

MacKay Weekly Investment Report



WEEK ENDING FRIDAY, MAY 31, 2019

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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.

CDA optimism / 1998 Repeat? / Will They Change

Equity markets continue to correct this month – is it just seasonal – many point to inverted yield curve – summer equity rally tends to follow.

Positives: Bank of Canada optimistic about economic rebound even as it stays neutral on interest rates (5th straight decision) - they site stabilization in housing, recovering production in the oil sector, stronger consumer spending + exports as well as a firming of business investment along with employment gains. Canada moves to ratify the NA trade deal (USMCA). Does it matter how the 10y-3m yield curve inverts – in Sept 1998 this occurred during Russian long term debt capital crisis, which triggered massive risk aversion – but it was also a buying opportunity – key point is global risky asset risk off trade - not business cycle turn – investors could be overreacting to inversion like in 1998 when we saw equity markets bottom + then embark on a strong rally over the next 10 months – “is this election timing in the works?” US growth has been acceleration – real GDP growth rose at a 3.2% annual rate in Q1, up 3.2% from a year ago – expect 3% now – this is due to changes in policy - a combination of lower marginal tax rates – particular on corporate profits – as well as deregulation - so major foreign economies do worse as they have not followed the same policies – US a better place to conduct business – so slow growth abroad is not affecting US (B Wesbury) “ will foreign economies change their policies - they should”. The selloff is, at last hitting the emotional stage, while it’s painful to do so, investors need the negativity to play out so they can get better opportunities in the form of lower stock prices. , the market doesn’t bottom until pessimism peaks. (J. Cramer). Cash on the sidelines keeps building especially in money market funds. Jeremy Siegel optimistic on trade deals being resolved as it needs to , as US election approaches.

Negatives: Trump latest Tariff talk and the retaliation he didn’t count on. US Treasury yield a new low – 2.22% lowest level since sept 2017 – US yield curve inverted again as inflation expectations drop and rate cut expectations increase. Inversion is a recession indicator. Financial stability landscape in the Euro area has become more challenging over the last six months – ECB released FSR report has growth outlook & slowing global growth due to high level sovereign debt, increase lower corporate debt. Disorderly Brexit. Future of European Union leadership remains in question. Out past 4 Q’s real GDP expansion of 1.5% in the 28 countries that make up the European Union, slowest pace since 2013. China up 6.4%, slowest gains in decades.

Investment Wisdom: “Although it’s easy to forget sometimes, a share is not a lottery ticket. It’s part ownership of a business.” - Peter Lynch

PORTFOLIO MANAGEMENT-Week’s Highlights

Stocks of the Day: WM, INDA, VZ, CPX, QQQ

New Issues: Have a great weekend. Bruce

Exchange	30-May-19	YoY	MoM
S&P/TSX	16,089.24	0.8%	-1.5%
DJIA	25,169.88	1.7%	-3.8%
S&P 500	2,788.86	2.4%	-3.1%
Nasdaq	7,567.72	2.2%	-4.3%
FTSE 100 Index (UK)	7,218.16	-6.3%	-2.8%
DAX Index (Germany)	11,902.08	-8.6%	0.4%
Hang Seng Index (HK)	27,114.88	-12.0%	-10.1%
Nikkei 225 (Japan)	20,942.53	-6.9%	-3.9%
Shanghai 180 (China)	8,123.60	-2.6%	-9.3%

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

Beyond the China-U.S. Trade War - Ray Dalio

As I have explained for a while, the U.S.-China conflict is much more extensive than a “trade war.” It is an ideological conflict of comparable powers in a small world. It’s about 1) China emerging to challenge the power of the U.S. in many areas and 2) these two countries having two different approaches to life – one that’s top down and one that’s bottom up. These conflicts extend to American and Chinese businesses, technologies, capital markets, influences over other countries, militaries, ideologies, and most everything else. They are made especially difficult because the Chinese, the Americans, and those who deal with them both are now so interdependent, with the interdependencies being both vulnerabilities of each and weapons that each can use to hurt the other.

As someone in these negotiations wisely said, history shows that countries in conflict have seen...

