

# MacKay Weekly Investment Report



WEEK ENDING FRIDAY, JULY 5, 2019

[WWW.MACKAYGROUP.COM](http://WWW.MACKAYGROUP.COM)

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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.*

## Strong jobs /Longest expansion /Sexy headlines

Another good week for indices globally - will this hold - seasonally a good time for equities as we move through second quarter earnings season.

**Positives:** US continues to have strong jobs reports. Canada jobs market pauses after monster first half of year. China continues to stress that the US must remove all tariffs placed on Chinese good as a condition for reaching a trade deal- sounds like they are getting closer to a deal. Strong jobs could lead to leaving interest rate steady. Gold heads for the longest stretch in eight years - helps Canada- just look at the Canadian dollars latest move. Wage gains rising in Canada and the US - in Canada wage gains accelerate it to the fastest in more than a year with it or the annual pay rising 3.8% in June, 2.8% in May - would you have no reason to seriously consider matching Fed rate cuts anytime soon. Current economic expansion is the longest in US history - 10 years - has happened in spite of tax hikes more regulation and aging baby boomer demographic headwinds - it's been slow - a plow horse economy. The key to growth in the past 10 years is entrepreneurs overcoming political obstacles to keep the US and Canada economy growing - this does not make for a sexy headlines of financial media and they do not give it much heed. Key in the past few years is the direction of policy has kept has finally shifted pro-growth with deep cut in corporate tax rates , full expensing for plant & equipment and deregulation - and the US economy responded with growth accelerating in 2017 and 2018 and a track for another year of growth near 3% (Brian Westbury)

**Negatives:** Strong jobs report and the negative effects on interest rate cuts. Trade talks - will this now become an election issue and keep dragging on. Seasonally we are entering end of the summer equity rally where equity corrections tend to start. One thing we can count on is that the next 12 months we will see stories of impending doom - fears over foreclosures - defaults on muni bonds - commercial real estate - banking crisis - China slowdowns (multiple times) - maybe even Greece leaving the euro again - fiscal Cliff - government shutdowns - Brexit - hyperinflation - quantitative easing - recession talk from quantitative tightening - all seem familiar.

**Investment Wisdom:** "Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas." - Paul Samuelson

## PORTFOLIO MANAGEMENT-Week's Highlights

**Stocks of the Day:** T, UNH, DOL, ATZ

**New Issues:** CXB

Exchange	Close		
	04-Jul-19	YoY	MoM
S&P/TSX	16,588.85	1.6%	1.9%
DJIA	26,966.00	7.1%	5.6%
S&P 500	2,995.82	7.7%	5.7%
Nasdaq	8,170.23	5.3%	5.6%
FTSE 100 Index (UK)	7,603.58	-2.1%	5.0%
DAX Index (Germany)	12,629.90	-3.6%	5.3%
Hang Seng Index (HK)	28,795.77	-5.4%	2.4%
Nikkei 225 (Japan)	21,702.45	-4.6%	3.0%
Shanghai 180 (China)	8,640.76	6.5%	6.8%

Have a great Canada day and long weekend. Bruce

## MacKay Weekly Investment Report Contents:

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

### **Strong U.S. Hiring Rebound Dilutes Case for Larger Fed Cut**

The American jobs engine revived in June as hiring topped all economists' estimates, relieving pressure on the Federal Reserve to slash interest rates this month while leaving it room to make a small reduction if it wants. Nonfarm payrolls climbed a solid 224,000 last month, the most since January, after a disappointing 72,000 May advance, a Labor Department report showed Friday. At the same time, the jobless rate ticked up to 3.7% from a half-century low of 3.6% and average hourly earnings increased a less-than-projected 3.1% from a year earlier. <https://www.bloomberg.com/news/articles/2019-07-05/u-s-jobs-top-forecast-as-224-000-gain-dilutes-case-for-fed-cut?srnd=markets-vp>

### **OPEC weighs extension of output cuts amid slackening demand**

VIENNA – OPEC is deciding whether to extend its current deal to cut production by a further six to nine months as the oil cartel faces a weakening demand outlook due to waning global growth.

The decision by member representatives meeting Monday is complicated by tensions between the U.S. and Iran that have sent prices higher.

The head of Nigeria's delegation at the Organization of the Petroleum Exporting Countries, Folasade Yemi-Esan, said Monday that her country "strongly endorsed" an extension of the deal for nine months, saying that would "offer greater certainty to the market."

