

MacKay Weekly Investment Report



WEEK ENDING FRIDAY, JULY 13, 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.

Q3 Lift/Optimism Building/Employment Matters

Equity markets have done well since the start of Q3. Historically equities have summer rally into September then correction. Will this repeat?

Positives: Optimism is building again – US good jobs report and participation rate increases with no wage pressure. CAD raises interest rates and goes back to basics with economy running hot. Financial markets have been resilient in the face of sharp uptick in trade hostility. World economy sturdy, modest but stable inflation, undemanding monetary policy and corporate profits growing at a healthy clip. US GDP could be 4 -5% for quarter. AAI Investor Sentiment Survey 43.1% bullish this week. Most investors have too much cash – according to Fed Reserve retail investors had about 18% of their assets in money market funds and in US bank deposits at the highs of the Financial Crisis of 2009 – but today they still have high percentage in cash – 14% - why? - waiting for a pullback. Employment matters – extremely low unemployment rates and rising earnings mean that private sector employment is becoming increasingly more attractive than static government programs – as more workers move to private sector then better times ahead – all fuelled by tax cut and deregulation (B Wesbury). Mid-term elections 4 months away – Dems expected to take house (60%), GDP is about 75% probable to hold Senate – no outcome assured (J. Siegel). S&P 500 should report above consensus EPS of \$41.00 in 2Q18 - \$165 for 2018 (+25% YoY) – earnings growth strong (organic & policy) + record investment spending (buybacks, dividends, M&A, CAPEX) (RBC CM). Economic summary report from Ned Davis Research this week states Canada has economic activity and sentiment improving, inflation accelerating & debt neutral. Analysts expect financials and materials sectors to lead S&P 500 to double digit gains over the next 12 months.

Negatives: Global economic momentum has downshifted and is less broad-based than it was last year. Trade tensions have escalated from rhetoric into some concrete actions. Concerns that wage growth/inflation will overshoot and prompt the Fed Reserve to accelerate rate hikes have pivoted toward implications of trade frictions for global growth and earnings outlook. Earnings could struggle after this quarter and could set mini-panic correction as rates rise, Fed tightens, CPI 3%, wage inflation 3%, 2nd half US GDP slows from 4% to 2.25-2.5%, money supply slows from 7.5-3.5%, yield curve now doubled & flattening, cost increase as commodities rise. Gap in yields between corporate debt & those on 10-yr treasuries – now 2% - this has happened prior to 6 of the past 7 recessions. J. Paulsen.

Investment Wisdom: “In prosperity prepare for a change; in adversity hope for one.” - James Burgh

PORTFOLIO MANAGEMENT-Week’s Highlights

Stock of the Days: CVS, QSR, MCD, GUD, CCL’b

Have a great weekend. Bruce

Exchange	12-Jul-18	YoY	MoM
S&P/TSX	16,567.42	9.5%	1.7%
DJIA	24,924.89	15.6%	-1.6%
S&P 500	2,798.29	14.3%	0.4%
Nasdaq	7,823.92	24.7%	1.6%
FTSE 100 Index (UK)	7,651.33	3.2%	-0.7%
DAX Index (Germany)	12,492.97	-1.2%	-2.7%
Hang Seng Index (HK)	28,480.83	8.1%	-8.4%
Nikkei 225 (Japan)	22,187.96	10.4%	-3.0%
Shanghai 180 (China)	7,530.88	-6.0%	-8.0%

MacKay Weekly Investment Report Contents:

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

Canada's Secret to Escaping the 'Liberal Doom Loop' – The Atlantic – Derek Thompson

The world is burning with the fires of illiberal populism. The flames take on different shapes in different nations. There is Trump's lurid xenophobia in America, Brexit in Britain, a right-wing government in Poland, a "People's Party" smoldering in both Denmark and Austria, Marine le Pen's Front National in France, Geert Wilders's "blond beastliness" in the Netherlands, and the *Kultur*-warriors of Germany's "Alternative für Deutschland."

But in the Canadian wilderness, the fire isn't catching yet.