<https://www.linkedin.com/pulse/beyond-china-us-trade-war-ray-dalio/>

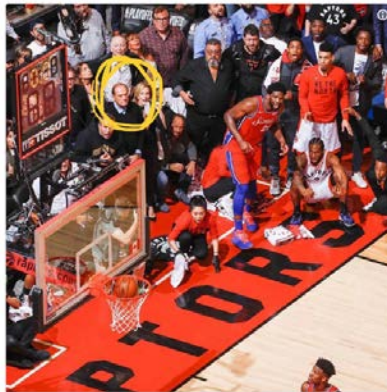
Raptors playoff games have become the 'epicentre' of Canadian CEOs - April Fong

Kawhi Leonard’s buzzer-beater against the Philadelphia 76ers wasn’t the only thing that was trending a day after the Toronto Raptors won Game 7 of the NBA Eastern Conference semifinals.

The seemingly-bored expression of Canadian businessman Jim Treliving among a crowd of faces hanging in suspense set the internet abuzz almost as much.

“I’ve never had more calls on anything else in my life” says Treliving, Dragon’s Den investor and Boston Pizza International founder, in a phone interview.

Other business leaders at Raptors games may not draw nearly as much attention as Treliving, but he’s certainly not the only executive sitting in “Mahogany Row” of the team’s most exciting playoff run to date....whether it’s Gerry Schwartz sitting in the front row, or banking executives.... It’s the epicenter of the financial district, of the business community in Canada, and there’s a lot of business going on. It’s the hottest ticket in town”.



<https://www.bnnbloomberg.ca/raptors-playoff-games-have-become-the-epicentre-of-canadian-ceos-1.1260626>

What U.S. flooding could mean for Canada's Prairie farmers

“As rain hampers planting efforts in the Midwest, analysts grapple with the 'domino effects' on crop prices” – Tony Seskus CBC News

Flooding across the U.S. agricultural belt continues to thwart the planting of key crops in that country – something that could help some Canadian farmers fetch better commodity prices.

New data this week revealed several states are well behind schedule for planting thanks to weeks of rain, with [more wet weather in the forecast for some regions](#).

“Some of the greatest concern is over corn and soybeans”

As the week began, [only 49 per cent](#) of corn crops in 18 key states had been planted when more typically it might be 80 per cent. Less than a fifth of soybeans had been planted when it might normally be closer to half, according to the United States Department of Agriculture.

<https://www.cbc.ca/news/business/flooding-crops-farmers-1.5143828?cmp=rss>

Missing the Bigger Picture: Tracking the Energy Revolution 2019

Partnering with Navius Research, Clean Energy Canada delved into Canada's clean energy sector to better understand its economic contribution and the number of jobs it provides. The result is an up-to-date, unique examination of the sector and its relevance to Canadians.

Not only is Canada's clean energy sector growing faster than the rest of the country's economy (4.8% versus 3.6% annually between 2010 and 2017), it's also attracting tens of billions of dollars in investment every year.

And perhaps most importantly for the average Canadian, it's a huge, and growing, employer. In 2017, clean energy accounted for 298,000 jobs in Canada – roughly equal to direct employment in the real estate sector.....

<http://cleanenergycanada.org/report/missing-the-bigger-picture/>

The Huawei Disaster Reveals Google's Iron Grip on Android

Google's Android is pitched as the open, free-for-everyone alternative to the iPhone. However, to comply with a recent order from the U.S. government, Google pulled the Chinese tech company and smartphone manufacturer Huawei's license to use the proprietary Google software that sits on top of Android. In doing so, Google quietly exposed the powerful control it has over its supposedly open phone ecosystem.....

https://onezero.medium.com/the-huawei-disaster-reveals-googles-iron-grip-on-android-b1ccee34504d?source=collection_category--4-----5-----

Don't Overestimate the 'Semi' in Semiautonomous Cars - Alex Davies

Tesla may snatch the headlines around the rise of semiautonomous vehicle features that take some of the work off the driver, but its monopoly is unlikely to last: *A new report finds that in the first quarter of this year, approximately 7 percent of new cars sold in the US were capable of guiding themselves down the highway. That's about 200,000 vehicles, a threefold increase over the same period in 2018.*

While the popularity of Tesla's Model 3 accounts for some of that jump, more came from traditional manufacturers Toyota and Nissan, says Chris Jones, chief analyst at tech analysis firm Canalys. That's good news for people who can't afford a Tesla or Cadillac

<https://www.wired.com/story/dont-overestimate-semi-semi-autonomous-cars/>

Canadian Funds Dive Deeper Into Alternatives

Pensions, insurers, and foundations surveyed by CIBC Mellon indicate plans to up allocations to private equity, private debt, infrastructure, and hedge funds. - Amy White

Canada's institutional investors – widely considered to run some of world's most sophisticated investment programs – are shifting more money into alternative asset classes.

