

MacKay Weekly Investment Report

WEEK ENDING FRIDAY MAY 15, 2026

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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

Its Earnings/A shift in the cultural mindset/Rising targets

Equity markets/indices at all-time highs - as I mentioned last week - it's all about the one-word answer to the stock market's biggest mysteries - **It's earnings**. It's been a good quarter - will this continue next quarter - consensus is yes.

Positives. AAI Investment Sentiment Survey – 39.3% bullish/ 24.1% neutral/ 36.6% bearish - Bull reading is up but so is bearish reading - good not euphoric.

Technical - S&P 500 weekly quadrant balance momentum indicator - **neutral** - not over bought or oversold.

RBC CM. The Pulse of the Market - Baking in a two-speed economy and EPS backdrop into our S&P 500 forecast. First, we have lifted our 12-month forward S&P 500 price target to 7900, which represents a 7.7% gain from the May 7 close. In adjusting our forecast, we are focusing on our valuation/EPS model, which does the best job of baking in a two-speed economy and earnings backdrop. Second, on bigger picture positioning we continue to prefer growth over value, US over non-US, and like Small Caps, but not as much as Large Cap Growth. Our sector reviews are mostly unchanged, but we have lowered healthcare to market weight from overweight. Third, we run through the strong stats from 1Q26 reporting season.

Global views - Bending not breaking. The 10-week Strait of Hormuz closure has hurt global growth only moderately due to managed oil prices, shifting demand patterns, and supportive fiscal and financial conditions, with baseline expectations for Brent prices around \$90 a barrel by year end. US recession probability has decreased from 30% to 25% as the labor market remains solid and private domestic sales grew at 2.5% in Q1.

Charts - The new Fed Chair is coming in... is a change coming?

Charts. Bank of America - "Inflation. In our view, the biggest strength about trimmed mean measures is that they are agnostic about what to exclude. This makes them

less volatile than the traditional core and in theory a better gauge of underlying inflation.

Charts - China is buying the dip in gold.

AI impact on jobs - Productivity breakthroughs, historically expand economies and create new jobs not permanent unemployment. Recent research finds minimal net job loss from AI adoption with evidence of relocation and job creation consistent with past technology shifts.

Ed Pennock - The momentum of mega caps seems relentless. So do the signs of rising inflation.

Ned Davis Research - The Iran war has driven up inflation but has had no meaningful impact on US growth so far because: 1) it comes with a lag and 2) there are temporary offsets from tax refunds, military spending, some pull forward in demand, and a stock market wealth effect. Our models show that recession risk remains low, and growth is decent. If we had not had the war global growth would have come in closer to 3.5%. This helps explain the resilience of the global economy. 85% of S&P 500 companies reporting, the beat of 84.8% is on pace to be the third highest on record.

Fidelity. What's working - AI driven earnings acceleration at 18% year over a year. Strong margins 15.6% and tight spreads 77 basis points. Mega cap leadership is still supported by fundamentals. Commodities are trending higher with broad participation. Diversifiers (managed futures) adding value.

Jim Paulsen – A shift in the cultural mindset. Since 2020, investors have been suffering through the third major US inflationary culture obsession of the last 85 years. And this is about to change. Should the shared mindset soon give up the inflation, ghost and focus again primarily on promoting real economic growth, this bull market may have considerable legs left before the bear arrives. Inflation doesn't need to reach 2% to calm inflation fears. Actual CPI rates below its historical trend line of 3.8% will

probably be enough to change the cultural perspectives. Investors have much to consider, but our view a shift from the cultural mindset from the primarily worried about inflation, to promoting real growth "trump's" all.

New era/older stock market correlation - At least six other times since 1988 when the new/old correlation has declined this fast and by this much it has led to near-term disappointment for the excited new era investors.

Dr. Ed Yardeni - "We are raising our year-end S&P 500 target from 7700 to 8250. We have been bullish about earnings but not as bullish as the recent consensus of industry analysts. We've never seen consensus earnings rise so quickly for the current and coming years as they have in the recent months. The result has been an earnings lead melt up in the stock market. Our 2026 and 2027 earnings-per-share estimates have been \$310 and \$350. They are currently \$336 up 22% from last year and \$386 up 14.9% from 2026 consensus estimates. We're raising our earnings per estimate to \$330 this year and \$375 next year. We are sticking with our forward PE range of 18-22x, resulting in a year-end range of 7750 to 8250."

