

MacKay Weekly Investment Report



WEEK ENDING FRIDAY, JUNE 15, 2018

WWW.MACKAYGROUP.COM

1-800-561-4468

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.

Sign Good Economy/Bernanke 2020/Buy in May+

Steady equity markets in CAD & US while NASDAQ hits record high. Summer tends to be quiet with a summer equity rally – will it happen?

Positives: Federal Reserve & Economic report all very positive on US economy and signals more rate increases – sign of a good economy. ECB guides to end QE purchases in December – leave benchmark rate at 0% and will remain there until at least the summer 2019 – a strong yet simple statement. China tariffs more bark than bite – markets not bothered. US & North Korea walk away from Singapore with pledge towards peace. Small business optimism surges to 34 year high in US. Employment record high - job openings need to be filled. Saudi's start to ramp up oil output ahead of OPEC meeting. Fed funds rate still way below rate of growth in nominal GDP - past year nominal GDP growth has accelerated to a 4.7% and next year it could be as high as 6% that means a 3.5% Fed Fund rate (after predicted rate increases) would not be restrictive. US has \$1.9 Trillion in excess bank reserves – until those reserves are eliminated no one knows if raising rates can cause recession (B. Wesbury). Doom & Gloomers have shifted to forecasting future recessions, not looming crises. Health of US economy supports small caps which also broke to all-time highs (J. Siegel). Buy in May & Stay Invested (Pension Partners). CDN wage gains are far outpacing the US. Paul Tudor Jones – predicts a big stock market rally after the mid-term elections this legendary hedge fund manager who predicted 1987 Crash. Most trade models say protectionism damage is small. Purchasing Managers Indices (PMIs) remain at levels consistent with decent economic growth and while the business cycle is in its later stages, signs of next recession are scarce. Measures of confidence of business and consumers climb to levels not seen since early 2000s. (RBC CM.)

Negatives: G7 ends as it started with Trump acting petulantly and criticize world leaders. Bernanke sees a 2020 Recession looming. New problem is economy growing too fast? Will Fed over-tighten and recession inevitable. Yield curve flattening affects confidence. Government spending is rising rapidly and the deficits this spending will create will put pressure on politicians. As rates rise and pause to rise, we can see market volatility as traders recalibrate their expectations. Trade uncertainty likely exerting economic drag. US public debt profile deteriorating. CDN mortgage crunch. US net interest payments set to become more expensive.

Investment Wisdom: “Far more money has been lost by investors preparing for corrections or trying to anticipate corrections than has been lost in corrections themselves.” - Peter Lynch

PORTFOLIO MANAGEMENT-Week's Highlights

Stock of the Days: BRK'b, OTEX, ADBE, AC, ONEX

New Issues: AP.un, EIF, INE, FC

Have a great weekend. Bruce

Exchange	14-Jun-18	YoY	MoM
S&P/TSX	16,328.96	7.7%	1.4%
DJIA	25,175.31	17.9%	1.9%
S&P 500	2,782.49	14.4%	2.6%
Nasdaq	7,761.04	25.9%	5.6%
FTSE 100 Index (UK)	7,765.79	4.7%	0.6%
DAX Index (Germany)	13,107.10	3.3%	1.1%
Hang Seng Index (HK)	30,440.17	19.1%	-2.3%
Nikkei 225 (Japan)	22,738.61	14.7%	-0.3%
Shanghai 180 (China)	8,117.11	6.2%	-3.4%

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

Buy in May [or June] and Stay Invested – Pension Partners – Charlie Bilello

... In the short run, the day, week or month in which you choose to buy stocks will invariably lead to different returns. This inherent randomness in markets will sometimes work in your favor and other times work against you. But at the end of the day, it is just noise.

It is the media's job to promote that noise as a source of entertainment. And it is the job of the long-term investor to ignore it. There is simply no evidence that a particular month is the best or worst time to invest. ...