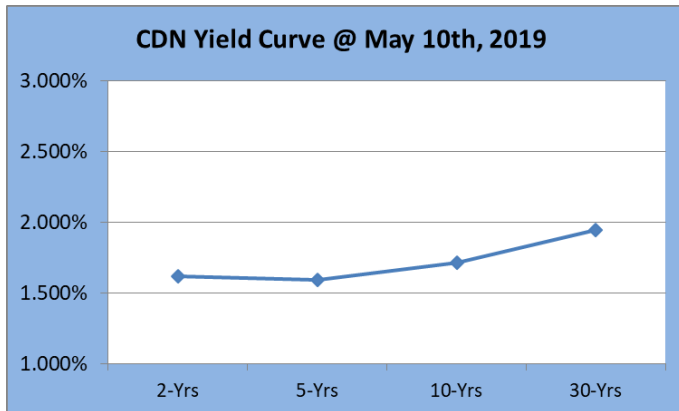
A CIBC Mellon [survey](#) of 50 pension funds, insurance companies, endowments, foundations, and fund managers found that 58 percent planned to increase their allocation to alternative investments – including infrastructure, private equity, private debt, and hedge funds – over the next 12 months, while the remainder planned to maintain their current allocations to the asset class

<https://www.institutionalinvestor.com/article/b1flvk8lphjh44/Canadian-Funds-Dive-Deeper-Into-Alternatives>

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

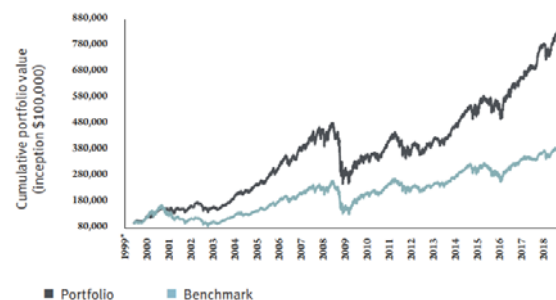
II. MG Top Holdings, RBC DS Spring CDN 2019 Equity Focus List, and Veritas V-List

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, Couche-Tard, CP Rail, CN Rail, Toromont, Waste Connections, Finning Constellation Software, Canadian Natural Resources, Suncor, Pembina, TransCanada, Nutrien,
Veritas V-List: Canadian Natural Resources, Canadian Pacific Railway Ltd, Canadian Utilities, Cogeco Cable, Enbridge, Enerplus Corp, George Weston Ltd, Granite REIT, Killam Apartment REIT, Kinder Morgan Canada Ltd, Manulife Financial Corp, maple Leaf Foods Inc, Metro Inc ...

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 May 30th, 2019

Thomson Reuters Corp (TRI)

Positive Operating Leverage Returns, Setting the Stage for Margin Upside

Ranking: **Outperform (RBC CM)**

Price: \$85.77 CAD - Target: \$88.00 CAD

Sun Life Financial (SLF)

An All-Around Solid Quarter

Ranking: **Outperform (RBC CM)**

Price: \$53.28 CAD - Target: \$61.00 CAD

Spin Master Corp (TOY)

Q1 EBITDA Below Forecasts; 2019 Guidance Reiterated

Ranking: **Outperform (RBC CM)**

Price: \$41.62 CAD - Target: \$54.00 CAD

First Capital Realty (FCR)

Tweaking our Near-Term FFO Forecast: Same Destination, Slightly Different Route

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

Price: \$20.79 CAD - Target: \$25.00 CAD

George Weston Limited (WN)

Stabilizing the Dough: Green Shoots as WN Foods Performance Continues to Stabilize

Ranking: **Outperform (RBC CM)**

Price: \$101.87 CAD - Target: \$122.00 CAD

MEG Energy Corp (MEG)

Gul Coast Strategy in Focus

Ranking: **Outperform (RBC CM)**

Price: \$4.47 CAD - Target: \$7.50 CAD

Stock of the Day Picks this Week:

- Prepared by Harry

- Capital Power Corp. (TSX: CPX)

