

MacKay Weekly Investment Report



WEEK ENDING FRIDAY, DECEMBER 7, 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.

Are There Positives/ Leading Indicators+/Nex-Gen

Volatility continues with DOW hitting low point Thursday retesting correction lows that started Oct 4th. With volatility there are positives to be invested.

Positives: Key is income – invest in dividend payers and dividend growers. CDN banks reported strong earnings prices fluctuate too – CIBC hit 5% yield Thursday. “Sell all” battle cries heard across markets Thursday – last time I heard this Jan. 2016 the beginning of strong 20% equity rally. AAI Investor Sentiment Survey 37% Bullish – pessimism remains well above its historical average. Market moves suggest a recession is unavoidable headlines – creates bargains. Rate hikes for December and next year are possibly off the table. Reliable leading indicators do not yet point to the risk of an imminent downturn and 2019 Global economic growth should still surpass that of the past financial crisis average – this suggests earnings and share values have room to advance. Yield curve (1-10 yr), unemployment claims, unemployment rate, Conference Board Leading Index, ISM new orders minus inventories, Fed funds vs nominal GDP growth – all in expansion. (RBC CM) In 2019 we think US economy has potential to grow above 2.3% average rate – valuations are reasonable even on conservative estimates (RBC WM). Nex Gen Backbone – infrastructure investing (chronic under investment should change) – artificial intelligence (transformation has just begun) – a generational shift in US & China relations (RBC CM). Baltic Dry Index up. US economy wide pre-tax corporate profits were up 10.3% from a year ago and up 19.4% after taxes – focus on fundamentals, not post event explanations – it’s entrepreneurship, profits, lower taxes, and less regulation (B Wesbury). Ride the downturn by buying stocks that will soar (M. Schmehl -Fidelity). Third year of US presidential term historically positive for equities – that’s 2019.

Negatives: Yield curve of 3-yr Treasury turned higher than 5-year rates – happened in 2007 – is it telling us a recession is coming. Trade War – it’s on or it’s off – which one today. Ned Davis Research Global recession Indicator is now very much in the danger zone – the last time it was this high was in late 2015/early 2016 when credit spreads were going vertical. Business insolvencies in CAD rise at fastest pace since 2012. Falling car sales are latest sign of rate hikes. It’s the worst time to make money in market since 1972 headlines. Ned Davis research puts markets in 8 big asset classes – not a single one of them is on track to post a return this year of more than 5%.

Investment Wisdom: “If you expect to continue to purchase stocks throughout your life, you should welcome price declines as a way to add stocks more cheaply to your portfolio.” – Warren Buffett

PORTFOLIO MANAGEMENT-Week’s Highlights

Stock of the Days: MSFT, CJT, OTEX, CPX, AQN

New Issues: SMU.un

Have a great weekend. Bruce

Exchange	06-Dec-18	YoY	MoM
S&P/TSX	14,937.00	-6.7%	-0.5%
DJIA	24,947.67	3.0%	1.2%
S&P 500	2,695.95	2.2%	0.8%
Nasdaq	7,188.26	5.5%	1.5%
FTSE 100 Index (UK)	6,704.05	-8.4%	-4.7%
DAX Index (Germany)	10,810.98	-17.1%	-4.8%
Hang Seng Index (HK)	26,156.38	-7.6%	-0.8%
Nikkei 225 (Japan)	21,501.62	-4.4%	-1.4%
Shanghai 180 (China)	7,168.06	-16.8%	1.3%

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

Confronting the Market Setback – Blackstone – Byron Wien

... Clients keep asking, “What is the catalyst that will enable the bull market to resume?” They also wonder how the U.S. economy and its equity market can continue to do well when the rest of the world is slowing. Will the United States pull up other economies because of its growth or will they pull us down? The market seems to shift back and forth on this point.