For decades, Canada has sustained exceptionally high levels of immigration without facing an illiberal populist groundswell. It is the most inclusive country in the world in its attitudes toward immigrants, religion, and sexuality, according to a 2018 survey by the polling company Ipsos. In a ranking of the most important Canadian symbols and values, its citizens put "multiculturalism" right next to the national anthem – and just behind their flag. In the U.S., those supportive of multiculturalism say they're the least patriotic; in Canada, patriotism and multiculturalism go together like fries and cheese curds. ...

<https://www.theatlantic.com/international/archive/2018/07/canadas-secret-to-escaping-the-liberal-doom-loop/564551/>

The Privilege of Knowledge – Of dollars and Data – Nick Maggiulli

... Just consider this incredible tweet by Morgan Housel:



His point is obvious: those who bought and held a basket of U.S. stocks would've been handsomely rewarded over time. However, though buy and hold might seem obvious *now*, that's only because we have the benefit of hindsight, ubiquitous data, and modern computational resources. ...

<https://ofdollarsanddata.com/the-privilege-of-knowledge/>

Complicating the Narratives – Medium.com – Amanda Ripley

Researchers have a name for the kind of divide America [and many other countries are] currently experiencing. They call this an "intractable conflict," as social psychologist Peter T. Coleman describes in his book *The Five Percent*, and it's very similar to the kind of wicked feuds that emerge in about one out of every 20 conflicts worldwide. In this dynamic, people's encounters with the other tribe (political, religious, ethnic, racial or otherwise) become more and more charged. And the brain behaves differently in charged interactions. It's impossible to feel curious, for example, while also feeling threatened. ...

... The lesson for journalists (or anyone) working amidst intractable conflict: complicate the narrative. First, complexity leads to a fuller, more accurate story. Secondly, it boosts the odds that your work will matter – particularly if it is about a polarizing issue. When people encounter complexity, they become more curious and less closed off to new information. They listen, in other words. ...

<https://thewholestory.solutionsjournalism.org/complicating-the-narratives-b91ea06ddf63>

Michael Mauboussin: 'Proccyclical' - How It Drives Market Cycles To Extremes - Acquirer's Multiple - Johnny Hopkins

Michael Mauboussin recently released a great paper called – *Proccyclical And Its Extremes* in which he discusses 'Proccyclical' and how it drives market cycles to extremes. He also provides indicators of proccyclical and methods for coping with, and profiting from it. Here is an excerpt from that paper:

In economics, proccyclical variables move in the same direction as the overall economy: Consumers, businesses, and investors are bold when economic conditions appear strong and timid in the wake of weakness.

Proccyclical behavior need not be reckless or irrational. Some proccyclical behavior is warranted because there is more opportunity when the economy is strong than when it is weak. As a result, "the debate about the proccyclical of the financial system is therefore more subtle" than an assumption of trend-reinforcing behavior, according to a report by the Federal Reserve Bank of New York. The question is whether or not the fluctuations are a justifiable result of changes in fundamental values. ...

<https://acquirersmultiple.com/2018/07/michael-mauboussin-proccyclical-how-it-drives-market-cycles-to-extremes/>

Political Moderates Are Lying - Quillette.com - Vincent Harinam & Rob Henderson

Cultural anthropologist Margaret Mead once suggested that we should "never doubt that a small group of thoughtful citizens can change the world. Indeed, it is the only thing that ever has." Mead is largely correct. Change is wrought by those willing to lead or force others toward it. Which is why we are skeptical that most people truly believe every position they express. Especially in public.

Do most people legitimately disagree with one another? Or are they merely conforming to supposedly dominant ideas? Though there are legitimate disagreements, we contend that modern American political tribalism has been artificially inflated by group-based conformity. That is, the moderate majority's submission to the demands of dedicated partisans has created a mirage of polarization. ...

<https://quillette.com/2018/07/02/political-moderates-are-lying/>

THE COURT CASE THAT ENABLED TODAY'S TOXIC INTERNET - Wired.com - Michael Fitzgerald

... Ask many web scholars and they'll tell you that Section 230 in general, and the Zeran case in particular, created the modern internet. CompuServe, Prodigy, and AOL became Google, Facebook, and Twitter, companies that have for years relied on Section 230 as a legal shield against claims of publishing abusive content.

