

MacKay Weekly Investment Report

WEEK ENDING FRIDAY, MAY 3, 2024

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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.*

HOW I SEE IT – by Bruce

Greece Vacation/RBC weekly comment/ Berkshire AGM

On vacation. Greece for 2 weeks. Athens, Mykonos, Santorini and Crete. First time. Amazing, beautiful, and historic. Here for Easter too. Celebrations tonight and over the weekend. Once in a lifetime.

Another volatile week in equity indices. Now positive. Is it top forming or bottom forming for the next leg. Glass half full or empty. As an optimist looks like bottoming forming. **AAll Investment Sentiment Survey** - 38.5% bullish/29.3% neutral/ 32.5% bearish- slight pickup in bullish sentiment - could be **Fed Powell's** speech this week.

Berkshire Hathaway Annual Meeting this weekend. I will be watching parts of it here and taping it at home. Charlie Monger will be sadly missed. Greg Abel will be stepping more forward - he's a Canadian too.

One comment I saw this week from **Tom Lee** "Keep in mind also that in our view the Fed is still dovish even if no rate cuts - even in a higher for longer scenario that's still a Fed that does not want to actually increase rates and that's positive for us. Buy in May"

Will resume my favorite analyst comments next week.

Here is RBC's weekly commentary: The past few weeks have seen more meaningful activity across global equity, fixed income, commodity, and currency markets, marked by an increase in volatility. Two developments were particularly noteworthy. The first is a significant shift in U.S. interest rate expectations due to recent inflation data. The second concerns heightened geopolitical tensions in the Middle East, following the Iranian and Israeli attacks on each other, which has left investors pondering the potential impacts on financial markets. We discuss both below.

Nearly a week ago, Iran launched an attack on Israel using hundreds of drones and missiles, reportedly in response to an Israeli strike in Syria earlier this month that killed several members of Iran's armed forces. While Israel successfully defended itself against the attack, it represented a notable escalation in tensions as it was the first direct attack by Iran on

Israeli soil. More recently, Israel has reportedly retaliated with an attempted strike that appears to be confined to military targets in Iran. Oil prices, which tend to reflect the region's geopolitical risk most closely, have not surprisingly been volatile over the past few weeks as investors try to gage the severity of this escalation and the risk of further destabilization in the region.

From a market standpoint, the more influential developments have been on the inflation and interest rate fronts. The U.S. inflation data for March showed that, for a third month in a row, the pace of inflation in the U.S. was no longer easing as it had for the most of last year, and in some areas was reaccelerating. The stubbornness of inflation pressures presents a dilemma for the U.S. Federal Reserve, which had earlier expressed growing confidence that it would be able to cut rates at some point this year. But over the past week, the tone has changed, with several Fed officials acknowledging a need for patience before taking any action on rates. Consequently, markets expectations have also changed dramatically from anticipating up to seven interest rate cuts in the U.S. just a few months ago, to now expecting as few as one to two. This recalibration has driven bond yields higher (and bond prices lower), while stock markets have also trended downward recently, albeit relatively calmly, as investors grapple with the prospect of prolonged higher rates potentially affecting growth and corporate earnings.

Meanwhile, the U.S. dollar has rallied against most other major currencies, including the Canadian dollar. There is a growing view that central banks in Canada and other regions may start cutting rates by the summer, while the U.S. may not act until later this year at the earliest. That would lead to a widening of the differences between interest rate levels across the regions, which has traditionally been a driver of currencies.

We haven't been terribly surprised by the shift in interest rate expectations described above. And we're not convinced it fundamentally alters the investment outlook. Our approach continues to lean on a few high-level views. First, higher bond yields have improved the return potential for bonds, providing us with a more useful tool for some of our client portfolios. Second, we believe equities face a range of outcomes over the

next few years that is a bit wider than normal, stemming from the rapid series of interest rates hikes over the last few years. That said, it's clear that the U.S. economy has demonstrated less sensitivity to interest rate increases than other regions thus far, supporting its equity market. Nevertheless, we are

managing our asset allocation positioning more carefully than usual given the macroeconomic backdrop.

Have a great weekend. Bruce



U.S. jobs post smallest gain in 6 months as unemployment rises - BNN Bloomberg

U.S. employers scaled back hiring in April and the unemployment rate unexpectedly rose, suggesting some cooling is underway in the labour market after a strong start to the year.

Nonfarm payrolls advanced 175,000 last month, the smallest gain in six months, a Bureau of Labor Statistics report showed Friday. The unemployment rate ticked up to 3.9 per cent and wage gains slowed.

Powell, who spoke Wednesday after the central bank held interest rates steady for a sixth straight meeting, noted that wage growth probably needs to “move down incrementally” for policymakers to meet their inflation objective. Friday’s report showed some movement in that direction after a slew of releases earlier in the week suggested wage pressures continue to bite.

[U.S. jobs post smallest gain in 6 months as unemployment rises - BNN Bloomberg](#)

Loonie 'caught in the crosshairs' amid shifting Fed rate cut expectations: TD Economics - BNN Bloomberg

Following the latest interest rate decision from the U.S. Federal Reserve, economists at TD Bank are predicting only one interest rate cut this year in the U.S. while adding the rate path could have implications for the loonie. In a report Thursday, Beata Caranci, the chief economist and senior vice president at TD Economics, and James Orlando, a director and senior economist at TD Economics, examined the trajectory of interest rates and the impacts on currencies. On Wednesday the Fed held its key rate at a two-decade high of around 5.3 per cent while saying inflation has remained stubbornly high.

We have shifted our Federal Reserve call to only one rate cut this year due to the recent back-up of inflation that does not meet the Fed’s ‘confidence’ threshold to return inflation to two per cent in a timely manner,” the report said.

[Loonie 'caught in the crosshairs' amid shifting Fed rate cut expectations: TD Economics - BNN Bloomberg](#)

Canada unexpectedly flips to deepest trade deficit since June - BNN Bloomberg

Canada recorded a goods trade deficit of \$2.28 billion in March, the widest since June 2023 and missing expectations in a Bloomberg survey for a \$1.21 billion surplus.