The debate is whether the market requires a positive catalyst to resume moving higher or if the absence of any further negative catalysts will prove to be enough. In the darkest days of the Great Financial Crisis, when the economy was in a recession and financial firms failed, it was outsized acts of stimulus that arrested the market declines, eased investors’ psyches and placed a floor under global equities. Today there isn’t any major economy in the world in recession, and markets are nowhere near witnessing declining earnings. Even though earnings growth might get cut in half in 2019, earnings will still move higher.

The natural trajectory of the market should be higher given the combination of earnings growth with only moderately higher interest rates. If 2018 marks the end of the bull market and the earliest signs of a recession, that would mean a lot of fundamentally strong indicators are broken. Investors should consider these three: the yield curve, the Conference Board Leading Economic Index and Average Hourly Earnings. These indicators have among the strongest predictive power of any indicators we’ve ever tested, and all three say that no recession is in sight. ...

<https://www.advisorperspectives.com/commentaries/2018/11/30/confronting-the-market-setback>

Don’t kid yourself, we're facing a made-in-Canada energy crisis – Financial Post – Martin Pelletier

... The root of the problem is that pipeline capacity didn’t keep pace with oil sands development during the good old days of \$100 oil, something for which both industry and past and present governments share the blame.

Consequently, a situation that was building up for years has hit the industry all at once, with stranded oil and a blowing out of Western Canadian oil prices when compared to global benchmarks such as West Texas Intermediate (WTI) crude. ...

<https://business.financialpost.com/investing/investing-pro/dont-kid-yourself-were-facing-a-made-in-canada-energy-crisis>

One Belt, One Road, One Big Mistake – Foreign Policy – Tanner Greer

Ignore the hype: For the Chinese, this initiative has been a strategic blunder. By buying into the flawed idea that barrels of money are all that is needed to solve complex geopolitical problems, China has committed a colossal error. Xi’s dictatorship makes it almost impossible for the country to admit this mistake or abandon his pet project. The United States and its allies gain nothing from making China’s blunders their own.

<https://foreignpolicy.com/2018/12/06/bri-china-belt-road-initiative-blunder/>

Chapter 3: The Global Plan – The Global Minotaur – Yanis Varoufakis

An interesting and contentious chapter from Yanis Varoufakis’ “Global Minotaur” laying out the development of global financial structures after World War II. ...

The United States of America came out of the Second World War as the major and, in fact, if one excludes Switzerland, the only creditor nation. For the first time since the rise of capitalism, all of the world’s trade relied on a single currency, the dollar, and financed from a single epicentre, Wall Street. While half of Europe was under the control of the Red Army, and Europeans were openly questioning the merits of the capitalist

system, the New Dealers, who had been running Washington since 1932, realised that history had presented them with a remarkable opportunity: To erect a post-war global order that would cast American hegemony in stainless steel. It was an opportunity that they seized with glee. ...

<https://www.yanisvaroufakis.eu/wp-content/uploads/2011/02/chapter-3-the-global-plan.pdf>

We're Doing It Wrong - Epsilon Theory - Ben Hunt

I want to suggest a different way to think about markets, a non-anthropomorphic model that works WITH the revolutionary invention of AI and Big Compute. The market is not a clockwork machine. The market is a bonfire.

We all know the physics of fire. The underlying rules of combustion are as clear and as deterministic as any pendulum or gear movement. Fire is not magic. Fire is not somehow separate from science or rigorous human examination. We know how to start fires. We know how to grow and diminish fires. We know how to put fires out. In a technical sense, Ray, you can classify fire as a machine.

But you'd never think that you could possess an algorithm that predicts the shape and form of a bonfire. ...

<https://www.epsilontheory.com/were-doing-it-wrong/>

Google's DeepMind predicts 3D shapes of proteins - The Guardian - Ian Sample

Having laid waste to the Atari classics and reached superhuman performance in chess and the Chinese board game, Go, Google's DeepMind outfit has turned its artificial intelligence on one of the toughest problems in science.