<https://www.canadianbusiness.com/business-news/opec-weighs-extension-of-output-cuts-amid-slackening-demand/>

### **China Reiterates Demand That U.S. Must Lift All Tariffs**

China continues to stress that the U.S. must remove all the tariffs placed on Chinese goods as a condition for reaching a trade deal.

On Friday, an influential blog connected to state media said the talks will "go backward again" without that step, echoing the line from Ministry of Commerce's weekly briefing on Thursday.

While President Donald Trump and President Xi Jinping agreed last month to re-start talks and the U.S. suspended the application of fresh tariffs, no plan for face-to-face negotiations has yet been announced.

"If the two sides are to reach a deal, all imposed tariffs must be removed," Ministry of Commerce Spokesman Gao Feng said on Thursday. "China's attitude on that is clear and consistent."

<https://www.bloomberg.com/news/articles/2019-07-05/china-is-not-for-turning-on-demand-that-u-s-lift-all-tariffs>

### **Chasing SpaceX, Amazon Seeks to Launch 3,236 Internet Satellites**

Amazon.com Inc. asked for U.S. permission to launch 3,236 communications satellites, joining a new space race to offer internet service from low orbits and challenge the fleet planned by Elon Musk's SpaceX.

Amazon in a July 4 filing told the Federal Communications Commission its Kuiper satellites will deliver broadband to tens of millions of consumers and businesses that now lack adequate access to the internet. The agency coordinates trajectories and radio-frequency use.

The FCC already has approved nearly 13,000 low-Earth orbit satellites. Those include 11,943 for Musk's Space Exploration Technologies Corp., which launched an initial batch of 60 spacecraft in May.

<https://www.bloomberg.com/news/articles/2019-07-05/amazon-asks-to-join-broadband-space-race-with-elon-musk-s-spacex>

## **“Research: Investors Reward Companies That Talk Up Their Digital Initiatives” - Suraj Srinivasan & Wilbur Chen**

In recent years, we’ve seen some remarkable advances in digital technologies in cloud computing, data analytics, machine learning, and artificial intelligence, among others. These technologies have the potential to transform a wide range of businesses, especially in traditionally non-technology sectors.

For example, banks have made large investments in bringing analytics and automation to consumer portfolio investing. Retailers like Target have made substantial investments in artificial intelligence to predict sales and improve inventory stocking. Car companies like General Motors have made significant strides in developing autonomous driving technologies – and it is likely we will soon see self-driving GM cars on the road.

[https://hbr.org/2019/06/research-investors-reward-companies-that-talk-up-their-digital-initiatives?utm\\_medium=email&utm\\_source=newsletter\\_monthly&utm\\_campaign=finance\\_not\\_activesubs&eferral=00209&deliveryName=DM41312](https://hbr.org/2019/06/research-investors-reward-companies-that-talk-up-their-digital-initiatives?utm_medium=email&utm_source=newsletter_monthly&utm_campaign=finance_not_activesubs&eferral=00209&deliveryName=DM41312)

## **Putin Meets Pope as Relations Thaw Between Russia and Vatican**

President Vladimir Putin met Pope Francis in the Vatican on Thursday, amid signs of closer ties between the Kremlin and the Roman Catholic Church.

The meeting came a day before the Pope is due to hold talks in Rome with leaders of Ukraine’s Greek-Catholic Church to discuss the conflict in that country. The Ukrainian Orthodox Church last year formally split from the Russian Orthodox Church amid tensions between Kiev and Moscow over the war in eastern Ukraine.

The Pope and Putin “expressed their satisfaction” at how ties are developing, the Vatican said in a website statement. They discussed the role of the Catholic Church in Russia as well as ecological issues and international affairs including the situation in Syria, Ukraine and Venezuela, according to the statement.

<https://www.bloomberg.com/news/articles/2019-07-04/putin-meets-pope-as-relations-thaw-between-russia-and-vatican?srnd=politics-vp>

## **Wealthy Families Are Adding Forests to Their Portfolios**

**It’s a long-term bet on growth. – Lanahnh Nguyen**

Tom Crowder spent much of his two-year career in the NFL running away from men who weighed upwards of 300 pounds. These days? He worries about bears and snakes. As a senior vice president at Bank of America Corp., Crowder spends most days in the woods, from the evergreen forests of New England to the wetlands of the Carolinas, scouting U.S. timberland assets for people with a net worth of at least \$100 million and a minimum of \$10 million to invest.