Statistics Canada also revised the country’s trade surplus down to \$476 million in February from \$1.39 billion previously, revealing more softness in exports.

On a quarterly basis, goods imports were up 0.4 per cent in the first three months of 2024, while exports fell 1.4 per cent. That indicates the trade sector was a net drag on the economy in the first quarter, after having been the main driver of GDP growth in the fourth quarter. Canada’s trade surplus with the U.S. narrowed to \$6.48 billion from \$8.49 billion the previous month. The country’s trade deficit with its second-largest trading partner, China, deepened to \$3.03 billion from \$2.72 billion.

[Canada unexpectedly flips to deepest trade deficit since June - BNN Bloomberg](#)

Federal Reserve says interest rates will stay at two-decade high until inflation further cools - BNN Bloomberg

The Federal Reserve on Wednesday emphasized that inflation has remained stubbornly high in recent months and said it doesn't plan to cut interest rates until it has "greater confidence" that price increases are slowing sustainably to its two per cent target.

The Fed issued its decision in a statement after its latest meeting, at which it kept its key rate at a two-decade high of roughly 5.3 per cent. Several hotter-than-expected reports on prices and economic growth have recently undercut the Fed's belief that inflation was steadily easing. The combination of high interest rates and persistent inflation has also emerged as a potential threat to President Joe Biden's re-election bid. "In recent months," Chair Jerome Powell said at a news conference, "inflation has shown a lack of further progress toward our two per cent objective."

[Federal Reserve says interest rates will stay at two-decade high until inflation further cools - BNN Bloomberg](#)

Ottawa moves to expand CRA audit powers. What you should know - BNN Bloomberg

Hidden away in this month's federal budget is a proposal to significantly expand the audit powers of the Canada Revenue Agency (CRA) and crack down on those who don't comply. The move stems from a 2018 Report of by the Office of the Auditor General, which finds requests for information from taxpayers are often ignored. An estimated three million Canadians will receive a notice from the CRA that their income tax returns are being "reviewed". There should be no need to panic but it's important to know what a review entails and how it is different from the next step; an "audit".

In the case of a review, the CRA will request supporting documentation for a specific claim, deduction or income amount. Ignoring it is probably the second worst thing you can do.

Reviews could require documentation from as far back as six years. The onus is on the individual tax filer to respond within 30 days; even if it's a request for more time. At this point the most that can happen is a claim or deduction will be disallowed.

[Ottawa moves to expand CRA audit powers. What you should know - BNN Bloomberg](#)

JPMorgan Unveils IndexGPT in Next Wall Street Bid to Tap AI Boom - BNN Bloomberg

A year after a wave of speculation broke out over its application to trademark the word "IndexGPT" in connection to an unspecified artificial intelligence-powered tool, JPMorgan Chase & Co. is finally unveiling the product that will bear the name.

IndexGPT is a new range of thematic investment baskets created with the help of OpenAI's GPT-4 model. The tool generates a list of keywords associated with a theme, which are then fed into a separate natural language processing model that scans news articles to identify companies involved in the space. In essence, it's a largely automated way to create so-called thematic indexes, which identify investments based on emerging trends — think cloud computing, e-sports or cybersecurity — rather than on traditional industry sectors or company fundamentals.

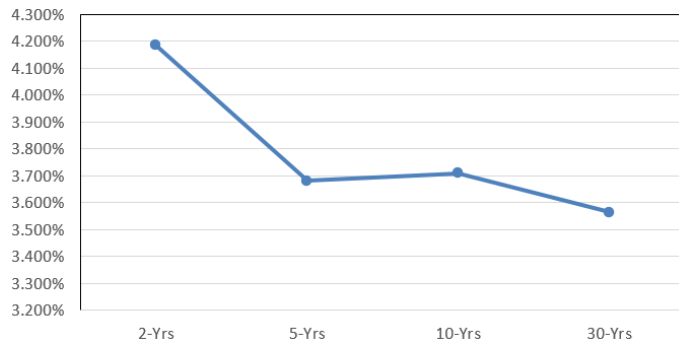
[JPMorgan Unveils IndexGPT in Next Wall Street Bid to Tap AI Boom - BNN Bloomberg](#)

CANADIAN MARKETS - By Andrew

I. Canadian Fixed Income

Benchmark Canada Government Bonds

CDN Yield Curve @ May 3, 2024



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. RBC DS Canadian Equity Focus List - March 2024

TD Bank, Royal Bank, Bank of Montreal, National Bank of Canada, Brookfield Corporation, Intact Financial, Canadian Imperial Bank, First Capital REIT, Element Fleet Management, Brookfield Infrastructure Partners, TELUS, Dollarama Inc., Alimentation Couche-Tard, CP Rail, Toromont Industries, Waste Connections, Thomson Reuters, WSP Global, GFL Environmental, Bombardier, Constellation Software, Shopify, Canadian Natural Resources, Suncor Energy, Pembina Pipeline, TC Energy, Nutrien, CCL Industries

III. Veritas V- list - March 2024

Agnico Eagle Mines, Altagas Ltd., Canadian Natural Resources, Canadian Pacific Kansas City, Capital Power Corp, Cenovus Energy Inc., Cogeco Communications Inc., Dollarama, Enbridge, Fortis, George Weston, Granite REIT, Great-West Lifeco Inc., Hydro One, Metro Inc., Restaurants Brands International, Rogers Communications, Tourmaline Oil Corp TransAlta Corp, Wheaton Precious Metals.

IV. News we recommend on our CDN Holdings

Market prices as of previous day close.