<https://pensionpartners.com/buy-in-may-and-stay-invested/>

Why Do Stocks Generally Go Up Over Time? – A Wealth of Common Sense – Ben Carlson

... There are two explanations in my mind as to why stocks should offer higher expected returns – one is structural and one is risk-based.

The structural idea is that stocks offer a piece of ownership in corporations. They represent earnings power, dividends, technological progress, innovation, and the human drive to improve. In a lot of ways, it's kind of insane that something like the stock market even exists in this capacity, allowing anyone with a brokerage account the chance to buy an ownership stake in the global economy.

The other piece is the fact that stocks are the low man on the totem pole when it comes to the capital structure. Stocks are more or less a promise for an extremely unknown future stream of earnings. Bonds, on the other hand, are simply a loan. This means their upside as a security are limited to the interest payments and principal repayment at maturity. Stocks and bonds could both go to zero for any number of reasons but stocks have a much higher ceiling than bonds. ...

<http://awealthofcommonsense.com/2018/06/why-do-stocks-generally-go-up-over-time/>

Chart of the Week: The Rise of Corporate Giants – IMF – Frederico Diez

The growing economic wealth and power of big companies – from airlines to pharmaceuticals to high-tech companies – has raised concerns about too much concentration and market power in the hands of too few. In particular, in advanced economies, rising corporate market power has been blamed for low investment despite rising corporate profits, declining business dynamism, weak productivity, and a falling share of income paid to workers.

The rise of corporate giants has raised fresh questions about whether this trend might continue and, if so, whether some rethinking of policy is needed to maintain fair and strong competition in the digital age. However, corporate market power is hard to measure and common indicators such as market concentration or profit rates can be misleading. ...

<https://blogs.imf.org/2018/06/06/chart-of-the-week-the-rise-of-corporate-giants/>

Short-Term Luck Versus Long-Term Skill – What Works on Wall Street - Jim O'Shaughnessy

Daniel Kahneman, one of the fathers of behavior economics, said one of his favorite papers was "On the Psychology of Prediction (1973)." He claims in the paper that intuitive predictions are often unreliable because people base their predictions on how well an event fits a story. In behavioral economics, this phenomena is called a judgmental heuristic – representativeness, or how familiar you are personally with the story. This is one of the *worst* ways to make a forecast, because it uses a highly limited data set and allows the law of small numbers to mislead you and your forecast. For example, one study showed that when a doctor is told that a procedure works 50 percent of the time (essentially a coin toss probability or base rate) he or she could get the

majority of patients to undergo the procedure if he or she simply added "The last patient who did this is doing great!" The story of success eliminates consideration of the base rate.

I recommend that to successfully make predictions about the long-term results of something such as an investment strategy or the overall direction of a market, you must consider three things: ...

<http://jimoshaghnessy.tumblr.com/post/137235375474/short-term-luck-versus-long-term-skill>

India, China in talks to form bloc against Opec - The Times of India - Sanjay Dutta

India and China, which together accounted for almost 17% of world oil consumption last year, are working on combining their shopping carts with a view to challenging Opec's capability to play havoc with crude prices and seek better bargains from the cartel of oil exporting countries, especially its West Asian members.

The two sides kicked off formal talks in Beijing on Monday for **forming an oil buyers' club** + . The development is likely to weigh on Opec energy ministers, who are expected to discuss a plan to end the production cut deal later this month. ...

<https://timesofindia.indiatimes.com/business/india-business/india-china-in-talks-to-form-bloc-against-opec/articleshow/64579952.cms>

Bitcoin's Price Was Artificially Inflated, Fueling Skyrocketing Value, Researchers Say - NY Times

A concentrated campaign of price manipulation may have accounted for at least half of the increase in the price of Bitcoin and other big cryptocurrencies last year, according to a paper released on Wednesday by an academic with a history of spotting fraud in financial markets.

The paper by John Griffin, a finance professor at the University of Texas, and Amin Shams, a graduate student, is likely to stoke a debate about how much of Bitcoin's skyrocketing gain last year was caused by the covert actions of a few big players, rather than real demand from investors. ...