Tom Lee - "I think the markets are not that expensive. We stick with the same sectors, tech, which is Meg seven, software, industrials, financials, small caps and energy stocks, and basic materials. So, continue to buy the dip and keep in mind this is still the most hated V-shaped rally. We have a year-end rally towards 7700 or better. I don't think the markets are topping at 7300."

Negatives. Investors are struggling to reach a consensus of the bank of Canada rate. Market implied expectations calling for two hikes in 2026 and 1 in 2027 - RBC economics sees 4 in 2027. **Inflation, CPI, bond yields and rising rates.**

Ned Davis Research - Stocks and earnings tend to be correlated well over the long run, but there are many years where they go contrary, so while earnings are so bullish currently when everyone focusses on - be worried.

Fidelity - What to watch for. Oil near \$100 and declining inventories. Bond yields approach 4.5 - 5%. Narrow market breadth - 55% above the 200-day moving average. Rising stock bond correlations. Capex crowding out buybacks. AI trend tracking late-stage historical analog.

Brian Wesbury - We have been cautious in this market and overly pessimistic up at this point. So, should we rethink that? Should we become more optimistic about stocks. AI is transformative technology. But it will take time for these things to fully play out and we think markets are underestimating the time, energy and volatility it will take. **Its mid-month -volatility happens.**

Investment strategy – "Decision-making. Nothing sedates rationality like large doses of effortless money." Warren Buffett.

Stock of the Days: HBM, DBM, CHE.UN, BRK.B, GOOG

Table of Contents	
How I see it – By Bruce	1
News and Opinions	2&3
Canadian Markets – Focus Lists	4
International Markets – Focus Lists	5
Mutual Funds & RBC GAM Private Markets	6
Stock of the day - Top Performers, 2011 - Present	7
Technical Update – By Bruce – NDR Roadmap	8
Dow Jones Chart since 1789	9
S&P 500 Index Snapshot 2007 - Present	10
S&P 500 Technical Update	11
AAll Sentiment Survey Data	12
NDR - Monte Carlo and Long-Run Stock Market Uncertainty	13
S&P500 Generational Cycles	14
Andex Chart	15
S&P 500 Index – Strategist’s Projections Vs. Actual Performance 2020 - Present	16
I don't want to invest in market now because.	17
MacKay Group Wealth Management	18
Comprehensive Strategies	19
Client Testimonials	20
The MacKay Group Team Comments	21
Disclaimer	22

Date	Our Buy the Dip Headlines	S&P 500
Feb 27,2009	Equity Bottom	712.87
Mar 6,2009	Equity Bottom	721.36
Aug 12,2011	Equity Bottom/ Volatility/ Banks lead/ On Sale	1,193.89
Dec 28,2018	Capitulation/ Boxing Day Sale/ Predictions 2019	2,510.03
Mar 20,2020	Equity Bottom?/ Bouncing ball/ Wed. Capitulation	2,475.56
Mar 27,2020	Equity Bottom/ Stimulus-nuclear/Pessimism 2009	2,470.50
Oct 7,2022	Some Good #s for Fed/ 180s/ Simply Good news	3,577.03
Oct 14,2022	Mid-Oct lows?/ Fed Late/ Priced in plenty of bad	3,695.16
May 19,2023	Recession Scorecard/ Inflation-growth/ Buy dip	4,115.24
Oct 20,2023	Resilient/ Progressing as intended/ Visibility	4,186.77
Apr 4,2025	Markets Rhyme/ Support a rebuild/ Negotiations	4,850.08
Apr 11,2025	The Bottom?/ Long-term optimistic/ Frankenstein	5,363.36
Mar 27,2026	Stocks bottom mid-March - Historically over past 20 years	6,368.85
Apr 2,2026	Happy Easter/ Strong rebound / 50% Retracement March 30	6,582.69
Apr 10,2026	50% retracement/ Healthy returns/ Accommodative	6,816.89



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

Canada wants sovereign AI data centres. What does that actually mean?

Canada wants to build data centres that are not just physically located here, but controlled here — a distinction experts say could determine whether the country can reduce its dependence on U.S. tech giants and keep Canadian data subject to Canadian rules.

But as Ottawa reviews more than 160 data-centre proposals to support the growing demands of artificial intelligence, the promise of "sovereign" infrastructure is already running into a harder question: how much control Canada can really have over data centres that may still rely on foreign hardware, foreign customers and digital networks that do not always respect national borders.