Tourmaline Oil Corp. (TOU) - Q1/24 - Delivering the Goods

Ranking: Outperform (RBCCM).
Price C\$65.29 Target C\$80.00

Canadian Natural Resources Limited (CNQ) - In a good spot

Ranking: Outperform (RBCCM).
Price C\$102.39 - Target C\$120.00

AltaGas Ltd. (ALA) - Let the good times toll

Ranking: Outperform (RBCCM).
Price C\$30.40 - Target C\$34.00

Allied Properties REIT (AP.un) - A confident tone in the face of stubborn headwinds

Ranking: Outperform (RBCCM).
Price C\$16.83 - Target C\$19.00

Air Canada (AC) - Results below; guidance reaffirmed

Ranking: Sector Perform (RBCCM).
Price C\$18.83 - Target C\$18.00

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

Research Publications (available upon request)

- Global Energy Best Ideas
- Top 30 Global ideas for 2024
- Canadian Small Cap Conviction List

2024 Contribution Limits	Amount (\$CAD)
TFSA	
2024	\$ 7,000
Aggregate until 2024	\$ 95,000
Aggregate until 2023	\$ 88,000
RRSP	
2024	\$ 31,560
2023	\$ 30,758

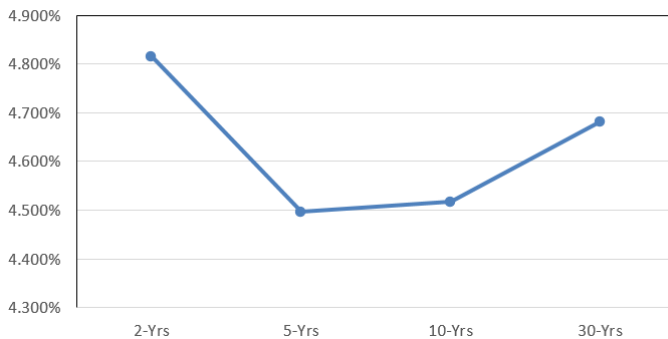


INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada Government Bonds

US Yield Curve @ May 3, 2024



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)

II. RBC DS US Equity Focus List – March 2024:

JP Morgan, Mastercard, S&P Global, NextEra Energy, Alphabet, NVIDIA, Walt Disney, Amazon, Home Depot, McDonalds, Nike, Johnson & Johnson, Medtronic, Thermo Fisher Scientific, United Health Group, Crown Castle Inc, Constellation Brands, Costco Wholesale, Estee Lauder, Honeywell International, Union Pacific, Xylem, Adobe, Amphenol Class A, Apple, Microsoft, Palo Alto Networks, Service Now, Chevron, Ecolab.

III. RBC DS N.A. Focus List – March 2024:

Meta Platforms Class A, Telus, Walt Disney, Amazon, Costco Wholesale, Canadian Natural Resources, Suncor Energy, TC Energy, Estee Lauder Companies, McDonald's Corporation, Bank of Montreal, Brookfield Corporation, Intact Financial, Royal Bank of Canada, TD Bank, Johnson & Johnson, Thermo Fisher, United Health Group, CP Railway, Honeywell International, Thomson Reuters, Toromont Industries, Waste Connections, Apple, Constellation Software, MasterCard, Microsoft, CCL Industries, Adobe Inc, Texas Instruments.

IV. RBC DS ADR Focus List –Feb, 2024:

GSK Plc., Vodafone Group, WPP, Alibaba, InterContinental Hotels, Sony, Anheuser-Busch InBev, Diageo, Unilever, BP plc, Shell, Barclays, HSBC Holdings, ING Groep, Prudential, AstraZeneca, Sanofi, RELX, Accenture, ASML Holdings, NICE, STMicroelectronics, BHP group plc, Linde, National Grid

V. News We Recommend on our Intl Holdings

Market prices as of previous day close

Amgen Inc. (AMGN) – 1Q24: Surprise on MariTide's Successful Interim Data Look Whets Appetite on Obesity Prospects

Ranking: Outperform (RBCCM).

Price U\$314.72 - Target U\$328.00

Colliers International Group Inc. (CIGI) - Acquisitions, CM recovery, IM fundraising momentum are catalysts

Ranking: Outperform (RBCCM).

Price U\$104.61 - Target U\$145.00

Xylem Inc. (XYL) - Clean 1Q24 Beat & Raise; Potential Catalyst in May-30 Analyst Mtg

Ranking: Outperform (RBCCM).

Price U\$135.99 - Target U\$162.00

CVS Health Corporation (CVS) - Lowering PT on persistent MA headwinds

Ranking: Outperform (RBCCM).

Price U\$55.15 - Target U\$68.00

Apple Inc. (AAPL) - F2Q24 Review: Setting up a Better-than-Feared Launch Pad into the AI Upgrade Cycle; Raise Estimates and PT

Ranking: Outperform (RBCCM).

Price U\$173.03 - Target U\$210.00

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

Research Publications (available upon request)

- US REITS 2024 Outlook
- Global U.S. Banks 2024 Outlook
- Healthcare Services 2024 Outlook

MUTUAL FUNDS Closed/Open- Top Holdings
-By Christopher

I. CANADIAN

Canadian Fixed Income

Canso Credit Income
Dynamic Strategic Yield
PH&N Total Return Bond Fund

Canadian Equity

Fidelity - Global Innovation/CDN Large Cap/Growth /Special Opp
Mackenzie - Ivy CDN / Cundill
Middlefield - CDN Dividend Growers/REIT Plus
Franklin Templeton - Bissett CDN Div/CDN Equity
RBC -CDN Div/CDN Equity/ O'Shaughnessy

ETFS - Top Holdings

Canada - Fixed Income

Bonds - XBB, XCB, XGB
Preferred Shares - CPD, PSF.UN, RPF

Canadian ETF's 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 ETF Sectors - iShares TSX Financials, iShares TSX REITs, BMO Equal Weight Utilities, iShares TSX Info Tech, iShares TSX Energy, iShares TSX Materials

II. US/INTERNATIONAL

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

ETFS - Top Holdings

US ETF Fixed Income

US Bonds - XIG, TLT
US Preferred Shares - PFF

US ETF 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 ETF 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

III. GLOBAL

GLOBAL Equity

Fidelity - Global Div/Monthly Income
GQG Partners Global Quality Equity Fund
Middlefield - Health Care/Global Div Growers
Franklin Templeton - Growth / Intl
RBC - Global Fund / Int. Div G
Dynamic - Global Value