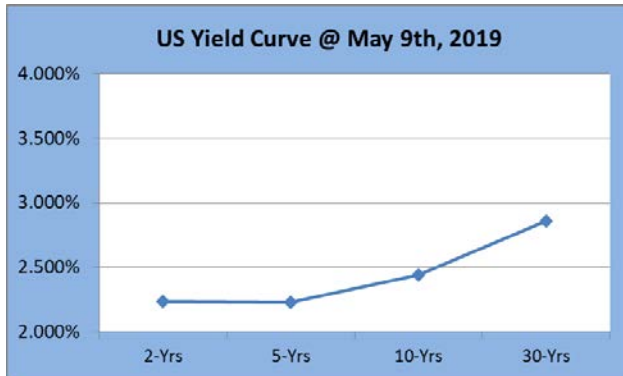
Research Publications (available upon request)

- RBC Strategy CDN Focus List: Spring '19
- RBC CM FEW Portfolio - Spring 2019
- RBC CDN Sm Cap Conviction List - Q2/19

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
- iShares Mortgage Plus Index (REM) Yield 8.7%

II. MG Favs, RBC DS Spring 2019 US Equity List

RBC DS Spring '19 Global Equity Focus List

MG Favs: Berkshire Hathaway, Bank of America, Visa, Home Depot, and Apple.

RBC DS US Equity Focus List: Berkshire Hathaway, JP Morgan Chase, US Bancorp, Alphabet, Facebook, Netflix, Disney, CVS, Johnson & Johnson, Thermo Fisher, UnitedHealth, Danaher, Costco, 3M Co, Honeywell, Raytheon, Apple, Cisco, MasterCard, Microsoft, DowDuPont, EOG Resources.

RBC DS Global Equity Focus List: Alphabet, Telus, Amazon.com, Restaurant Brands, Alimentation Couche-Tard, Costco, Canadian Natural Resources, Pembina Pipeline, Suncor, TransCanada, Berkshire Hathaway, Brookfield Asset Management, Intact Financial, JP Morgan, Royal Bank, TD Bank, US Bancorp, Danaher, J&J, Thermo Fisher, United Health, 3M Co, CP Rail, Raytheon, Toromont, Waste Connections, Mastercard, Microsoft, SAP, DWDP.

RBC DS ADR Focus List: China Unicorn, Vodafone, WPP Plc, Honda, Anheuser-Butsch, Diageo, Unilever, China Petroleum..., Eni S.p.A., Royal Dutch Shell, AerCap Holdings, Barclays, HSBC, ING, Prudential PLC, Westpac Banking, AstraZeneca, Fresenius, Sanofi, ABB Ltd, Accenture, Alibaba Group, NICE Ltd, SAP SE, BHP Group

III. News We Recommend on our Intl Holdings

Market prices as of market close on May 30th, 2019

Home Depot (HD)

Slightly Reducing 1Q/2019 Estimates Given Adverse Weather/Moderating Macro Trends

Ranking: **Outperform (RBC CM)**

Price: \$189.99 USD - Target: \$213.00 USD

Microsoft Corp (MSFT)

Update from Build

Ranking: **Outperform (RBC CM)**

Price: \$124.94 USD - Target: \$136.00 USD

Dow Inc (DOW)

Selloff Creates Attractive Entry Point

Ranking: **Top Pick (JPM)**

Price: \$52.93 USD - Target: \$66.00 USD

Stock of the Day Picks this Week:

- Prepared by Harry

- Waste Management (NYSE: WN)
- iShares MSCI India ETF (NYSE: INDA)
- Verizon Communications (NYSE: VZ)
- Invesco QQQ (NYSE: QQQ)

Research Publications (available upon request)

- RBC GAM - Global Investment Outlook
- RBC CM - Top 30 Global Ideas for 2019

MUTUAL FUNDS Closed/Open- Top Holdings

Canadian Fixed Income

Canso Credit Income
Dynamic Strategic Yield
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
Trimark - CDN

US Fixed income

Franklin High Yield
Fidelity American High Yield

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

Potholes. The markets are dealing with a number of concerns with still unknown outcomes that are likely catalysts for a market pullback that may have been due after the 25% gain by the DJIA and the S&P over the previous four months. It is normal for the markets to move in both directions over the shorter term, but the reasons for them doing so are different each time. An average pullback can be around 50% of the previous move to the upside, and often ends with the larger down days at the end. The sentiment measures of investors are already at levels we think indicate the anticipation of market weakness, which as a contrary indicator implies that the downside risk may not be as great as many would think. We believe the summer months promise to be more of the same volatility we anticipate will continue within the overall range of the past 18 months.