"This is probably going to be one of the single biggest tech issues that we are going to deal with as a country," said Ritesh Kotak, a Toronto-based lawyer and technology advisor.

[Canada wants sovereign AI data centres. What does that actually mean? | CBC News](#)

Trump and Xi conclude 'very successful' talks but no deals confirmed

US President Donald Trump left Beijing after a two-day summit saying he had struck "fantastic trade deals, great for both countries", but few details have emerged on what the two superpowers agreed.

Trump arrived for a high-stakes summit with Chinese leader Xi Jinping on Wednesday, accompanied by several CEOs: a high-profile business delegation spanning agriculture, aviation, electric vehicles and artificial intelligence (AI) chips.

Trade was near the top of the agenda despite recent tensions over the Iran war, and businesses hoped for key deals as well as an extension of the tariff truce that is due to expire in November.

The visit was defined by warm rhetoric and symbolism. Trump was wooed with a packed itinerary that included an honour guard, a state banquet, and an invitation to the exclusive compound where China's Communist Party leaders live and work.

[Trump-Xi summit: US and China conclude 'very successful' talks but no deals confirmed](#)

US hotel owners expected a World Cup boom - so far it hasn't happened

Walking the streets of Kansas City, Houston, Miami and New York it is hard not to notice a World Cup is coming.

Billboards abound, there are signs outside bars and stores are churning out tournament-themed merchandise.

But for hoteliers checking their booking systems, the buzz is more of a murmur.

The industry body says most hotels in World Cup host cities are seeing bookings lower than this time last year, and those who spoke to the BBC said they were underwhelmed so far.

"We were sold this expectation the World Cup would be a big phenomenon, people have been talking about it for years," said Deidre Mathis, who owns the Wanderstay Boutique Hotel in Houston, Texas.

[US hotel owners expected a World Cup boom - so far it hasn't happened](#)

Why Trump's plan to drop gas tax may leave U.S. drivers feeling empty

U.S. President Donald Trump is finally acknowledging the financial pain that many Americans are feeling from the soaring cost of gas, but his plan to pause the federal fuel tax may not bring the kind of impact either he or drivers hope for.

Trump said Monday he wants a temporary pause on the federal gas tax, a move that requires an act of Congress.

The U.S. federal tax on a gallon of gasoline is 18.4 cents, a mere fraction of the current national average price at the pumps of \$4.52 US a gallon, according to travel services agency AAA.

[Why Trump's plan to drop gas tax may leave U.S. drivers feeling empty | CBC News](#)

The kelp producer who wants to get Americans eating seaweed

Suzie Flores left a Manhattan career to farm sugar kelp off the Connecticut coast. Now she's trying to convince the US that the future of sustainable food is growing under the waves.

On a February morning, when most of coastal New England is braced against the cold, Suzie Flores is frequently out on the water. The sea has to be calm enough, ice cleared from the boat, GPS buoys still where she left them.

If the conditions line up, she will head out from the marina in Stonington, Connecticut - one of the last remaining commercial fishing ports in the state - to lift a line of sugar kelp, a type of seaweed, from the Atlantic.

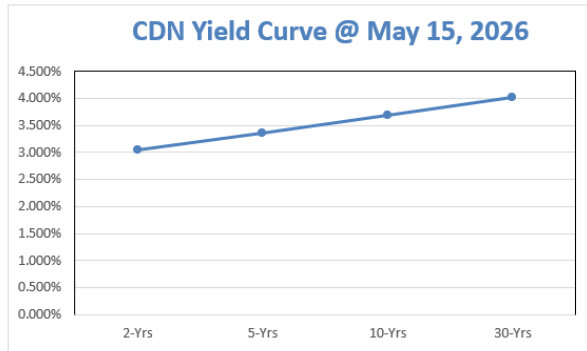
In February there is not much to see yet, just thin fronds that will become metre-long blades by spring. She measures, photographs, and sometimes takes water samples for marine scientists. Then she heads back in.