GLOBAL ETF 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

RBC GAM Private Markets

RBC Canadian Core Real Estate Fund
RBC Commercial Mortgage Fund
RBC Global Infrastructure Fund LP

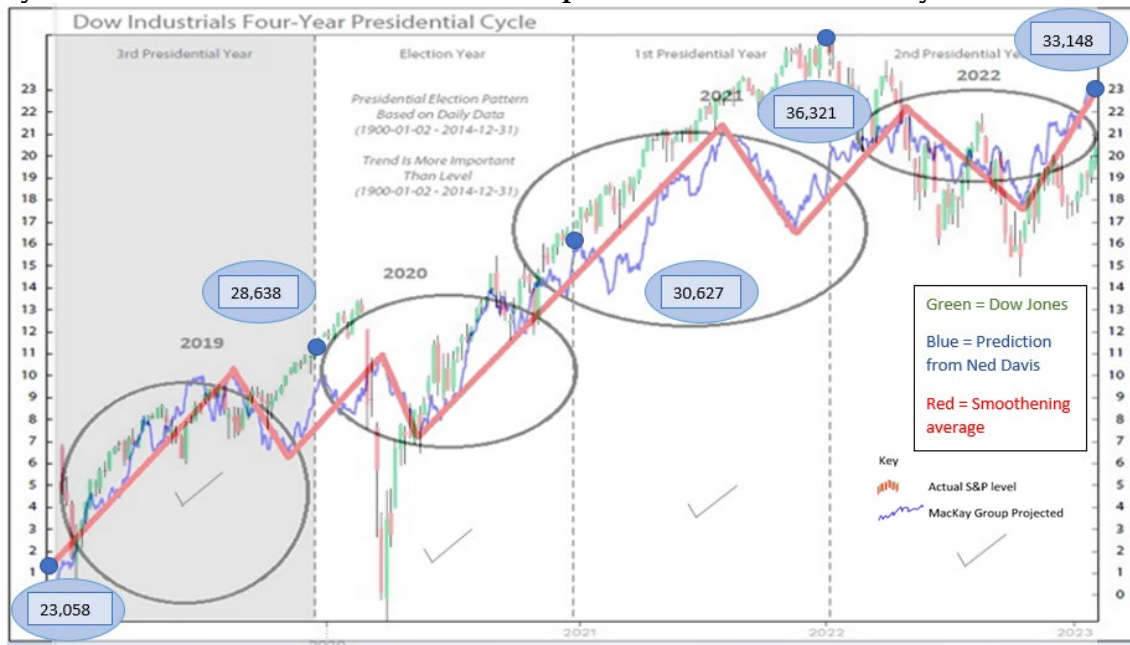




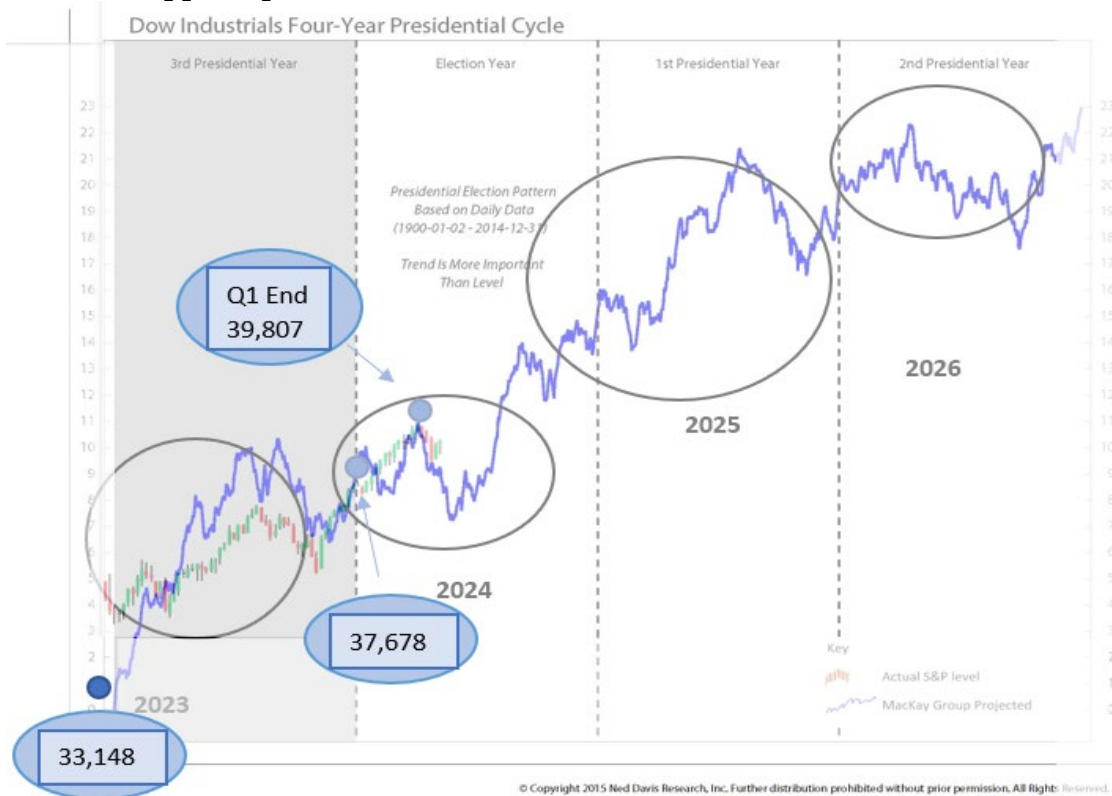
Technical Update - By Bruce

Portfolio Advisory Group

By - Ned Davis S&P500 - Sector Road Map - Good Track Record - By Bruce



Will this happen - possible?