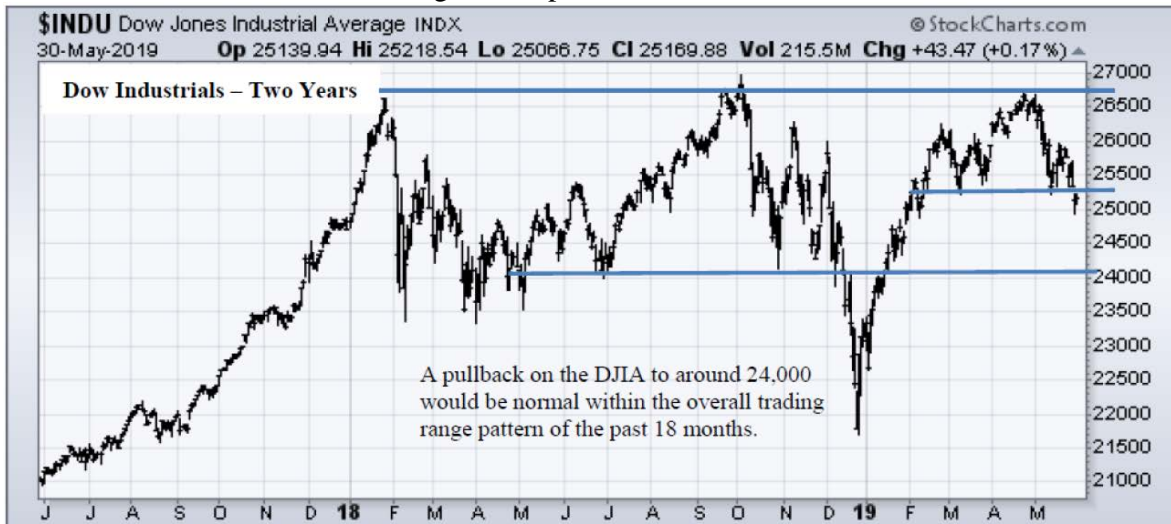


Chart courtesy StockCharts.com and RBC Wealth Management

AAII		American Association of Individual Investors		
Reported Date	Bullish	Neutral	Bearish	
May 30:	24.79%	35.12%	40.08%	
May 23:	24.71%	39.22%	36.08%	
May 16:	29.82%	30.88%	39.30%	
May 9:	43.12%	33.70%	23.19%	
May 2:	39.02%	39.63%	21.34%	
April 25:	33.52%	46.31%	20.17%	
April 18:	37.56%	40.61%	21.83%	
April 11:	40.29%	39.33%	20.38%	
April 4:	35.02%	36.71%	28.27%	
March 28:	33.20%	39.60%	27.20%	
March 21:	37.30%	39.29%	23.41%	
March 14:	32.42%	36.52%	31.06%	