The result, perhaps, was predictable. At an international conference in Cancun on Sunday, organisers announced that DeepMind's latest AI program, AlphaFold, had beaten all-comers at a particularly fiendish task: predicting the 3D shapes of proteins, the fundamental molecules of life.

The arcane nature of "protein folding", a mind-boggling form of molecular origami, is rarely discussed outside scientific circles, but it is a problem of profound importance. The machinery of biology is built from proteins and it a protein's shape defines its function. Understand how proteins fold up and researchers could usher in a new era of scientific and medical progress. ...

https://www.theguardian.com/science/2018/dec/02/google-deepminds-ai-program-alfafold-predicts-3d-shapes-of-proteins?CMP=share_btn_tw

The Facebook Fed - Ello.co - Joe Weisenthal

... There's a story that says that a bunch of publishers have suddenly seen the traffic they get from Facebook dry up, and they don't know why. Maybe it's just a "glitch" and traffic will surge again. Or maybe this is The Big One, and some algorithm change has slammed traffic to publishers in a semi-permanent way. Who knows. Bottom line though is that to a lot of publishers Facebook traffic is a huge deal, and that's cool, but it's also scary, because it's in many ways out of their control.

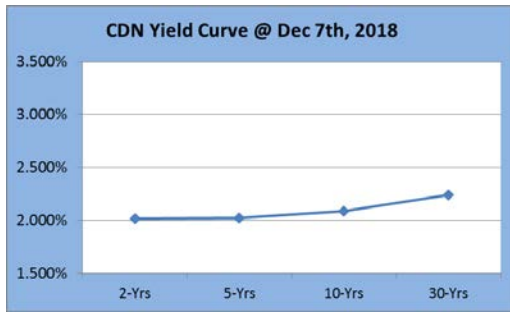
I think a good analogy is that Facebook is the Federal Reserve of web publishing. It can turn its dial and blast millions of visitors to numerous publishers, allowing everyone to have more eyeballs to sell to and more rising traffic numbers with which to attract investment. Facebook turning on the traffic fire hose is like loose monetary policy that stimulates the economy for everyone. ...

<https://ello.co/weisenthal/post/zbpjyou9enhrxknhdvka>

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 Fall CDN 2018

Equity Focus List, and Veritas V-List

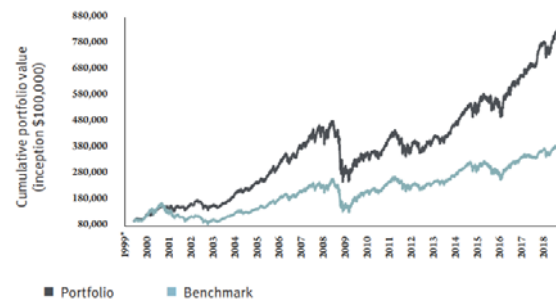
MG Favs: CAP REIT, Plaza Corp, Fortis Inc, Hydro One, BCE Inc, Canadian Tire.

RBC CM Focus List: TD Bank, Royal Bank, Bank of Nova Scotia, Bank of Montreal, National Bank, Brookfield Asset Management, Intact Financial, Onex Corp, 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, ...

RBC Canadian Focus List Performance

Historical total return since inception to September 30, 2018



III. News We Recommend On Our CDN Holdings

Market prices as of market close on Dec 6th, 2018

Dollarama (DOL)

Carrying the Toon(ie): Relative Valuation Remains Compelling

Ranking: **Outperform (RBC CM)**

Price: \$32.93 CAD - Target: \$49.00 CAD

Canadian Natural Resources Ltd (CNQ)

Demonstrating its Resiliency

Ranking: **Outperform (RBC CM)**

Price: \$34.90 CAD - Target: \$56.00 CAD

National Bank of Canada (NA)

An Okay Ending to a Solid Year

Ranking: **Outperform (RBC CM)**

Price: \$59.46 CAD - Target: \$73.00 CAD

Algonquin Power & Utilities Corp (AQN)