<https://www.nytimes.com/2018/06/13/technology/bitcoin-price-manipulation.html>

Repeating Themes - Collaborative Fund - Morgan Housel

Franklin Delano Roosevelt looked around the room and chuckled when his presidential library opened in 1941. A reporter asked why he was so cheerful. "I'm thinking of all the historians who will come here thinking they'll find the answers to their questions," he said.

There is so much we don't know. And not just about the future, but the past.

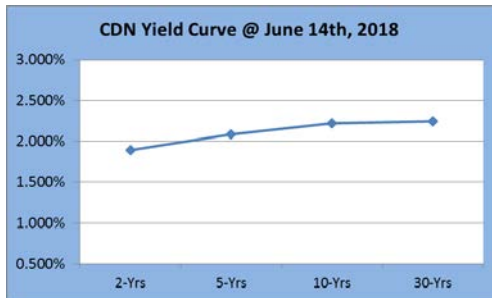
History knows three things: 1) What's been photographed, 2) what someone wrote down or recorded, 3) words spoken by people who historians and journalists wanted to interview and who agreed to be interviewed. ...

<http://www.collaborativefund.com/blog/repeating-themes/>

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

II. MG Top Holdings, RBC DS Summer CDN 2018 Equity Focus List, and Veritas V-List

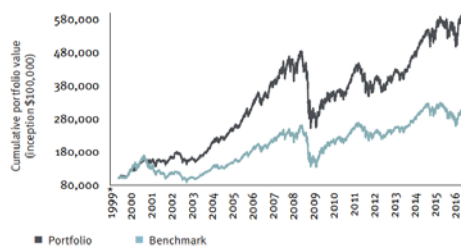
MG Favs: CAP REIT, Plaza Corp, Manulife, Fortis Inc, Hydro One, BCE Inc, Canadian Tire.

RBC CM Focus List: TD Bank, Royal Bank, Bank of Nova Scotia, Bank of Montreal, National Bank, Brookfield Asset Management, Intact Financial, Onex Corp, Manulife Financial, Brookfield Property Partners, Telus, Restaurant Brands, Dollarama, Magna International, Couche-Tard, CP Rail, CN Rail, Toromont, Waste Connections, Finning Constellation Software, Canadian Natural Resources, Suncor, Pembina, TransCanada, Nutrien, Franco-Nevada.

Veritas V-List: Allied Properties, CP Rail, Capital Power, Cenovus Energy, CGI Group, Dollarama, Enbridge, Granite REIT, Husky Energy, Hydro One, Metro Inc, New Flyer Industries, Open Text, Premium Brands Holdings Corp, Quebecor, Shaw Comm, Sun Life Financial, TransAlta, TransCanada, Waste Connections, WestJet Airlines

RBC Canadian Focus List Performance

Historical total return since inception to May 31, 2016



III. News We Recommend On Our CDN Holdings

Market prices as of market close on June 14th, 2018

Onex Corp (ONEX)

Highlights from Investor Day

Ranking: **Outperform (RBC CM)**

Price: \$92.73 CAD - Target: \$110.00 CAD

Altgas Ltd (ALA)

Attractive Valuation for the 35% Sale of the Northwest B.C. Hydro Assets

Ranking: **Outperform (RBC CM)**

Price: \$26.15 CAD - Target: \$28.00 CAD

Bank of Nova Scotia (BNS)

Solid Assets, "On Strategy" too, but RBC CM Thinks BNS' spending Spree Hurts Short-Term

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

Price: \$75.98 CAD - Target: \$86.00 CAD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Open Text Corp (OTEX)
- Air Canada (AC)
- Onex Corp (ONEX)

Research Publications (available upon request)