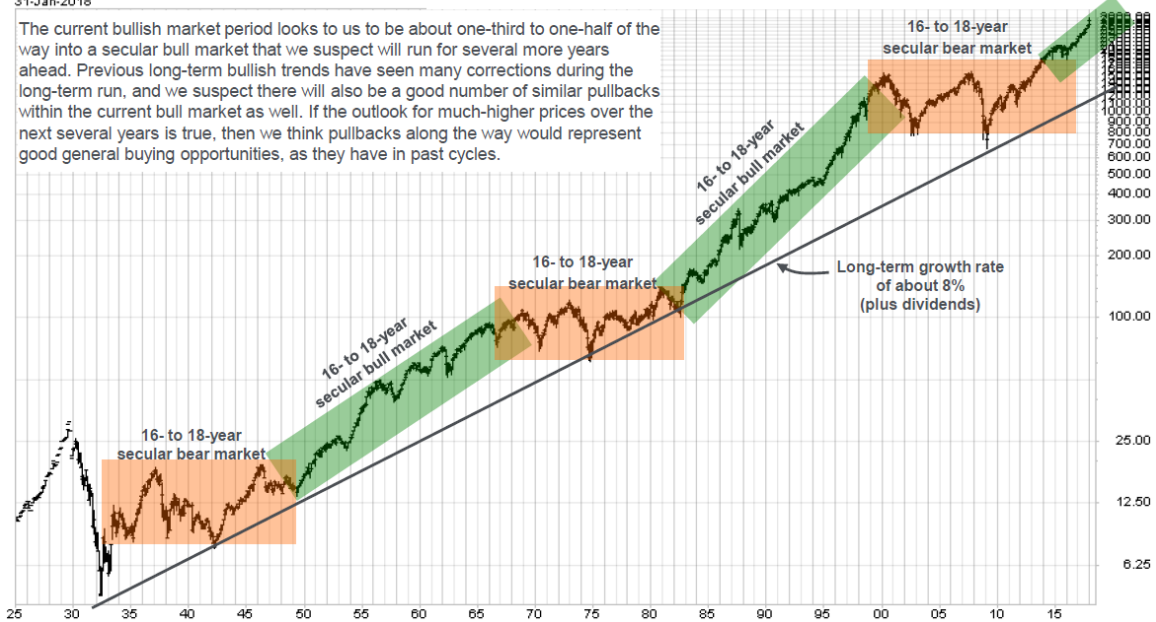
FAVOURITE CHARTS

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.