[The kelp producer who wants to get Americans eating seaweed](#)

CANADIAN MARKETS - By Andrew

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 Veritas V- list - Jan. 2026

Agnico Eagle Mines, Alimentation Couche-Tard Inc., ARC Resources Ltd., ATCO Ltd., AtkinsRealis, Barrick Mining Corp., Boardwalk REIT, Canadian National Railway Co, Cogeco Communications Inc., Constellation Software Inc., Enbridge Inc., Fortis Inc., Franco-Nevada Corp, George Weston Ltd., Granite REIT, Hudbay Minerals, Restaurant Brands International Inc., Royal Bank of Canada, Sun Life Financial Inc., TC Energy Corp., Toronto Dominion Bank, Tourmaline Oil Corp, Wheaton Precious Metals Corp.

Research Publications (available upon request)

- Top 30 Global Ideas of 2026 - 2Q2026
- Aerospace and Defence - 2026
- Global Financial Institution Conference - 2026

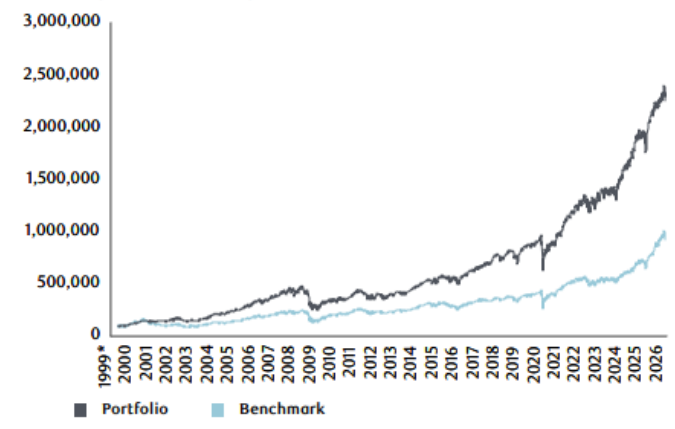
2026 Contribution Limits	Amount (\$CAD)
TFSA	
2026	\$7,000
Aggregate until 2026	\$109,000
RRSP	
2026	\$33,810
FHSA	
2026	\$8,000

III. RBC DS Canadian Equity Focus List-Mar. 2026

Roger Communications, Dollarama, Alimentation Couche-Tard, Loblaw, Pembina Pipeline, Suncor Energy, TC Energy, Bank of Montreal, Brookfield Corporation, Canadian Imperial Bank, Intact Financial, Manulife Financial, National Bank of Canada, Royal Bank of Canada, Sun Life Financial, Toronto-Dominion Bank, AtkisRealis Group, Bombardier Class B, Canadian Pacific Kansas City, Element Fleet Management, Finning International, GFL Environmental, RB Global, Toromont Industries, WSP Global, Constellation Software, Shopify Class A, CCL Industries Class B, First Capital REIT, Brookfield Infra. Partners.

Historical total return since inception to March 31, 2026

Cumulative portfolio value (inception \$100,000)



Multi-horizon performance (% since inception, annualized†)

	1 month	3 months	YTD	1 year	2 years
Canadian Focus List	-3.34	1.07	1.07	20.65	18.78
S&P/TSX Composite	-4.32	3.94	3.94	34.83	24.91

Mackay Group Portfolio Investment Management (PIM) Models - based on RBC DS Focus Lists. We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists. Our models are designed to mirror their performance.

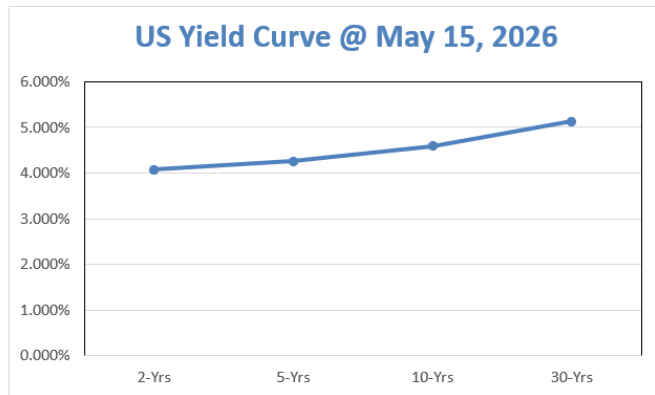
Let's talk, to see if appropriate for you.



INTERNATIONAL MARKETS – By Andrew

I. US Fixed Income

Benchmark Canada 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)

II.RBC DS N.A. Focus List – Mar. 2026:

Alphabet Class C, Meta Platforms, Amazon.com, TJX Companies, Alimentation Couche-Tard, Costco, Suncor Energy, TC Energy, Bank of America, Bank of Montreal, Brookfield Corporation, Canadian Imperial Bank, Intact Financial, Mastercard Class A, Royal Bank of Canada, Johnson & Johnson, Medtronic, Stryker, Canadian Pacific Kansas City, Element Fleet Management, Toromont Industries, WSP Global, Waste Connections, Amphenol Class A, Apple, Broadcom, Microsoft, NVIDIA, Shopify Class A, CCL Industries.