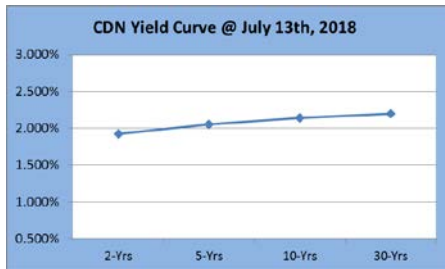
Yet the law never could have anticipated the unchecked growth of Big Tech. ...

<https://www.wired.com/story/the-court-case-that-enabled-todays-toxic-internet/>

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

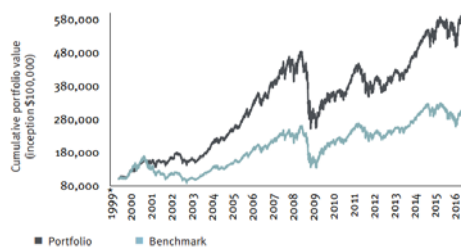
MG Favs: CAP REIT, Plaza Corp, Manulife, Fortis Inc, Hydro One, BCE Inc, Canadian Tire.

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 July 12th, 2018

Alimentation Couche-Tard (ATD'b)

Feet on the Accelerator: Nice Sequential Improvement

Ranking: **Outperform (RBC CM)**

Price: \$62.20 CAD - Target: \$80.00 CAD

Open Text Corp (OTEX)

OpenText Appears to have Critical Mass, Unlocking the Next Leg of Growth

Ranking: **Outperform (RBC CM)**

Price: \$49.70 CAD - Target: \$58.00 CAD

CCL Industries (CCL'b)

Initiating Coverage

Ranking: **Outperform (RBC CM)**

Price: \$64.84 CAD - Target: \$73.00 CAD

Hydro One Ltd (H)

Ontario Government Creates a Cloud of Uncertainty

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

Price: \$19.52 CAD - Target: \$21.00 CAD

Restaurant Brands International (QSR)

Anticipating Tim's Improvement

Ranking: **Outperform (RBC CM)**

Price: \$84.34 CAD - Target: \$95.00 CAD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Restaurant Brands International (QSR)
- Knight Therapeutics (GUD)
- CCL Industries (CCL'b)

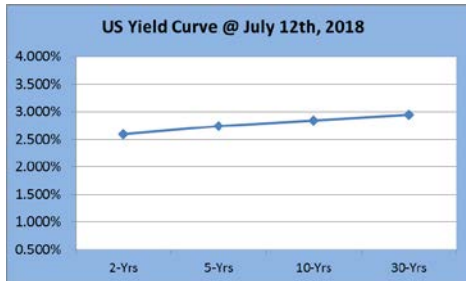
Research Publications (available upon request)

- 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 5.5%
- iShares Mortgage Plus Index (REM) Yield 9.9%

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 July 12th, 2018

Johnson & Johnson (JNJ)

Missouri Verdict Likely to Increase Attention on JNJ's Product Liability Lawsuits

Ranking: **Outperform (RBC CM)**

Price: \$85.86 USD - Target: \$90.00 USD

CVS Health Corp (CVS)

Justice Department Staff Reportedly to Recommend Approval of CVS/AET

Ranking: **Outperform (RBC CM)**

Price: \$67.99 USD - Target: \$84.00 USD

Costco Wholesale Corp (COST)

June SSS Nicely Above Expectations; Traffic/Ticket Remain Strong

Ranking: **Outperform (RBC CM)**

Price: \$214.02 USD - Target: \$216.00 USD

Alphabet Inc (GOOG)

Imagine 2025: Waymo Value Here

Ranking: **Outperform (RBC CM)**

Price: \$1,183.48 USD - Target: \$1,285.00 USD

McDonalds (MCD)

Underappreciated Change

Ranking: **Outperform (RBC CM)**

Price: \$159.12 USD - Target: \$175.00 USD

Stock of the Day Picks this Week:

- Prepared by Ryan

- CVS Health Corp (CVS)
- McDonalds (MCD)