Investor Day: \$7.5 Billion Capital Plan Continues to Drive 10%+ Growth

Ranking: **Outperform (RBC CM)**

Price: \$14.25 CAD - Target: \$16.00 CAD

Cargojet Inc (CJT)

Takeaways from Our Hamilton Site Tour and RBC Small Cap Conference

Ranking: **Outperform (RBC CM)**

Price: \$77.84 CAD - Target: \$98.00 CAD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Cargojet Inc (CJT)
- Open Text (OTEX)
- Capital Power Corp (CPX)
- Algonquin Power (AQN)

Research Publications (available upon request)

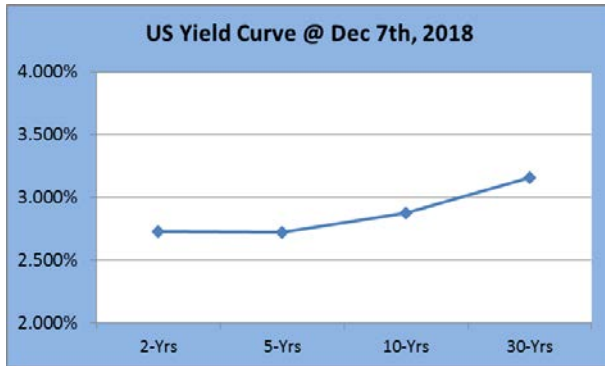
- RBC CM 2018 Outlook: CDN Equities
- RBC Strategy CDN Focus List: Winter '18
- RBC CM FEW Portfolio - Winter 2018
- RBC CDN Sm Cap Conviction List - Winter'18



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 5.6%**
- IShares Mortgage Plus Index (REM) **Yield 10.3%**

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

MG Favs: Berkshire Hathaway, Bank of America, Visa, Home Depot, Verizon, Apple, 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 **Dec 6th, 2018**

IBM Corp (IBM)

More Than One Way to Enhance IBM's Value Proposition. \$1.8B Assets Sale to HCL

Ranking: **Outperform (RBC CM)**

Price: \$123.91 USD - Target: \$175.00 USD

AT&T (T)

Analyst Day Highlights and Model Tweak

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

Price: \$30.53 USD - Target: \$33.00 USD

Amazon.com, Inc (AMZN)

Is Amazon Disrupting Healthcare Digitization?

Ranking: **Outperform (RBC CM)**

Price: \$1,699.19 USD - Target: \$2,300.00 USD

Stock of the Day Picks this Week:

- Prepared by Ryan

- Stryker Corp (SYK)