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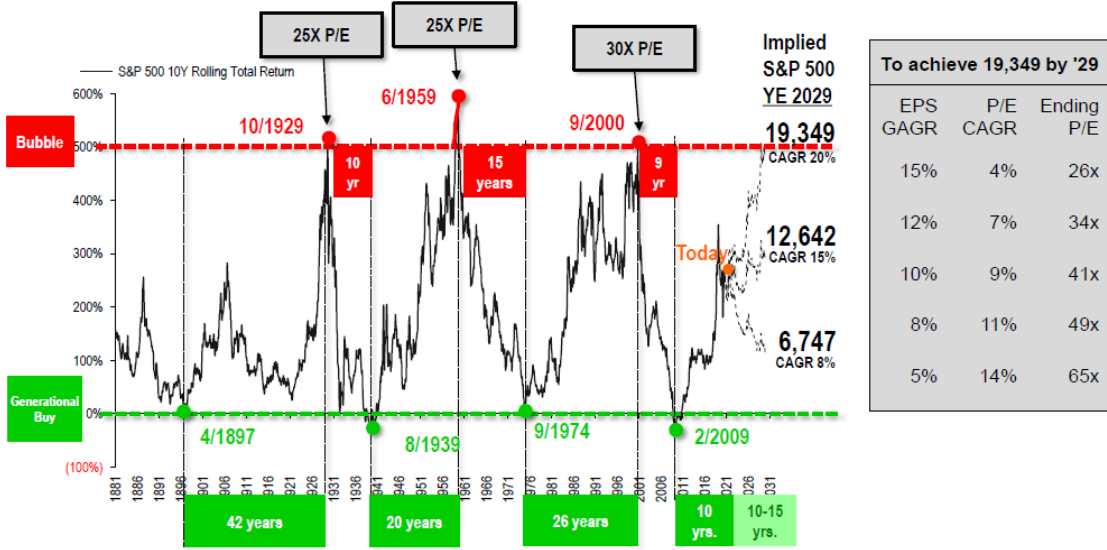
FAVOURITE CHARTS

Long-term bull markets see peak acceleration to 500% 10-yr returns

Long-term bull markets last 20-42 years and peak returns accelerate to cumulative gain 500%...

- **The current bull market has risen for 10 years and if the history plays out, S&P 500 could reach 19,000 YE 2029 vs. 3,000 now.**

Figure: 10-year rolling returns of the US equities Since 1881



Source: Fundstrat, Bloomberg.

Dow Jones Industrial Average - 1789 to Date

Stock Prices

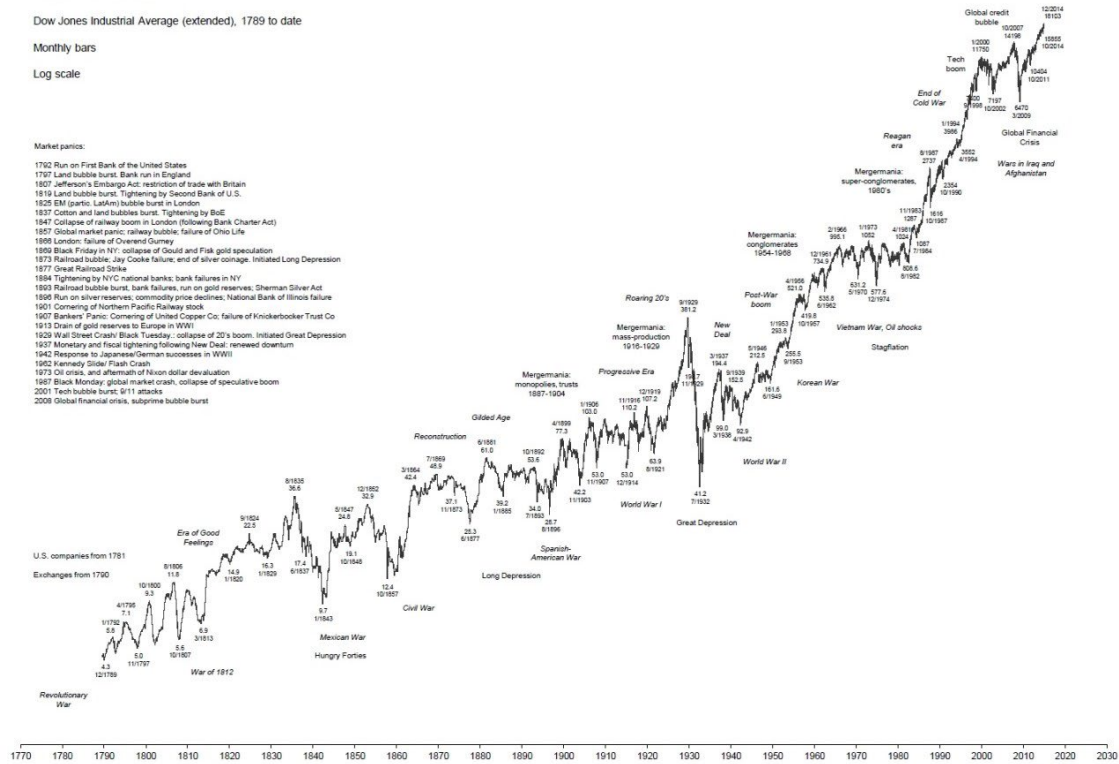
Dow Jones Industrial Average (extended), 1789 to date

Monthly bars

Log scale

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 (paris); 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)
- 1847 Global market panic; railway bubble; failure of Ohio Life
- 1898 London; failure of Overend Gurney
- 1898 Black Friday in NY; collapse of Gould and Fish gold speculation
- 1873 Railroad bubble; Jay Cooke failure; end of silver coinage; Initiated Long Depression
- 1877 Great Railroad Strike
- 1894 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 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% boom. Initiated Great Depression
- 1927 Monetary and fiscal tightening following New Deal; renewed downturn
- 1942 Response to Japanese/German successes in WWII
- 1982 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



S&P 500 Index Snapshot

Daily closes from 10/9/2007 - Present



S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present



U.S. job growth totaled 175,000 in April, much less than expected, while unemployment rose to 3.9% (cnbc.com)