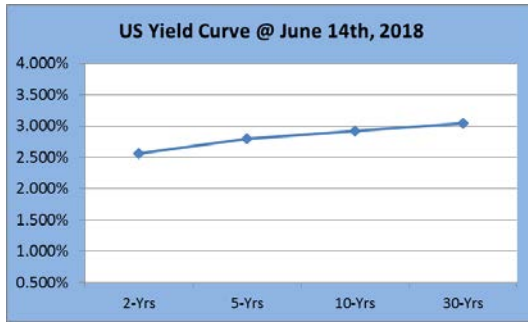
- RBC CM 2018 Look-Ahead: CDN Equities
- RBC Strategy CDN Focus List: Spring 2018
- RBC CM FEW Portfolio - Spring 2018
- RBC CM CDN Sm Cap Conviction List - Spr'18



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 5.4%**
- iShares Mortgage Plus Index (REM) **Yield 9.8%**

II. MG Favs, RBC DS Summer 2018 US Equity List **RBC DS Summer '18 Global Equity Focus List**

MG Favs: Berkshire Hathaway, Bank of America, Visa, Home Depot, Verizon, Apple, Starbucks, and Johnson & Johnson.

RBC DS US Equity Focus List: PNC Financial, JP Morgan Chase, US Bancorp, Berkshire Hathaway, Walt Disney, Amazon, Netflix, Johnson & Johnson, UnitedHealth Group, Thermo Fisher, Costco Corp, Kraft Heinz, Union Pacific, Honeywell, 3M Co, Raytheon, Alphabet, Apple, Microsoft, Facebook, DowDuPont, EOG Resources

RBC DS Global Equity Focus List: Couche-Tard, Amazon.com, InBev, Costco, Kraft, Restaurant Brands, Berkshire Hathaway, Canadian Nat Res, Pembina Pipeline, Suncor, TransCanada, Brookfield Asset Mgmt, Intact Financial, JP Morgan, Royal Bank, TD Bank, US Bancorp, Johnson & Johnson, Thermo Fisher, UnitedHealth Group, 3M Co, CNR, Toromont, Raytheon, Waste Connections, DowDuPont, Alphabet, Microsoft, SAP SE, Telus...

RBC DS 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...

III. News We Recommend on our Intl Holdings

Market prices as of market close on June 14th, 2018

Amazon.com Inc (AMZN)

Clear eCommerce Leader but a Few Challenges

Ranking: **Outperform (RBC CM)**

Price: \$1,723.86 USD - Target: \$1,900.00 USD

Constellation Brands (STZ)

Beer Fundamentals Strong; Wine Dealing with Some Emerging Challenges?

Ranking: **Outperform (RBC CM)**

Price: \$232.18 USD - Target: \$280.00 USD

International Business Machines (IBM)

Thinking Through Key Investor Concerns

Ranking: **Outperform (RBC CM)**

Price: \$145.20 USD - Target: \$180.00 USD

AT&T (T)

Court Rules in Favour of AT&T/Time Warner Merger

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

Price: \$32.52 USD - Target: \$36.00 USD

Micron Technology (MU)

iPhone Implications for DRAM

Ranking: **Outperform (RBC CM)**

Price: \$59.18 USD - Target: \$80.00 USD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Berkshire Hathaway (BRK'b)
- Adobe Software (ADBE)

Research Publications (available upon request)

- RBC GAM - Global Investment Outlook
- RBC CM - Top 30 Global Ideas for 2018

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 - Global Innovation/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

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, Vanguard 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

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 ROBO/HBLK/VGT/MIND/HA/HHL/HTA