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

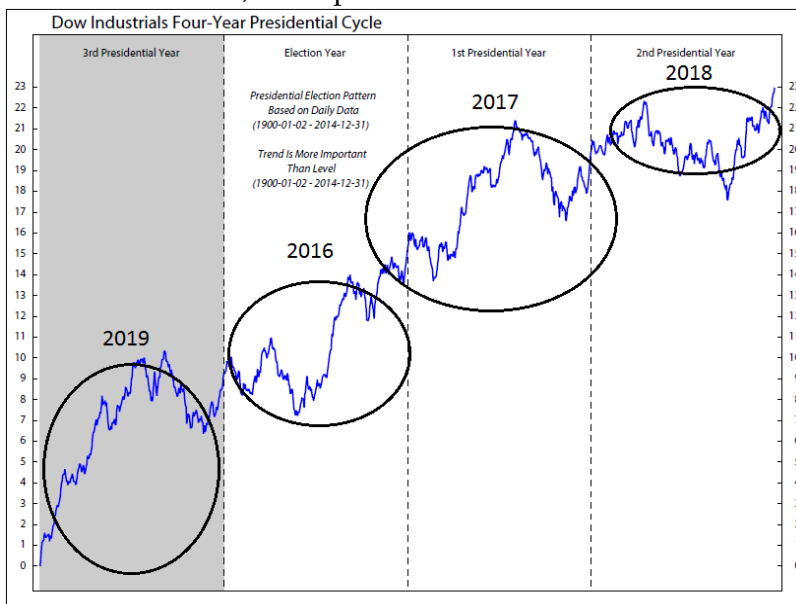





Technical Update

Portfolio Advisory Group

Begin again. The markets are again in a downward pull within the ongoing trading range of the past year and are in the process of testing the low end of the range on news that seems to be taken as bullish one day and bearish the next. The short-term swings and the news and concern that goes along with the market moves are certainly distracting from the overall trend of the indexes which continues to be neutral for the intermediate one-year time frame. The support levels below the Dow Industrials and the S&P are not exact numbers but are within ranges that were created by the series of low points that run from 23,300 to 24,300 on the DJIA and 2530 to 2630 on the S&P. We would expect that the indexes will bottom again within those bands with a chance that there could be a token lower low that would have the effect of bringing the sentiment up to a bearish peak. We are also encouraged that the news and opinions appear to be very heavily tilted to the pessimistic side, as this is what generally occurs at market bottoms, not tops.



 American Association of Individual Investors			
Reported Date	Bullish	Neutral	Bearish
December 6:	37.94%	31.56%	30.50%
November 29:	33.88%	26.64%	39.47%
November 22:	25.25%	27.61%	47.14%
November 15:	35.09%	28.95%	35.96%
November 8:	41.28%	27.52%	31.19%
November 1:	37.93%	27.59%	34.48%
October 25:	27.97%	31.03%	41.00%
October 18:	33.94%	31.05%	35.02%
October 11:	30.61%	33.94%	35.45%
October 4:	45.66%	29.22%	25.11%
September 27:	36.22%	32.68%	31.10%



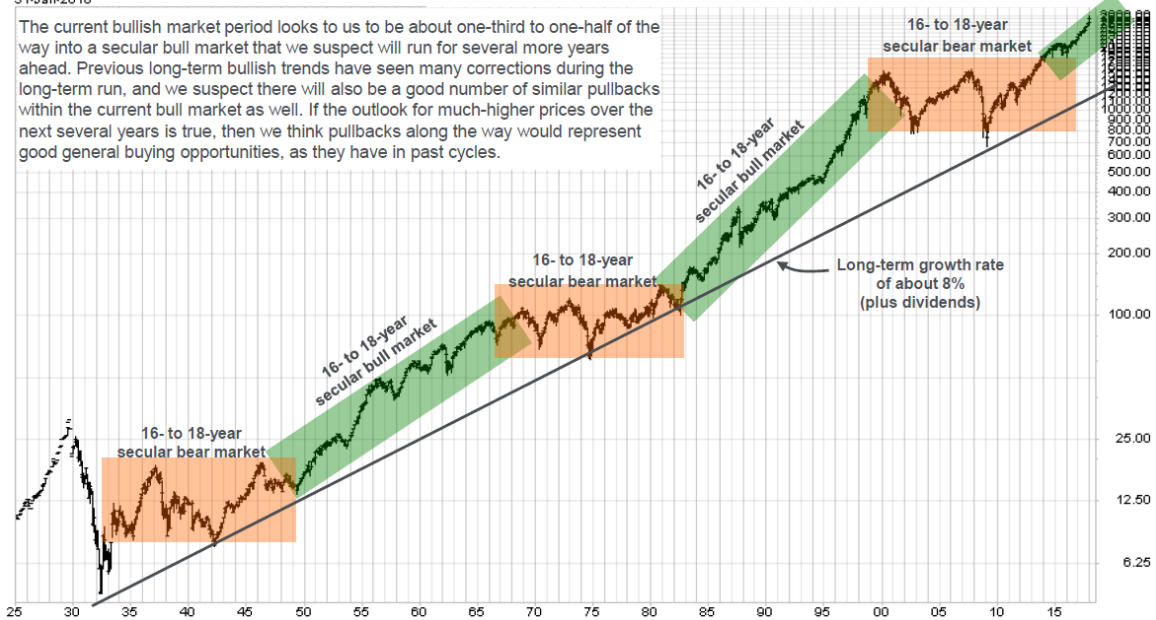
FAVOURITE CHARTS

Long-term market cycles 1925–2018

\$SPX S&P 500 Large Cap Index: INDXX
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.