FAIR VALUE

	FUTURE CHG	FAIR VALUE	IMPLIED OPEN
S&P 500	+57.75	-0.3	+58.05
DJIA	+528.00	-12.34	+540.34
NASDAQ	+266.50	-3.21	+269.71

LABOR FORCE PARTICIPATION 62.7%

5:33 A PACIFIC

CNBC

[Link - U.S. job growth totaled 175,000 in April, much less than expected, while unemployment rose to 3.9% \(cnbc.com\)](#)

S&P/TSX Composite Index – Daily



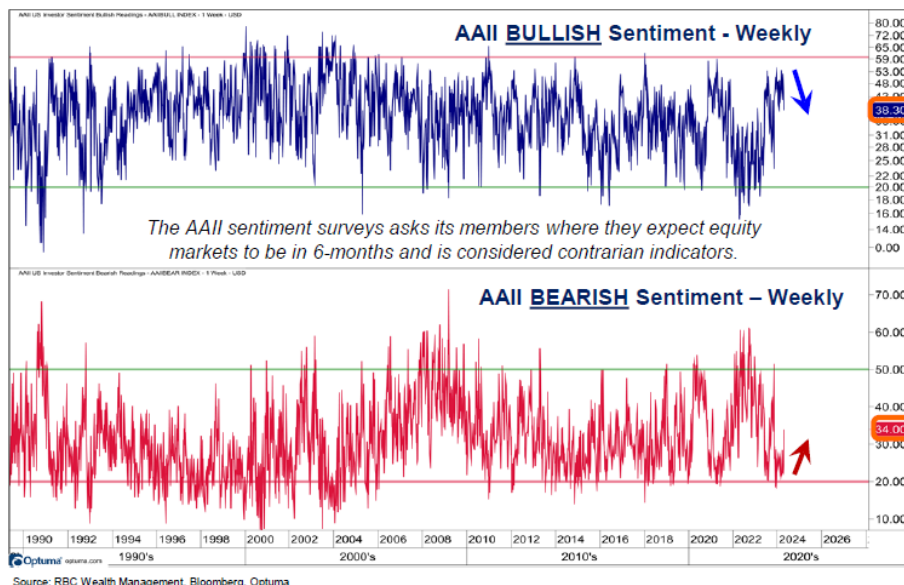
- Short-term momentum is negative BUT is now at oversold levels with early evidence a trading low is developing near first support between the blue 50-day ma and above next support at the rising yellow 100-day ma.

Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
May 1	38.5%	29.0%	32.5%
Apr 24	32.1%	33.9%	33.9%
Apr 17	38.3%	27.8%	34.0%
Apr 10	43.4%	32.5%	24.0%
Apr 3	47.3%	30.5%	22.2%
Mar 27	50.0%	27.6%	22.4%
Mar 20	43.2%	29.6%	27.2%
Mar 13	45.9%	32.2%	21.9%
Mar 6	51.7%	26.5%	21.8%
Feb 28	46.5%	32.2%	21.3%
Feb 21	44.3%	29.5%	26.2%
Feb 14	42.2%	31.1%	26.8%
Feb 7	49.0%	28.4%	22.6%
Jan 31	49.1%	26.4%	24.5%
Jan 24	39.3%	34.6%	26.1%
Jan 17	40.4%	32.9%	26.8%
Jan 10	48.6%	27.2%	24.2%
Jan 3	48.6%	27.9%	23.5%
Dec 27	46.3%	28.6%	25.1%
Dec 20	52.9%	26.2%	20.9%
Dec 13	51.3%	29.4%	19.3%
Dec 6	47.3%	25.3%	27.4%

The sentiment survey measures the percentage of individual investors who are bullish, bearish, and neutral on the stock market short term; individuals are polled from the AAI Web site on a weekly basis. Only one vote per member is accepted in each weekly voting period.

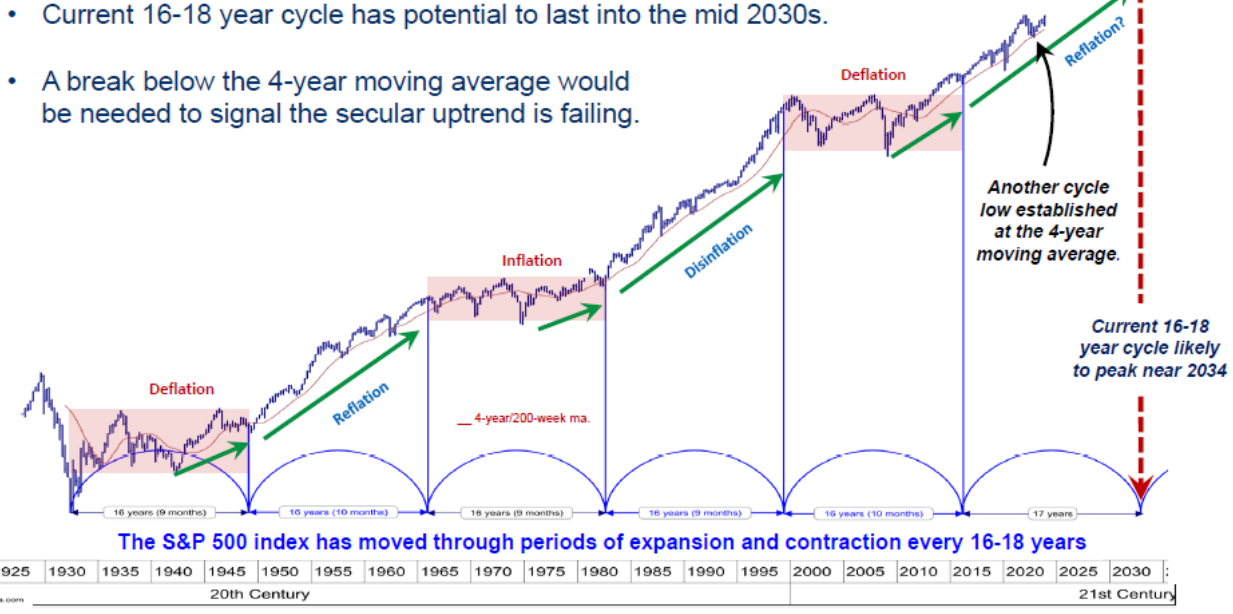
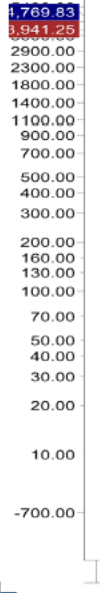
AAII US Bullish and Bearish Sentiment – Moving in the right direction



Sentiment surveys are contrarian indicators.