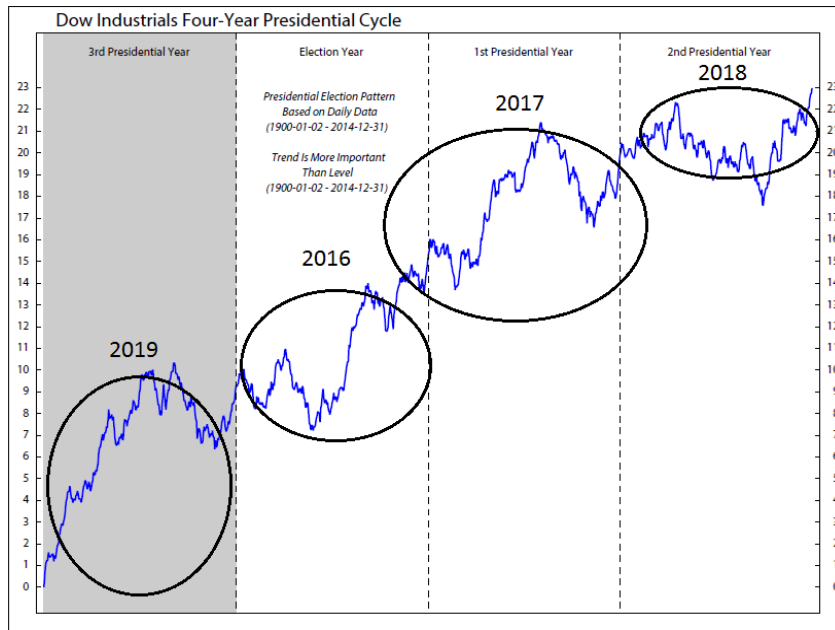





Technical Update

Portfolio Advisory Group

Summer calm. The market volatility has cooled off to a large degree since the early part of the year in what is a typical pattern for this time of the calendar year. The daily range for the market has contracted, and the average volume has also been declining despite the potentially market-moving international and domestic news. There are many opinions being expressed for the markets to make a larger move in either direction, along with some convincing data to support the ideas, but this could all be balancing out into a market trend that could continue to be in a mostly neutral trend for a few more months. Finding a strategy that can produce better returns could be more challenging during this time where holding and collecting dividends may be the better alternative to trading or momentum stock plans.



 American Association of Individual Investors				
Reported Date	Bullish	Neutral	Bearish	
June 14:	44.78%	33.52%	21.70%	
June 7:	38.93%	34.35%	26.72%	
May 31:	35.02%	38.63%	26.35%	
May 24:	38.56%	36.27%	25.16%	
May 17:	36.68%	42.74%	20.58%	
May 10:	33.51%	40.96%	25.53%	
May 3:	28.40%	41.36%	30.25%	
April 26:	36.91%	37.54%	25.55%	