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

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, Just ETF US Large Cap ETF
ROBO/HBLK/VGT/MIND/HA/HHL/HTA/JUST

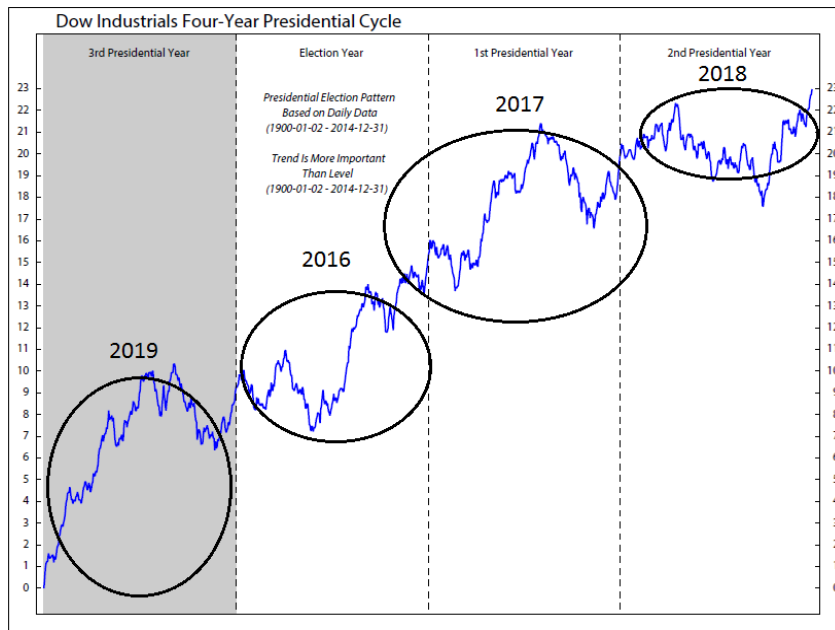




Technical Update

Portfolio Advisory Group

Opinions abound. There is much going on in the world today, and much of it is things that have never happened before. And so it is with interest that we read the various opinions of what it may all mean, but also realize that no one has the answers to all the events taking place that we think will no doubt have an effect on future trends. One can pick from a variety of statistics to support whatever stand is taken, but life is really more complicated than that. The trend of the stock market is one measure of the expected direction for the economy and world going forward, and the current market trend has been neutral for the past five months. This suggests to us that the short-term concerns that are generated by the daily news may not be as serious as the headlines indicate. We also notice that the bulk of the commentary is focused on a potentially negative future outcome for what is happening now, but the markets remain firm. Historically, the stock market tends to react well in advance of economic trouble, and that indication is not evident today, in our opinion.



Reported Date	Bullish	Neutral	Bearish
July 12:	43.05%	27.80%	29.15%
July 5:	27.86%	32.87%	39.28%
June 28:	28.45%	30.75%	40.80%
June 21:	38.72%	35.10%	26.18%
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%