- Bullish sentiment is pulling back from elevated levels...
- ... while bearish sentiment is building from low levels.
- We view this data to be supportive of a pause/pullback in equity markets with further declines in bullish sentiment and a rise in bearish sentiment readings an encouraging development to support equity markets later in Q2.

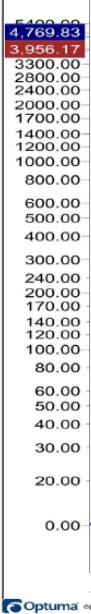
S&P 500 – Generational cycles lasting roughly 16-18 years



- Current 16-18 year cycle has potential to last into the mid 2030s.
- A break below the 4-year moving average would be needed to signal the secular uptrend is failing.

Source: RBC Wealth Management, Bloomberg, Optuma

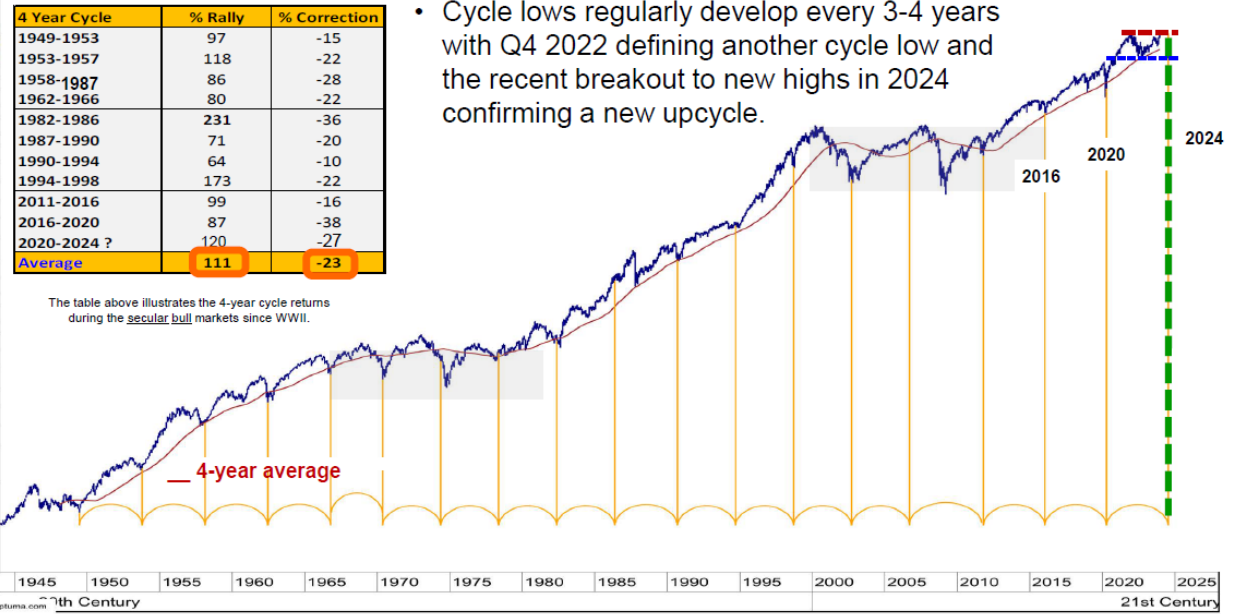
S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



4 Year Cycle	% Rally	% Correction
1949-1953	97	-15
1953-1957	118	-22
1958-1987	86	-28
1962-1966	80	-22
1982-1986	231	-36
1987-1990	71	-20
1990-1994	64	-10
1994-1998	173	-22
2011-2016	99	-16
2016-2020	87	-38
2020-2024 ?	120	-27
Average	111	-23

The table above illustrates the 4-year cycle returns during the secular bull markets since WWII.

- Cycle lows regularly develop every 3-4 years with Q4 2022 defining another cycle low and the recent breakout to new highs in 2024 confirming a new upcycle.



Source: RBC Wealth Management, Bloomberg, Optuma

"I DON'T WANT TO INVEST MY MONEY NOW BECAUSE..."



Year*	DJIA	
1950	235	Korean War
1951	269	Excess Profits Tax
1952	292	U.S. seizes steel mills
1953	281	USSR explodes hydrogen bomb
1954	330	Dow tops 300 - "market too high"
1955	485	Eisenhower has heart attack
1956	499	Suez Canal crisis
1957	436	USSR launches Sputnik
1958	584	Recession
1959	679	Castro takes over Cuba
1960	616	USSR downs U-2 spy plane
1961	731	Berlin Wall erected
1962	652	Cuban Missile Crisis
1963	763	JFK assassinated
1964	874	Gulf of Tonkin Incident
1965	969	Civil rights marches
1966	786	Vietnam War escalates
1967	905	Newark race riots
1968	944	USS Pueblo seized - "market too high"
1969	800	Money tightens, market falls
1970	839	Conflict spreads to Cambodia
1971	890	Wage & price freeze
1972	1020	Large st. trade deficit in U.S. history
1973	851	Energy crisis
1974	616	Steepest market drop in 40 years
1975	852	Clouded economic prospects
1976	1005	Economy slowly recovers
1977	830	Market slumps
1978	805	Interest rates rise
1979	839	Oil sky rockets, 10%+ unemployment
1980	964	Interest rates hit all-time high
1981	875	Deep recession begins, Reagan shot
1982	1,047	Worst recession in 40 years, debt crisis
1983	1,259	Market hits record - "market too high"
1984	1,212	Record U.S. federal deficits
1985	1,547	Economic growth slows
1986	1,896	Dow nears 2000 - "market too high"
1987	1,939	The Crash - Black Monday
1988	2,169	Fear of recession
1989	2,753	Junk bond collapse
1990	2,634	Gulf War: worst market decline in 16 years
1991	3,169	Recession, "market too high"
1992	3,301	Elections, market flat
1993	3,754	Businesses continue restructuring
1994	3,834	Interest rates are going up
1995	5,117	"The market is too high"
1996	6,448	Fear of inflation
1997	7,908	"Irrational Exuberance"
1998	9,374	Asia Crisis
1999	11,497	Y2K