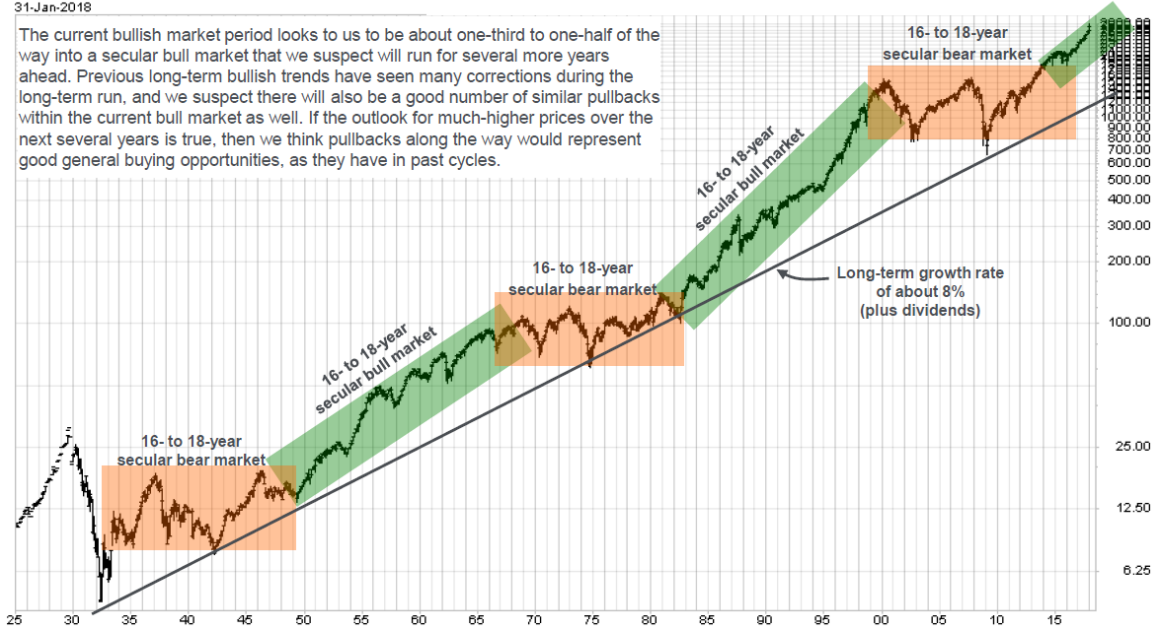
FAVOURITE CHARTS

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.