III. RBC DS ADR Focus List – Feb. 2026:

Vodafone Group, Alibaba Group Holding, InterContinental Hotels, Sony, Toyota Motor Corp., Anheuser-Busch InBev, Unilever plc, BP plc, Shell plc, Barclays, HDFC Bank, HSBC Holdings, ING Groep, Mitsubishi UFJ Group; AstraZeneca, GSK, Haleon PLC, Sanofi, RELX plc, Accenture, ASML Holding, SAP SE, Taiwan Semiconductor, BHP Group, Linde, National Grid

Research Publications (available upon request)

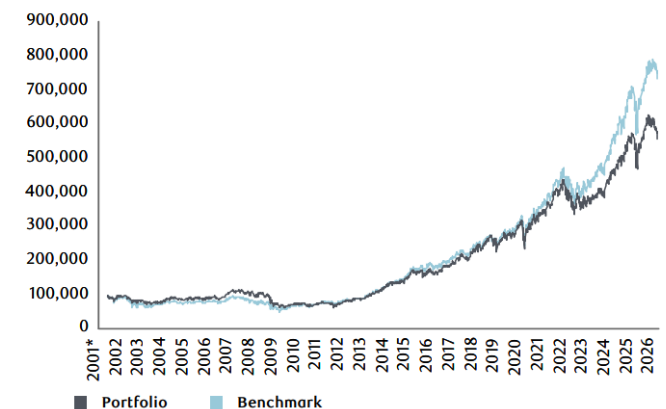
- Global Investment Banks
- Global Exchanges & Market Infrastructure
- The Pulse of the Market (Weekly report)

IV. RBC DS US Equity Focus List – Feb. 2026:

Alphabet Class C, Meta Platforms, Amazon.com, Home Depot, TJX Companies, Costco, Chevron, Aon Class A, Bank of America, JPMorgan Chase & Co., Mastercard Class A, S&P Global, Johnson & Johnson, Stryker, UnitedHealth Group, Honeywell International, RTX, Union Pacific, Xylem, Amphenol Class A, Apple, Broadcom, Microsoft, NVIDIA, Palo Alto Networks, ServiceNow, Ecolab, NextEra Energy

Historical total return since inception to March 31, 2026

Cumulative portfolio value (inception \$100,000)



Multi-horizon performance (% , since inception, annualized†)

	1 month	3 months	YTD	1 year	2 years
U.S. Focus List (USD)	-4.99	-7.07	-7.07	9.58	8.67
S&P 500	-4.98	-4.33	-4.33	17.80	12.98

Mackay Group Portfolio Investment Management (PIM) Models – based on RBC DS Focus Lists.

We have CDN, US, and Global Equity and Fixed Income Portfolio Models for our discretionary portfolios. All based on RBC DS successful CDN, Income, US, Global Focus lists.

Our models are designed to mirror their performance.

Let’s talk, to see if appropriate for you.



MUTUAL FUNDS Closed/Open- Top Holdings
-By Christopher

I. CANADIAN

Canadian Fixed Income

CI Corporate Bond Fund
RBC High Yield Bond Fund
PIMCO Monthly Income Fund
PH&N Total Return Bond Fund

Canadian Equity

Fidelity -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

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

RBC Target 2027, 2028, 2029 U.S. Corp. Bond ETFs

US Equity

Fidelity - American Eq/Small Cap American/Euro
Mackenzie - US Mid-Cap
Middlefield - US Div Growers / American Core
Franklin Templeton - Growth
RBC - North America 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/Global Innovators
GQG- Partners Global Quality Equity Fund
Middlefield - Health Care/Global Div Growers
Franklin Templeton - Growth / Intl
RBC - Global Fund / Int. Div G
Manulife- Climate Action

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
RBC Canadian Core Real Estate
RBC Canadian Private Placement Corporate Debt



STOCK OF THE DAY – TOP PREFORMERS since 2011 – as of April 17, 2026.

There are many ways to invest. We offer many choices.

From Fixed income to Equity to Private placements and Tax assisted investments.