“Trees don’t move as fast as Pro Bowl linebackers,” Crowder says on a recent field trip to a client’s timber farm in South Carolina overlooking the alligator-populated Waccamaw River. As turtles sun themselves and wild turkeys roam, he recounts over a picnic lunch the “neat experience” of his stint as a wide receiver and safety for the Dallas Cowboys. After a busted jaw and emergency surgery, he was happy to go back to his roots, as a third-generation forester.

<https://www.bloomberg.com/news/articles/2019-06-17/wealthy-families-are-adding-forests-to-their-portfolios?srnd=markets-magazine-v2>

## **Deutsche Bank Investment Bank Head Ritchie Leaves in Revamp**

Deutsche Bank AG investment bank head Garth Ritchie is leaving, marking the first official casualty of an overhaul that’s shaping up to be the largest in the lender’s recent history.

Ritchie will depart at the end of the month “by mutual agreement,” the bank said in a statement on Friday.

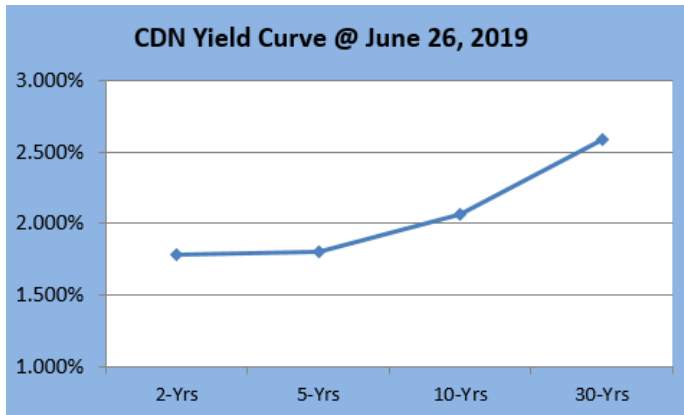
Chief Executive Officer Christian Sewing will take over responsibility for the division and further changes to the investment bank’s leadership will “follow in due course,” the bank said in the release.

<https://www.bloomberg.com/news/articles/2019-07-05/deutsche-bank-investment-bank-head-ritchie-leaves-amid-overhaul?srnd=markets-vp>

## 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 2019 Equity Focus List, and Veritas V-List

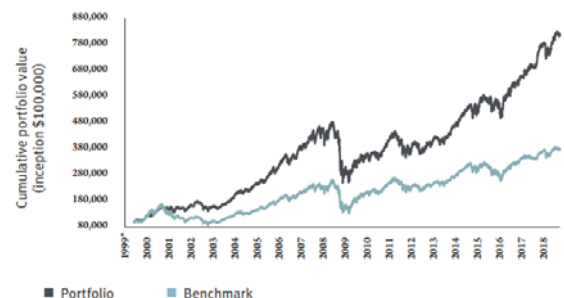
**MG Favs:** CAP REIT, Plaza Corp, Fortis Inc, Hydro One, BCE Inc, Canadian Tire.

**RBC CM Focus List:** Telus, Dollarama, TD Bank, Royal Bank, Bank of Nova Scotia, Bank of Montreal, National Bank, Brookfield Asset Management, Intact Financial, Onex Corp, Brookfield Property Partners, Restaurant Brands, 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 July 4, 2019

#### **Genworth MI Canada Inc. (MIC)**

**GNW looking to potentially dispose of MIC stake**

Ranking: Sector Perform (RBC CM)

Price: \$43.29CAD- Target \$48.00CAD

#### **Automotive Properties Real Estate Investment Trust (APR.UN)**

Ranking: Sector Perform (RBC CM)

Price: \$10.48CAD- Target \$11.25.00CAD

#### **Dollarama (DOL)**

Ranking: Outperform (RBC CM)

Price: \$48.42 CAD- Target \$53.00CAD

#### **TC Energy Corp (TRP)**

Ranking: Outperform (RBC CM)

Price: \$65.49 CAD- Target \$75.00CAD

*Please contact our office if you would like a copy of any of the above research reports.*

#### **Stock of the Day Picks this Week:**

**Prepared by Bruce**

T - TELUS Corp

UNH- Unified Health Group Inc.