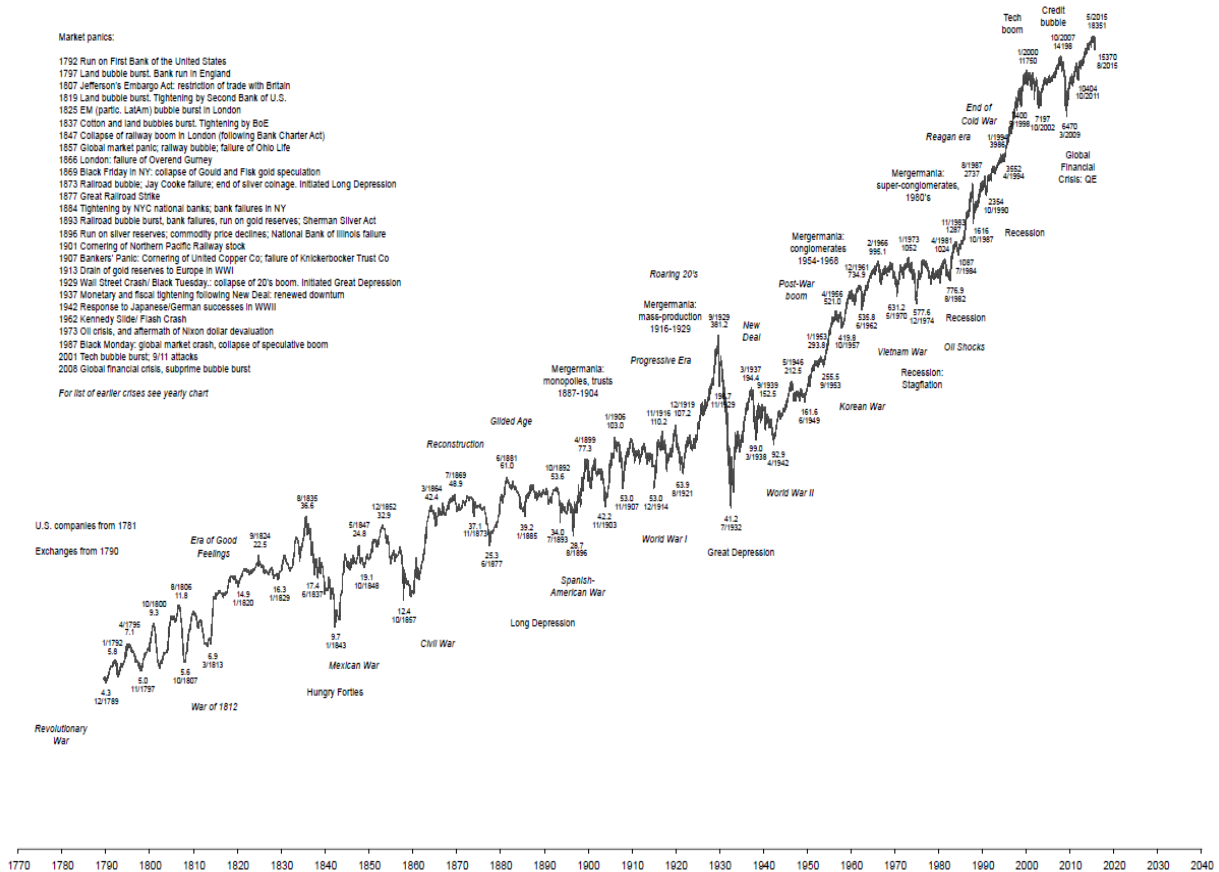


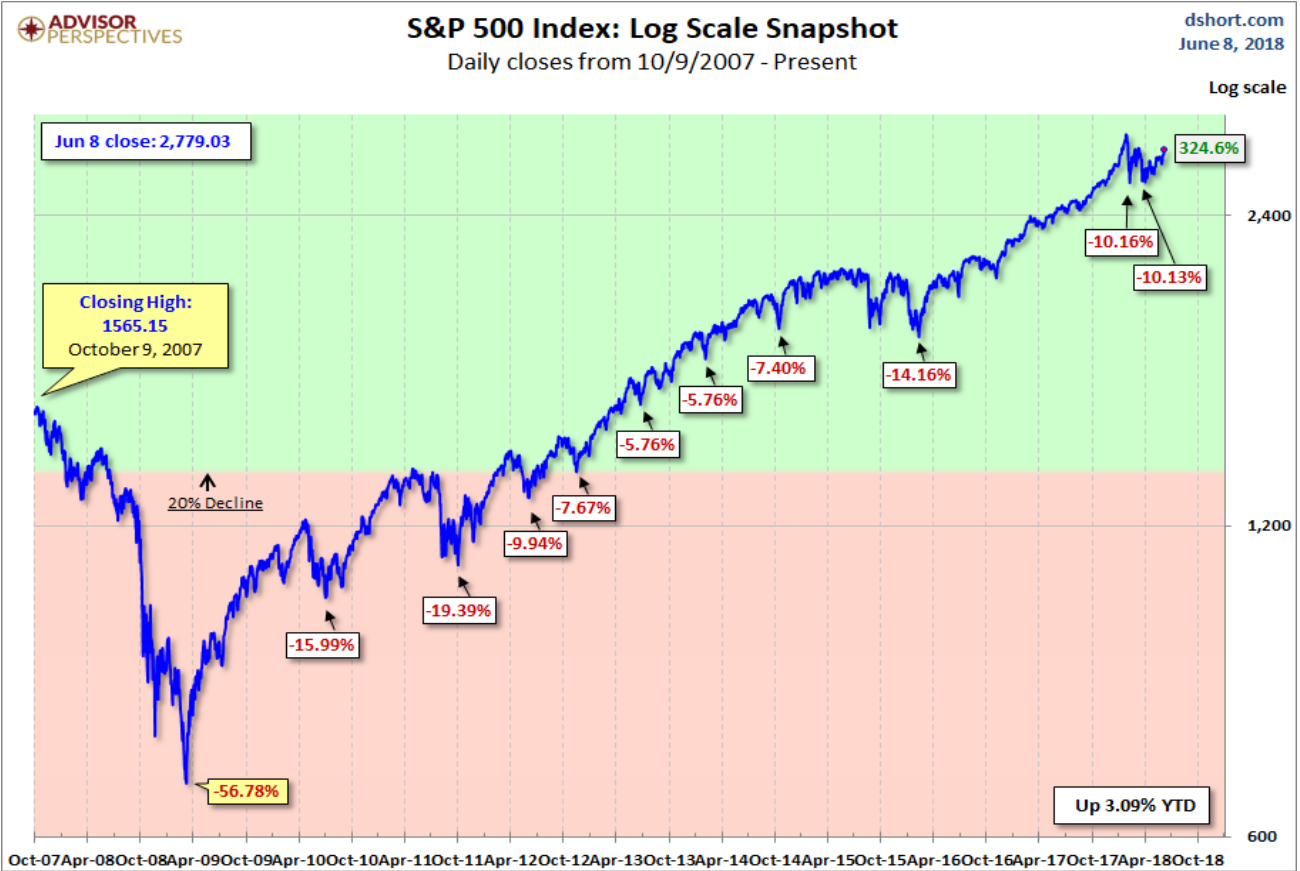
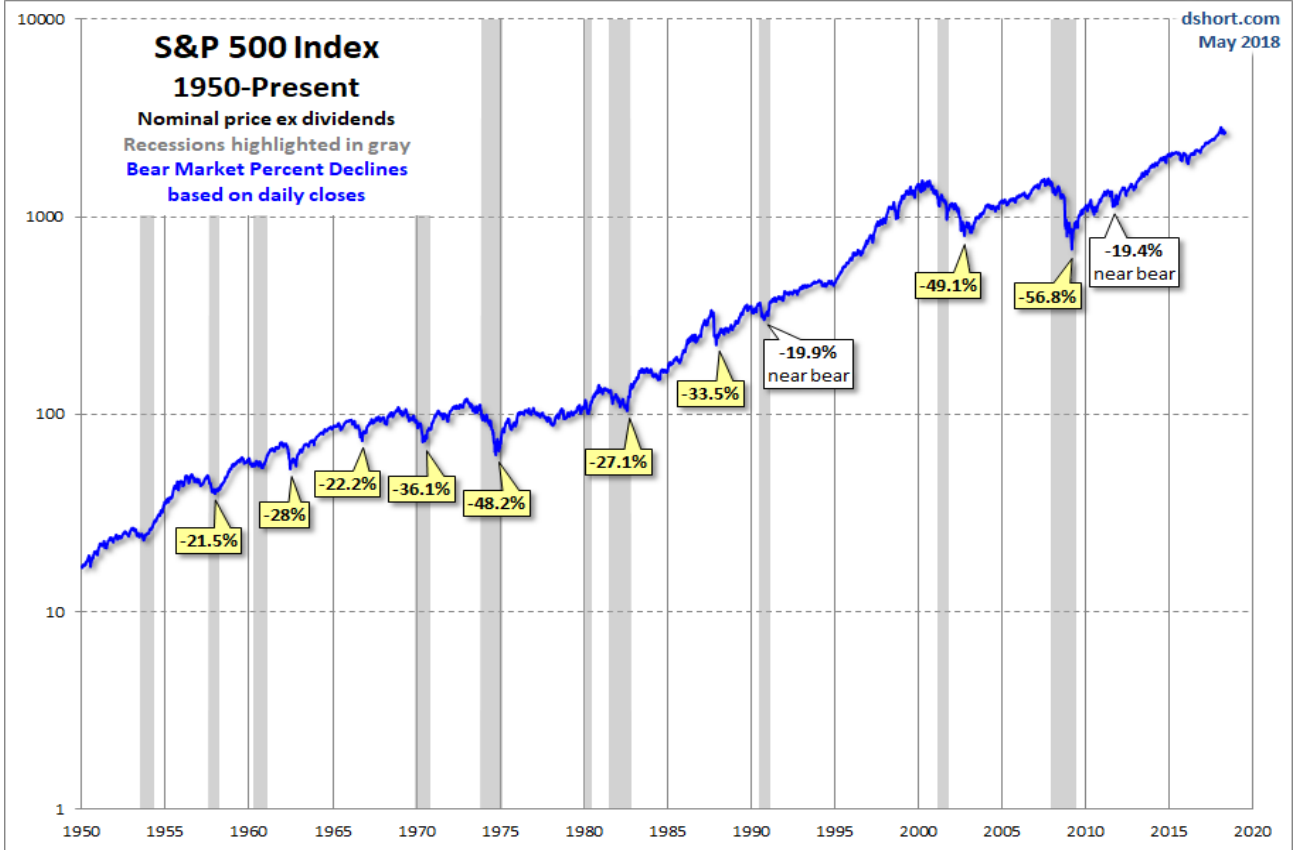
Dow Jones Industrial Average - 1789 to Date

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 (partic. LatAm) 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 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 bank; 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'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





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's 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

*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

Andrew Sipes, Estate Planning Specialist

MacKay Group Wealth Management

www.mackaygroup.com

Brookfield Place

181 Bay Street, Suite 2200

Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

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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