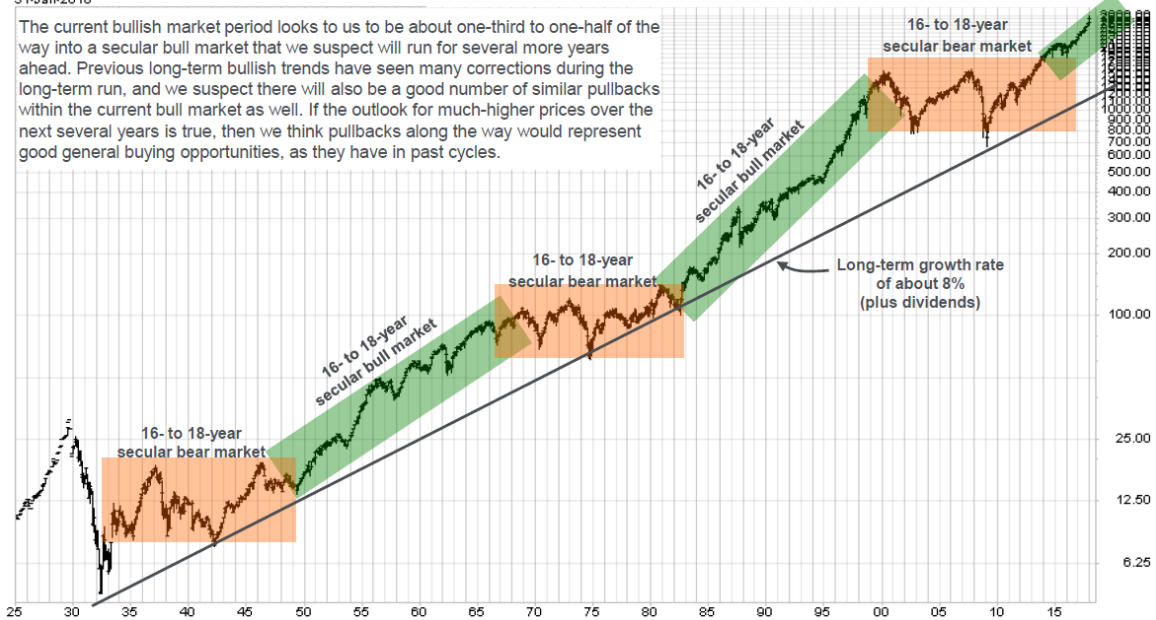
FAVOURITE CHARTS

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.