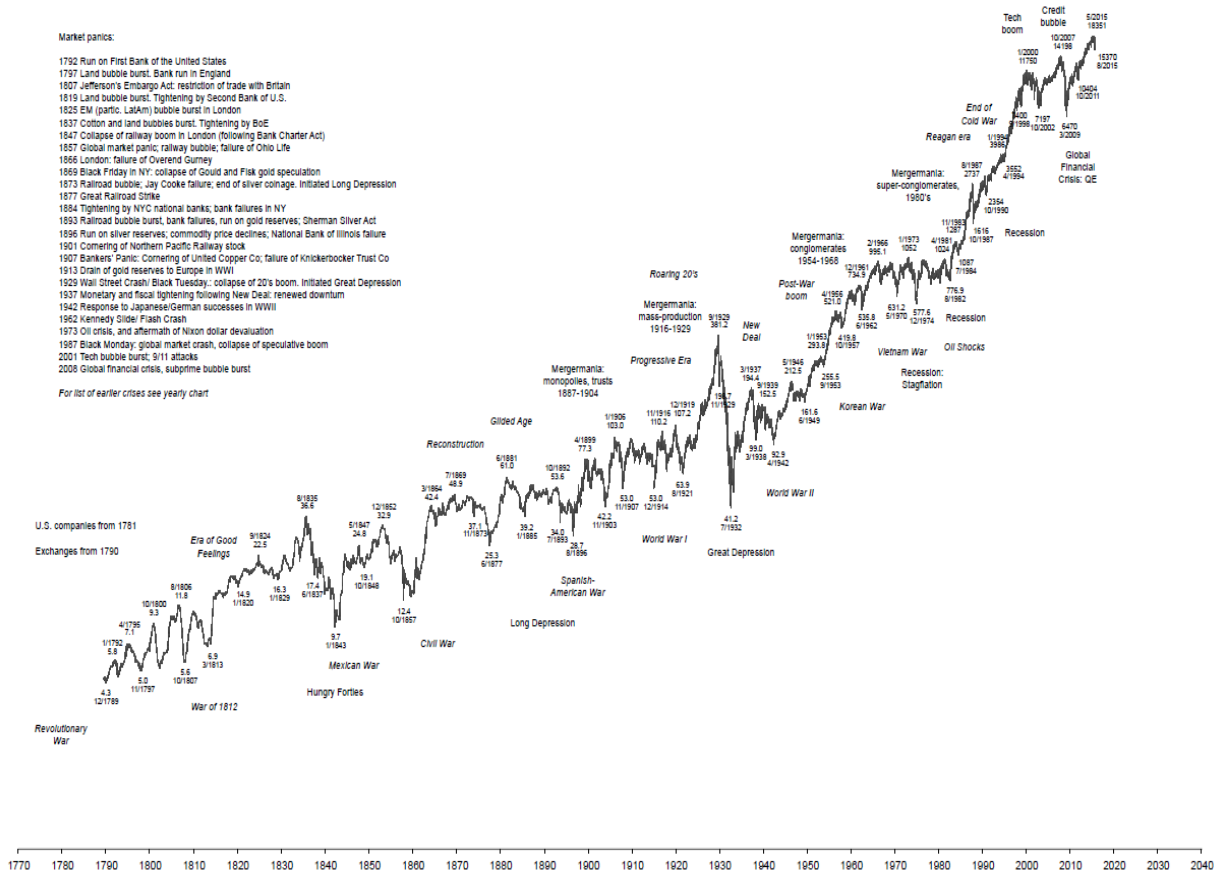


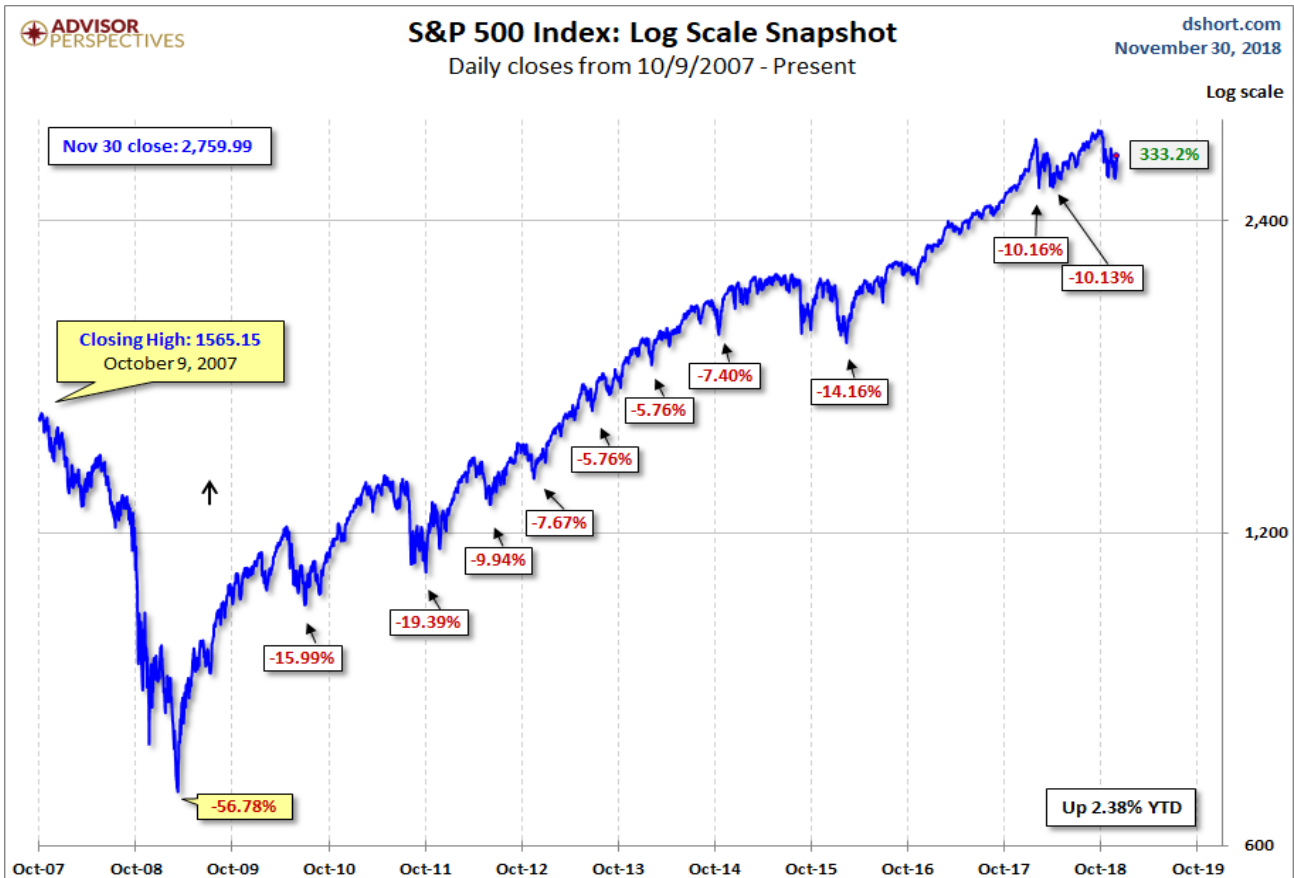
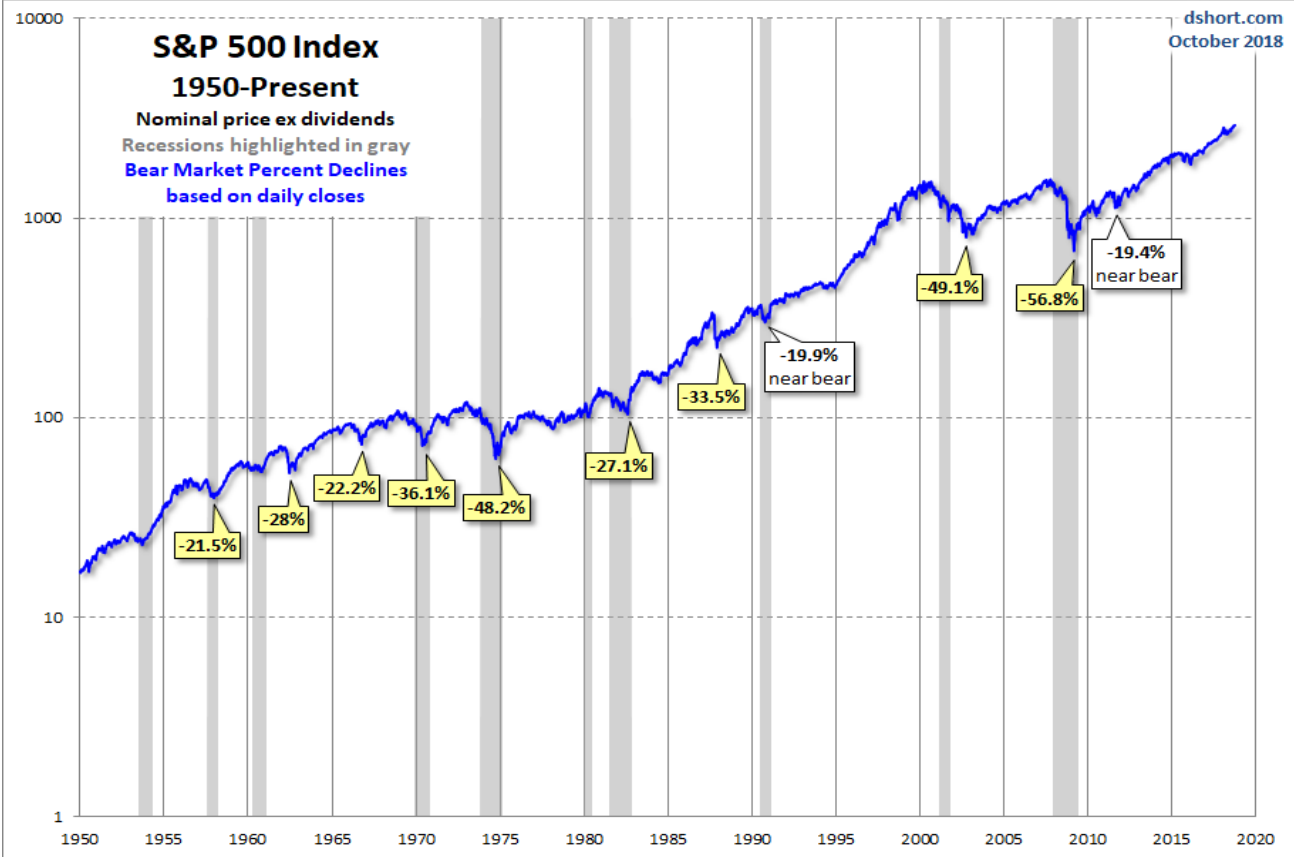
Dow Jones Industrial Average - 1789 to Date

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

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Suzanne Reid-Skidmore, BA, Associate Advisor

Estate + Financial Planning Advisors

Ted Chan, Financial Planner

Ariel-Charles Guigui, Will and Estate Consultant

Prashant Patel, Tax Consultant

Andrew Sipes, Estate Planning Specialist

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MacKay Group & RBC Foundation

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



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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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