DOL- Dollarama

ATZ- Aritzia

#### **Research Publications (available upon request)**

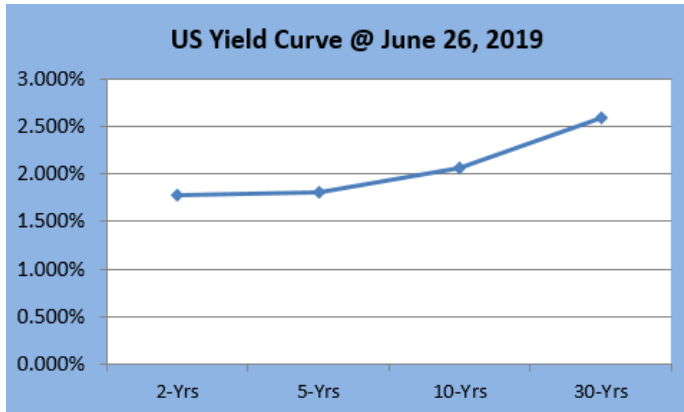
- RBC Strategy CDN Focus List: Summer '19
- RBC CM FEW Portfolio - Summer 2019
- RBC CDN Sm Cap Conviction List - Q2/19



## 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 Summer 2019 US Equity List**

#### **RBC DS Summer '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, Costco Corporation, Alphabet, Amazon, CVS Health Corp, Crown Castle International, Apple, Dupont, EOG Resources, Honeywell

**RBC DS Global Equity Focus List:** Alphabet, Telus, Amazon.com, Restaurant Brands, Alimentation Couche-Tard, Costco, Canadian Natural Resources, Pembina Pipeline, Suncor, TC Energy, 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, Crown Castle.

**RBC DS ADR Focus List:** China Unicorn, Vodafone, WPP Plc, Honda, Anheuser-Busch, 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 **July 4, 2019**

#### **Tesla Inc. (TSLA)**

**2Q19 deliveries beat expectations; profit and demand sustainability come into focus**

Ranking: Underperform (RBC CM)

Price: \$234.90USD - Target: \$190.00 USD

#### **Brookfield Business Partners (BBU)**

**Re-loading for growth**

Ranking: Sector Perform (RBC CM)

Price: \$51.85USD - Target: \$47.00 USD

#### **Brookfield Infrastructure Partners (BIP)**

Ranking: Outperform (RBC CM)

Price: \$43.87USD - Target: \$47.00 USD

#### **Alexion Pharmaceuticals, Inc. (ALXN)**

Ranking: Outperform (RBC CM)

Price: \$133.35USD - Target: \$184.00 USD

*Please contact our office if you would like a copy of any of the above research reports.*

#### **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

**The long, hot summer.** The short-term market volatility remains high, but this type of pattern moves in both directions, and after the current market pullback has run its course, we suspect the daily moves in the market will also quiet down in a more typical summer fashion. The current pullback is a likely continuation of the range of the past 18 months, and rather than a sharp recovery like the unusual one we saw earlier this year, we would expect to see a slower build-up the next time, which is more typical and generally a healthier way for a bullish trend to form. But until then, we think it's more of the same range ahead, with the bottom end of the current pullback still to be determined.



Chart courtesy StockCharts.com and RBC Wealth Management



American Association of Individual Investors

Reported Date	Bullish	Neutral	Bearish
July 4:	33.16%	34.49%	32.35%
June 27:	29.59%	38.36%	32.05%
June 20:	29.51%	38.36%	32.13%
June 13:	26.84%	38.96%	34.20%
June 6:	22.53%	34.89%	42.58%
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%
March 8:	37.39%	35.87%	26.75%
March 1:	41.63%	38.37%	20.00%