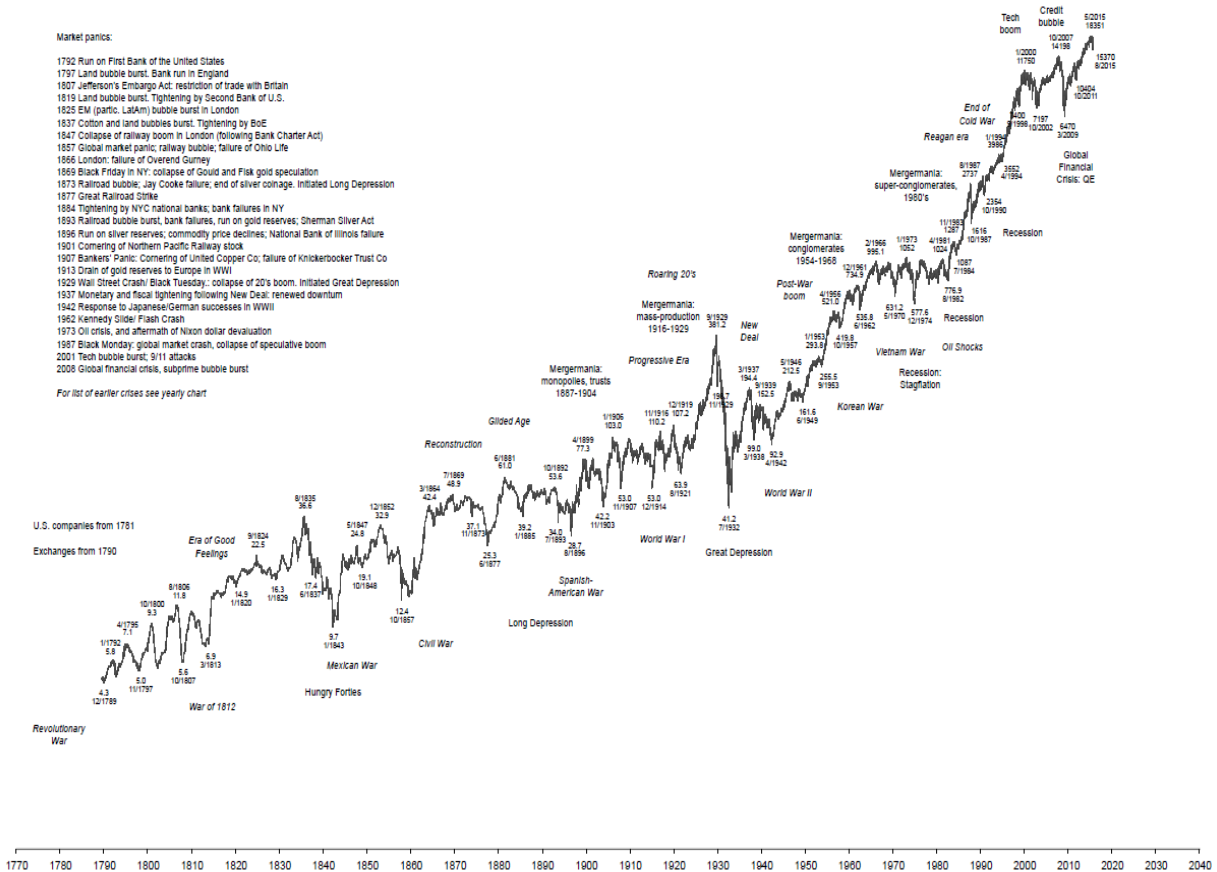


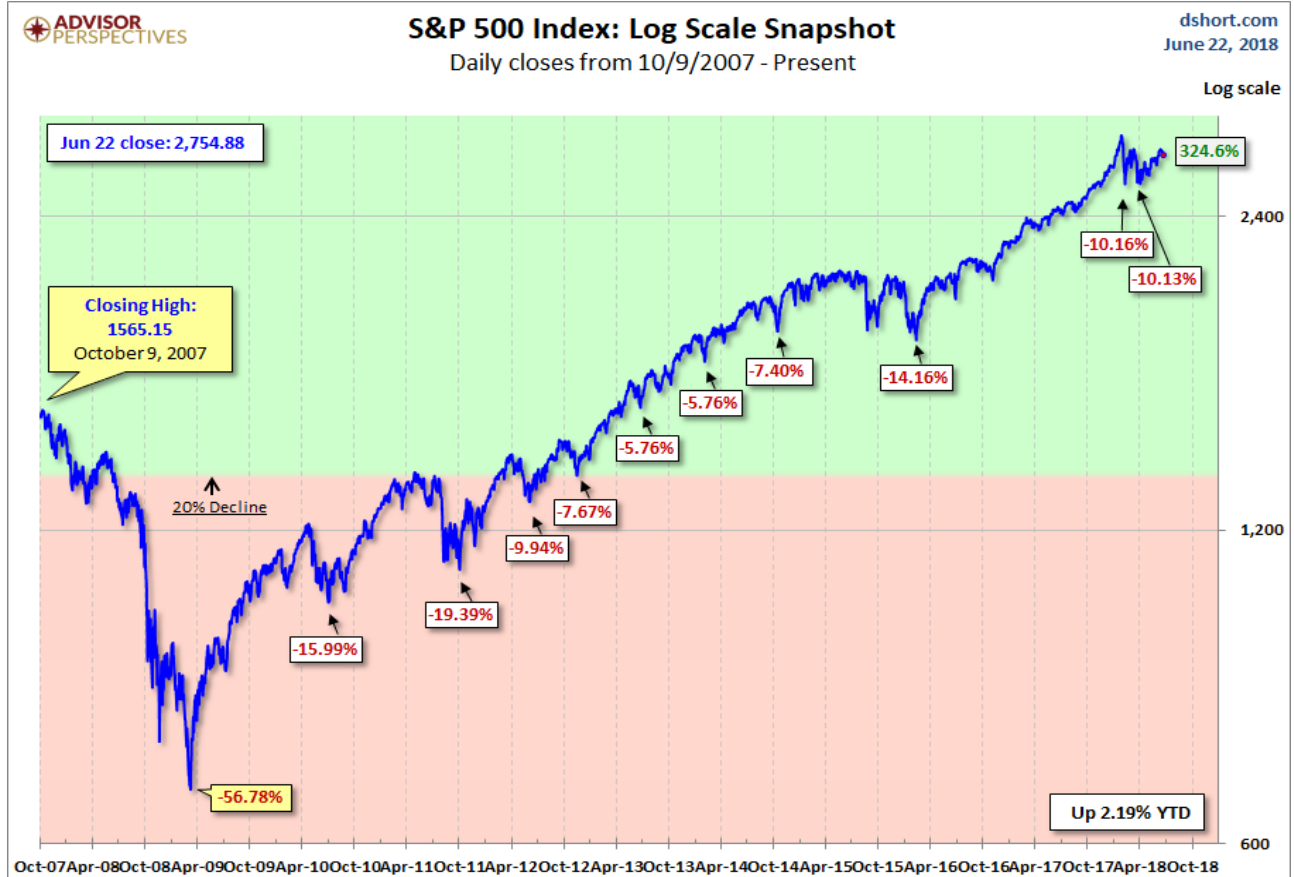
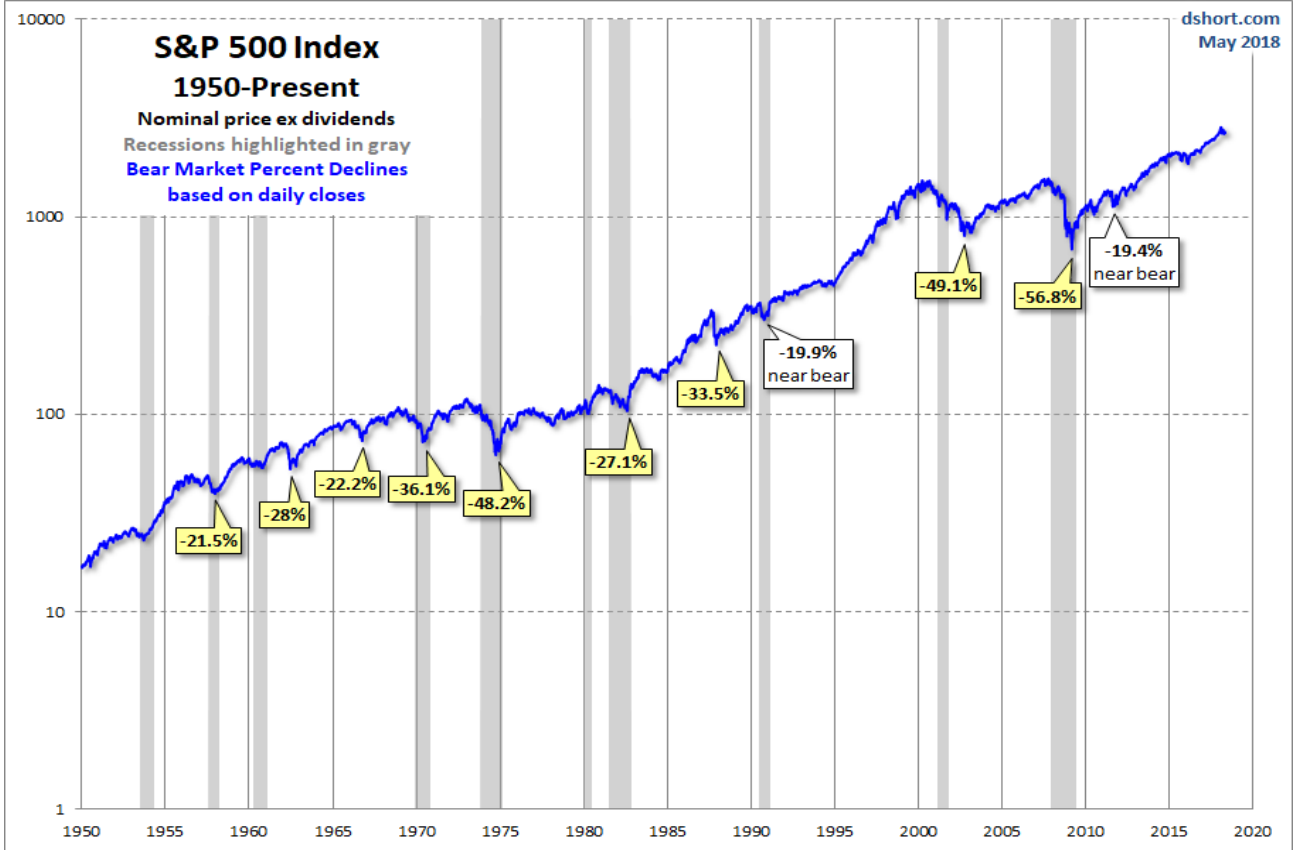
Dow Jones Industrial Average - 1789 to Date

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*

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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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