Year*	DJIA	
2000	10,787	Technology Correction
2001	10,021	Recession, World Trade Center attack
2002	8,342	Corporate Accounting Scandals
2003	10,454	War in Iraq
2004	10,783	U.S. has massive trade and budget deficits
2005	10,718	Record oil & gas prices
2006	12,463	Housing bubble bursts
2007	13,265	Sub-prime mortgage crisis
2008	8776	Banking and credit crisis
2009	10,428	Recession, "credit crunch"
2010	11,578	Sovereign debt crisis
2011	12,218	Eurozone crisis
2012	13,104	U.S. fiscal cliff
2013	16,577	Federal Reserve to "taper" stimulus
2014	17,823	Oil prices plunge
2015	17,425	Chinese stock market sell-off
2016	19,763	Brexit, U.S. presidential election
2017	24,719	Stocks at record highs; bitcoin mania
2018	23,327	Trade wars, rising interest rates
2019	28,538	Trade war escalation, stocks at record highs
2020	30,606	COVID-19 crisis and recession
2021	36,338	Decades high inflation
2022	33,147	Aggressive rate hiking cycle

Source: DJIA - Dow Jones Industrial Average * Dec. 31 close

DOW JONES INDUSTRIAL AVERAGE: 1950 - 2022



Source: Bloomberg Finance L.P.

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)



COMPREHENSIVE WEALTH MANAGEMENT STRATEGIES - By Kristi and Kyle

1. Financial Planning

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
- Taxation of the corporation at death and more.
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively

2. Insurance Planning

As estate planning specialist, 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
- Critical Illness
- Insured Annuity

3. Wills & Estate Planning

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

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

It 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
- 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

6. RBC Premier Banking and Private Banking

Premier Banker works as a single point of contact providing banking and credit solutions for select clients of Wealth Management Canada and their families. Tailored banking & credit package to complement the best in class investment management and wealth planning.

- Providing one of RBC's most comprehensive banking packages – special rates, exclusive cross border package, high daily access limits on cash withdrawals and direct payments, RBC Avion Visa Infinite Privilege Card with a \$120 rebate off the annual fee and more.

THE MACKAY GROUP TEAM COMMENTS

Our Mission

"To provide our clients superior investment advice, products and service at MacKay Group Wealth Management RBC Dominion Securities since 1981."

Portfolio Management

Bruce-Senior Portfolio Manager/Investment Advisor

Portfolio Management & Team Management

We'll review your investment portfolios, offer second opinions and proposals. Introduce you to our expanded team of Wealth Management professionals and the full range of services we offer.

Andrew - Associate Portfolio Manager & Wealth Advisor

Portfolio Management & Research

Proper portfolio construction is the key to meeting your financial goals. The variety of investment choices can be daunting. Let our team help simplify the approach, narrow your focus, mitigate tax, and plan for financial success throughout retirement.

Christopher - Associate Advisor

Portfolio Management & Research

I will work with you and our team to manage your accounts, provide recommendations, identify opportunities and assist with client service to ensure all your needs are met.

Research

Waras - Associate

Portfolio Administration & Research

We are especially proud of our MacKay Weekly & Focus List, Stock of the Day research and RBC Wealth Management Research. Let me know if you would like to receive additional research.

Administration

Melissa - Associate Advisor

Senior Portfolio Administration

Is your account information up to date - including investment objectives & risk parameters, beneficiary information, dividend reinvestment plan, monthly payment plan and banking information?

Shannon -Senior Associate

Portfolio Administration

Have you topped up your TFSA? RSP? RESP? I will work with you to make sure you maximize your portfolio.

Business Development and Wealth Management

Kristi - Associate Wealth Advisor

Over 100 of our clients and their families have found tremendous value in having a Financial Plan, Will & Estate Consultation and Insurance review.

Estate + Financial Planning Advisors

Ted Chan, Financial Planner

Available to create a comprehensive financial plan.

Ariel-Charles Guigui, Will and Estate Consultant

Available for information on structuring your estate.

Prashant Patel, Tax Consultant

Solutions that can simplify your tax planning.

Andrew Sipes, Estate Planning Specialist

To review you estate and insurance plans.

Karen Snowdon-Steacy, Senior Trust Advisor

Provide with valuable estate and Royal Trust services.

RBC Banking

Kyle - Associate Advisor

Having worked in RBC Private banking, I am able to help clients with their banking needs as well as our many investment wealth products and services.

Melissa R Rodrigues, Insurance Specialist

Conducts Personal Risk Assessment to provide holistic personal advice.

Jacqueline Calleja, Premier Banking

Provide banking and credit solutions for our clients.

Learn more about - RBC WM Canada Charitable

Gift program

Please let us know if you have a charity you would like us to support.

Charities we support in 2023 - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, JNF, ABC Life Literacy, Canadian Canoe Museum, Merry-Go-Round Children's Foundation, Ontario Track III, Camp Winston, Royal Ontario Museum, Reena, Erin Oaks Kids, Alzheimer's & Dorothy Ley Hospice.

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Toronto Ontario, M5J 2T3

Telephone: 416-842-7120

Available to meet at all RBC branch locations, like Etobicoke, Mississauga, Collingwood, Muskoka Etc.



**Wealth Management
Dominion Securities**

Disclaimer

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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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