# FAVOURITE CHARTS

## Long-term market cycles 1925–2019

**\$SPX** S&P 500 Large Cap Index INDX  
31-May-2019

© StockCharts.com

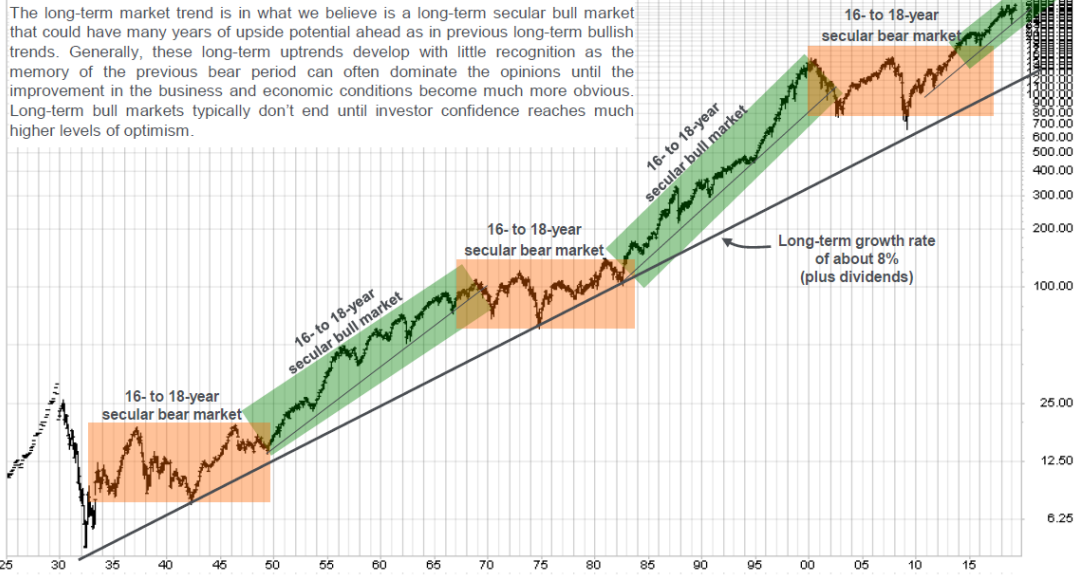
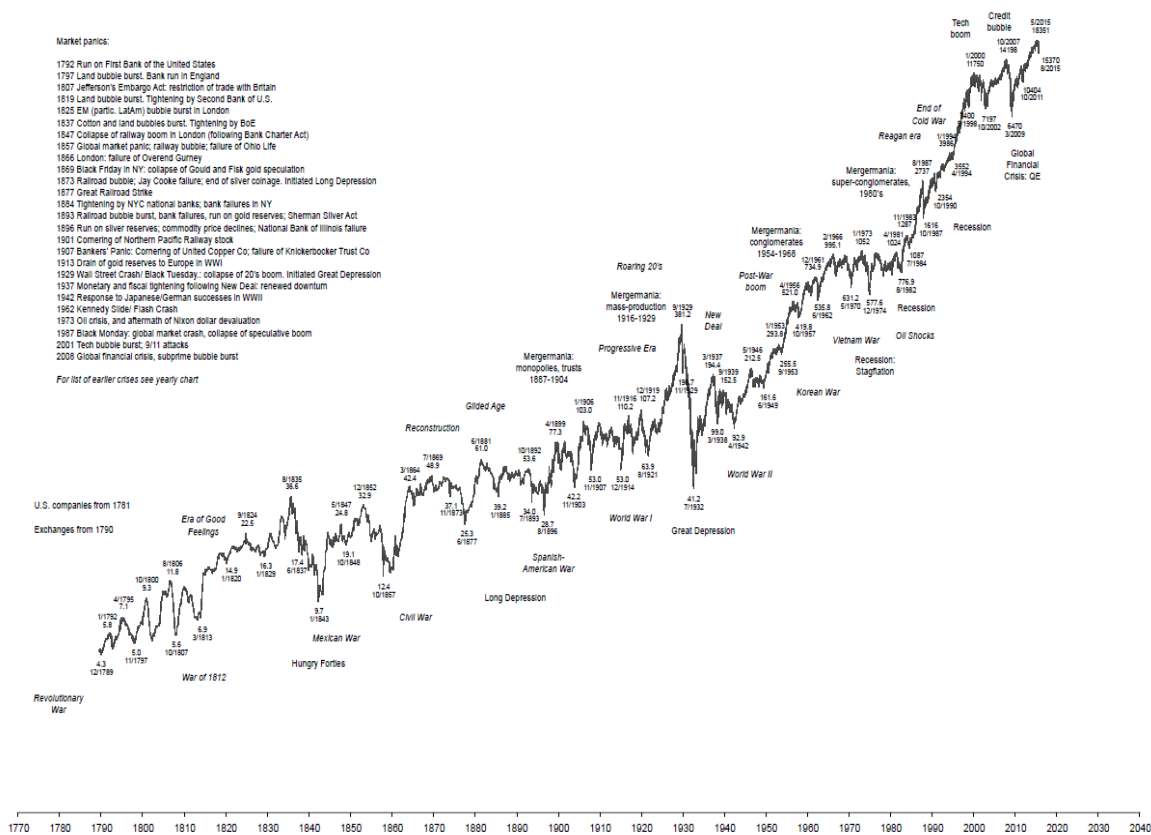