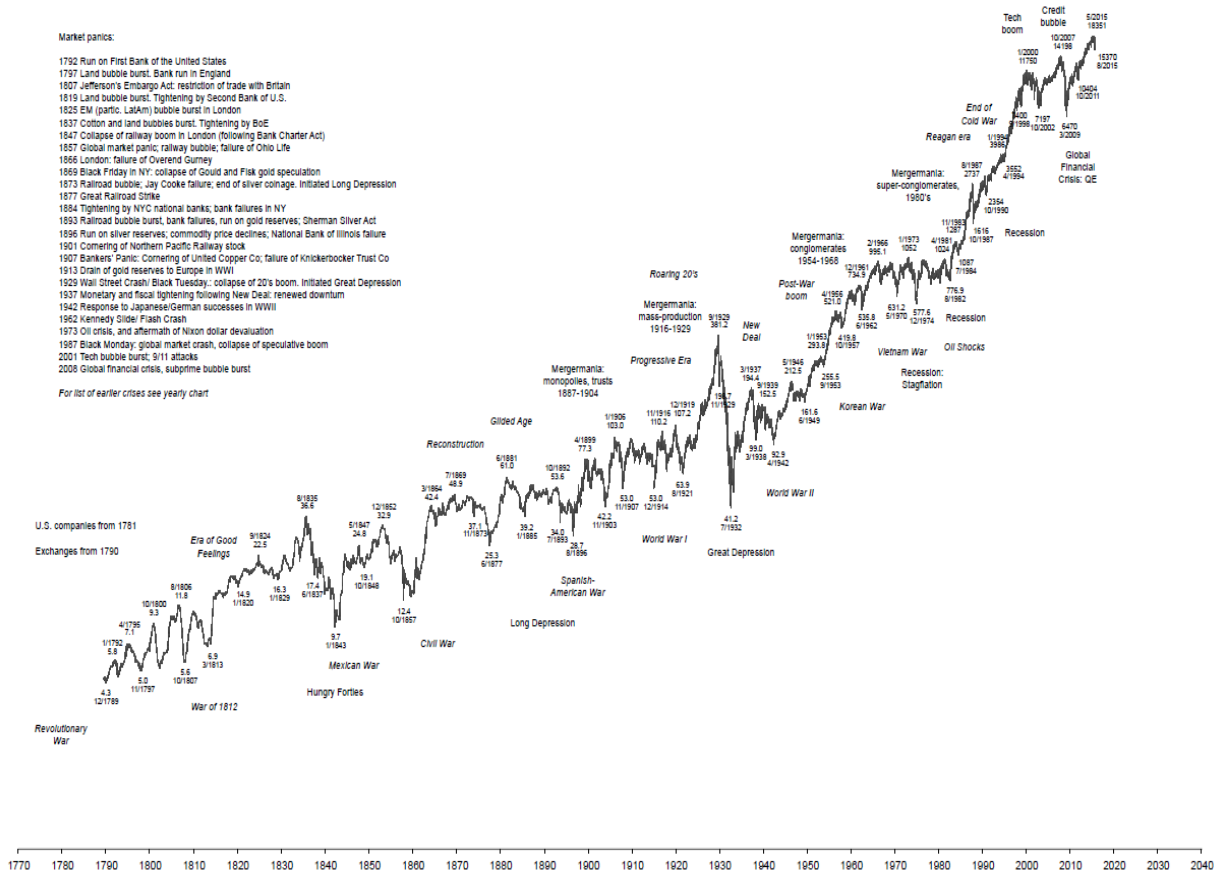


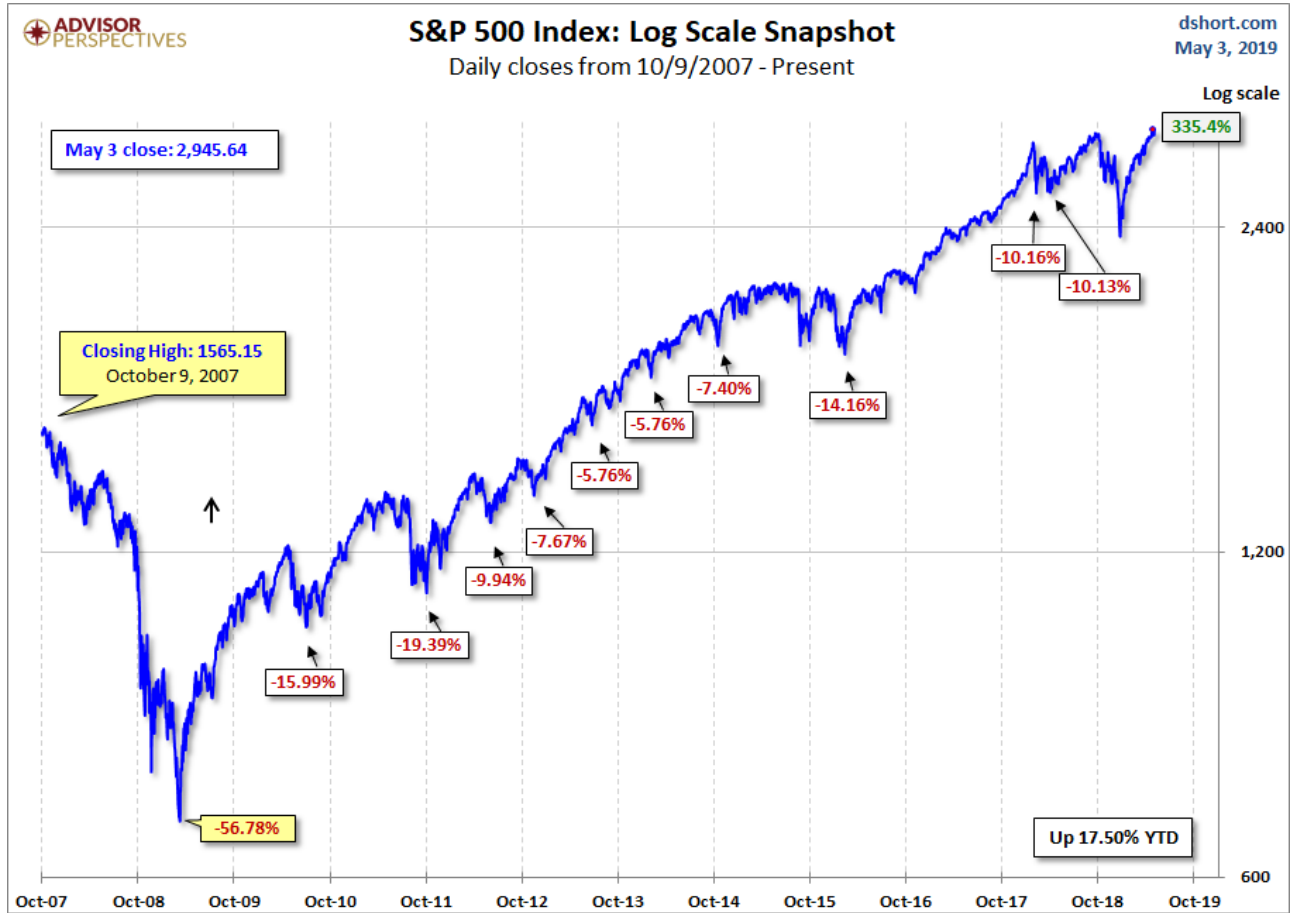
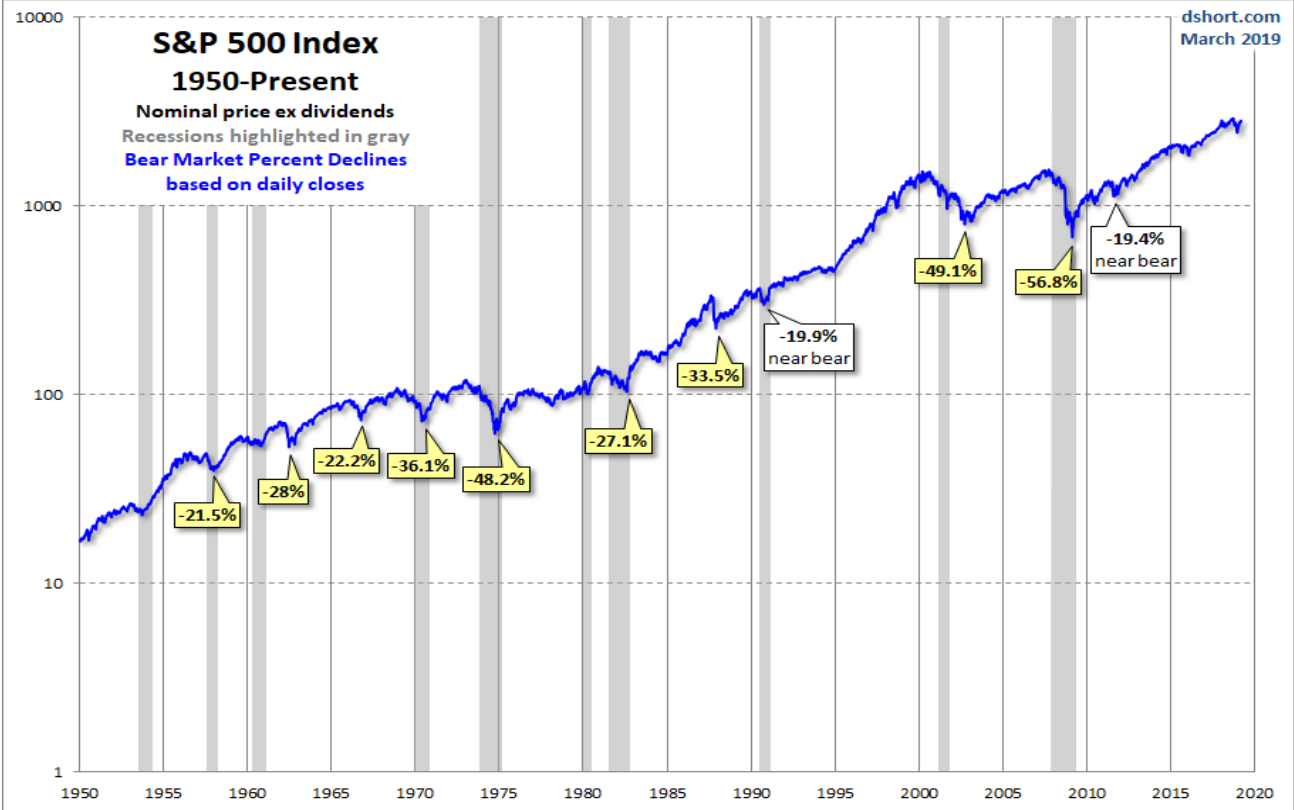
Dow Jones Industrial Average - 1789 to Date

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 Acct, 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

Karen Snowden-Staecey – 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. 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?

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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Melissa Crawford, BA, Associate Advisor

Madeline Howard, Associate

Estate + Financial Planning Advisors

Ted Chan, Financial Planner

Ariel-Charles Guigui, Will and Estate Consultant

Prashant Patel, Tax Consultant

Andrew Sipes, Estate Planning Specialist

Karen Snowdon-Steacy, Senior Trust Advisor

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MacKay Group & RBC Foundation

We have contributed \$500,000+ over the years. Charities we support in 2018 - Jewish National Fund, Canadian Wildlife Federation, Canadian Civil Liberties, Toronto Public Library Foundation, ABC Life Literacy, Canadian Canoe Museum, Erin Oak Kids, Trillium Hospital Foundation, CAMMAC, 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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