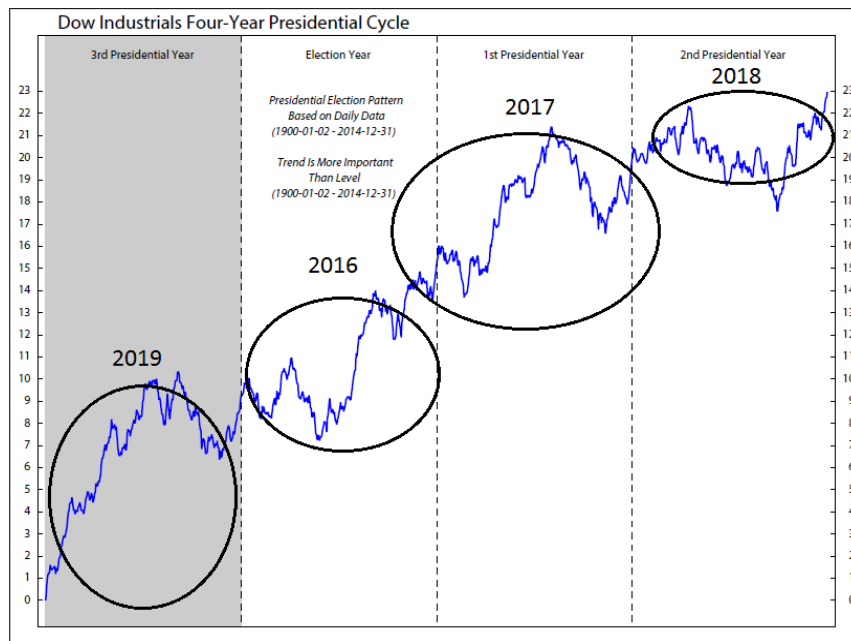




Technical Update

Portfolio Advisory Group

Gaining Volatility. The trading pattern for the stock market appears to be changing from a trend of steadily higher prices to one of more intra-day volatility with 100+ point moves being seen on the Dow Industrials in both directions in recent days. Very often, an overall trend change will be preceded by a period where the market becomes more volatile in both directions in a range or consolidation trend, with the outcome usually in the opposite direction of the previous trend. We have seen a market uptrend that has not had a pullback of greater than 3% in over a year, and as a result, we have become accustomed to following a market that has had little in the way of downside surprises to cause much investor worry. But don't forget that the market indicators may swing from one extreme to the other over the short term, but it all averages out over the long term.



AAII		American Association of Individual Investors		
Reported Date	Bullish	Neutral	Bearish	
February 1:	44.77%	26.47%	28.76%	
January 25:	45.45%	30.52%	24.03%	
January 18:	54.11%	24.50%	21.39%	
January 11:	48.67%	26.25%	25.07%	
January 4:	59.75%	24.69%	15.56%	
December 28:	52.65%	26.72%	20.63%	
December 21:	50.50%	23.88%	25.62%	
December 14:	45.00%	26.88%	28.13%	
December 7:	36.88%	28.90%	34.22%	

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, HBCComm, CIM

*Associate Portfolio Manager, Investment Advisor,
Vice President and Director*

Andrew Slivinsky, PFP, Senior Associate Advisor

Harry Sale, BA, Associate Wealth Advisor

Ryan MacKay, BA, Associate Advisor

Kristi MacKay, MBA, Associate Wealth Advisor

Melissa Crawford, BA, 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

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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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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. 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