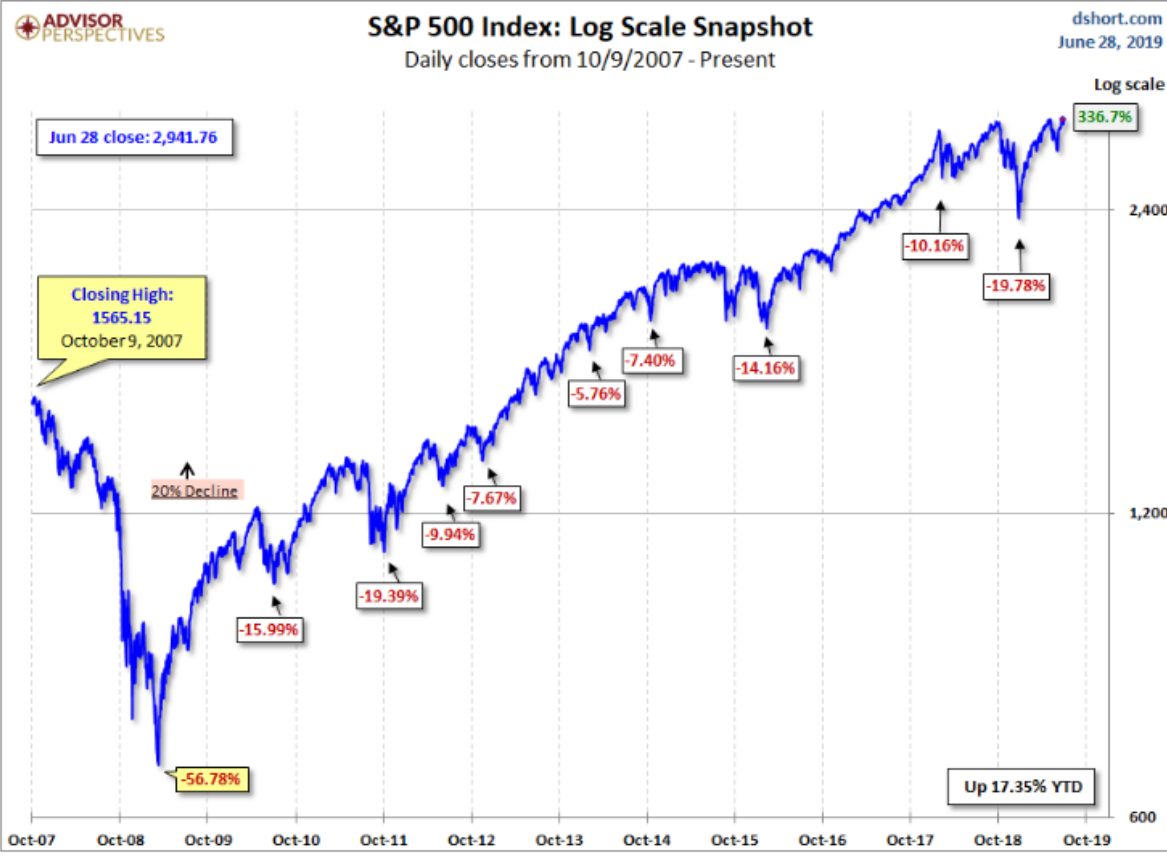
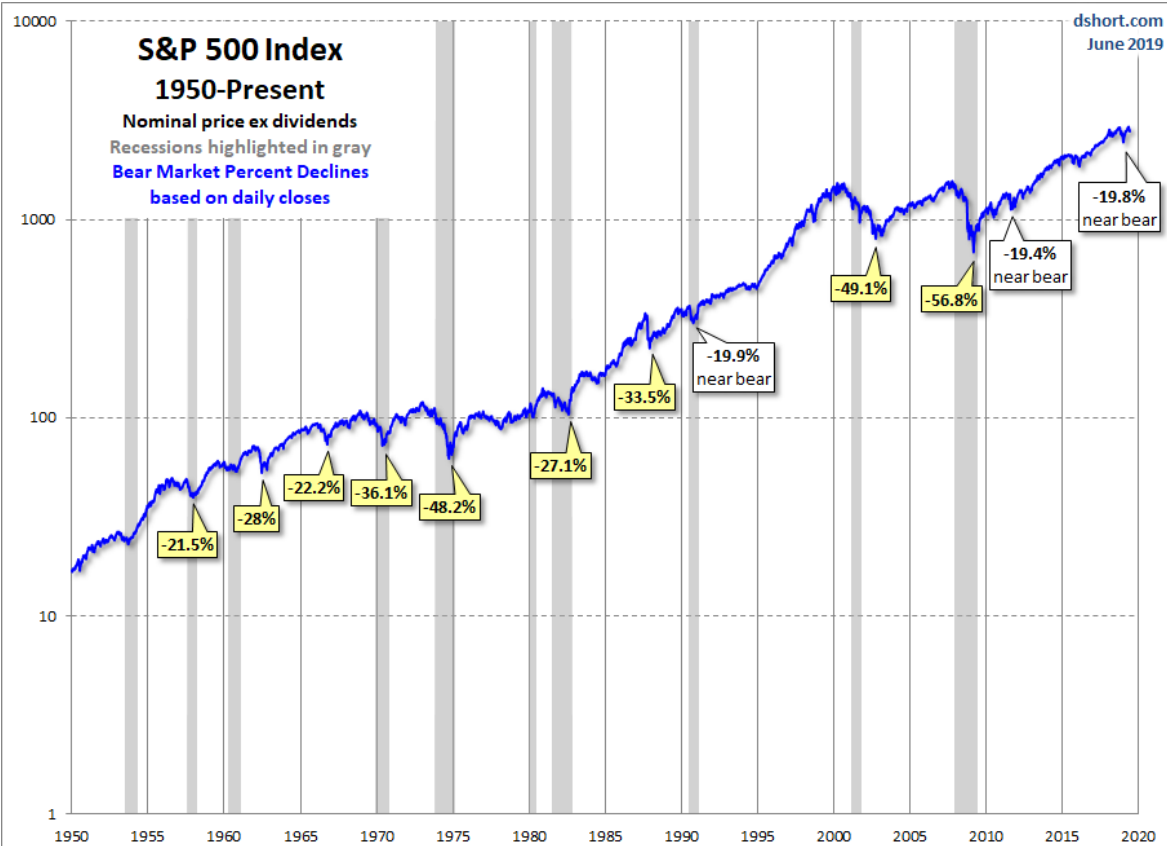
Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results

## Dow Jones Industrial Average - 1789 to Date



- Market panics:
- 1792 Run on First Bank of the United States
  - 1793 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. LaAm) bubble burst in London
  - 1837 Cotton and land bubbles burst; Tightening by B&E
  - 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 Fiat gold speculation
  - 1873 Railroad bubble; Jay Cooke failure; end of silver coinage; Initiated Long Depression
  - 1877 Great Railroad Strike
  - 1884 Tightening by NYC national banks; bank failures in NY
  - 1893 Railroad bubble burst; bank failures; run on gold reserves; Sherman Silver Act
  - 1896 Run on silver reserves; commodity price declines; National Bank of Illinois failure
  - 1901 Closing of Northern Pacific Railway stock
  - 1907 Bankers' panic; Closing 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/ Fiat 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?

### **Madeleine's Comments**

I am a recent graduate of the Ivey Business School with a degree in Honors Business Administration. I am pleased to join The MacKay Group this summer and I look forward to working with you over the next few months and assisting you with your personal finances.

### **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**

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

**Andrew Slivinsky, CIM, PFP**, *Senior Associate Advisor*

**Harry Sale, CIM, PFP**, *Associate Wealth Advisor*

**Ryan MacKay, BA**, *Associate Advisor*

**Kristi MacKay, MBA**, *Associate Wealth Advisor*

**Melissa Crawford, BA**, *Associate Advisor*

**Madeleine 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*

### **MacKay Group Wealth Management**

[www.mackaygroup.com](http://www.mackaygroup.com)

Brookfield Place

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Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

### **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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