One way we communicate our ideas is through our daily Stock of the Day, since 2011.

These are well researched and our top recommendations for the long term.

We have had some very impressive results.

1. Fixed income investment products with high yields and some with tax efficient yields.
2. Select equities with increasing income and growth potential.
3. Our favorite top performing open and closed mutual funds with superior managers performance.
4. ETFs that are well diversified and some with specialized sectors, offering low management fees.

Hope you find this list useful.

While we cannot guarantee same future results, we will do our best give you our best ideas.

Rate of returns does not include dividends.

E-mail Date	Symbol	Company	Price at the time of recommendation	Current Stock Price (April 17, 2026)	Rate of return	Sector
03-Jan-12	GOOG-US	Alphabet Inc. Class C	16.42	334.34	1936%	Software
17-Jun-14	AMZN-US	Amazon.com, Inc.	16.4	254.39	1451%	Retail
12-Dec-11	AAPL-US	Apple Inc.	13.99	271.51	1841%	Technology
17-Dec-13	ZJG-CA	BMO Junior Gold Index ETF	6.2	281.84	4446%	Prec. Met.
18-Oct-13	AVGO-US	Broadcom Inc.	2.71	402.96	14769%	Semi-Cond.
19-Mar-18	CCO-CA	Cameco Corporation	11.93	165.04	1283%	Energy
14-May-12	CSU-CAN	Constellation Software Inc.	88.75	2683.57	2924%	Software
16-Jun-01	DOL-CAN	Dollarama Inc.	9.27	175.80	1796%	Retail
29-Nov-11	GE-US	GE Aerospace	14.91	311.82	1991%	Industrials
12-Jan-12	MSFT-US	Microsoft Corporation	27.87	430.86	1446%	Software
28-Apr-20	NVDA-US	NVIDIA Corporation	7.63	200.89	2533%	Technology
05-Dec-12	URI-US	United Rentals, Inc.	42.38	804.42	1798%	Industrials
20-Jan-12	V-US	Visa Inc. Class A	25.5975	319.36	1148%	Comm. Serv.

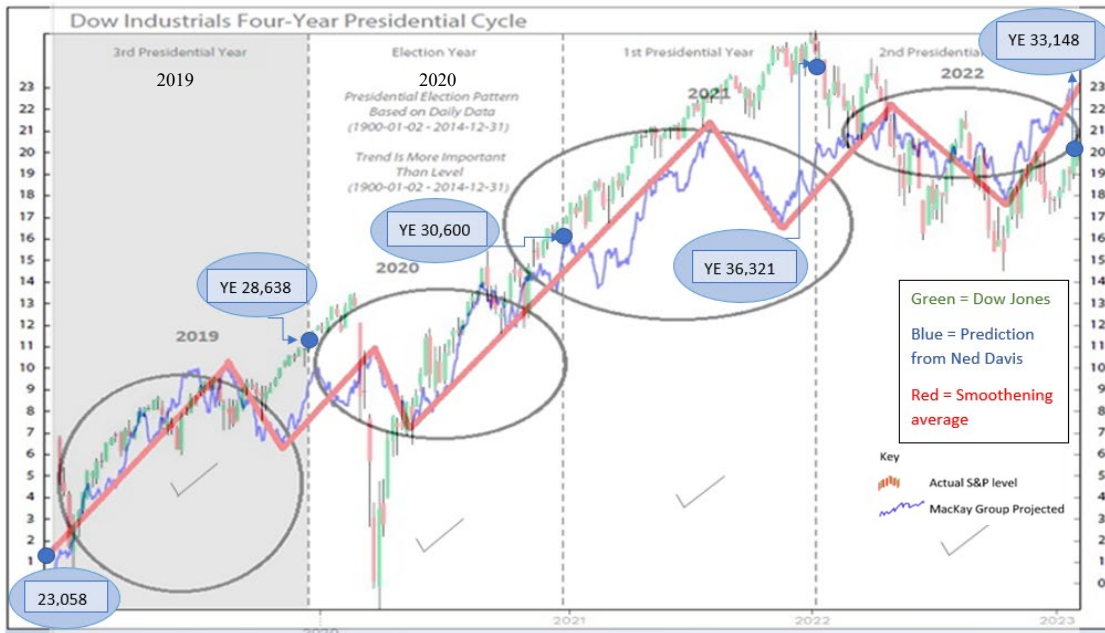




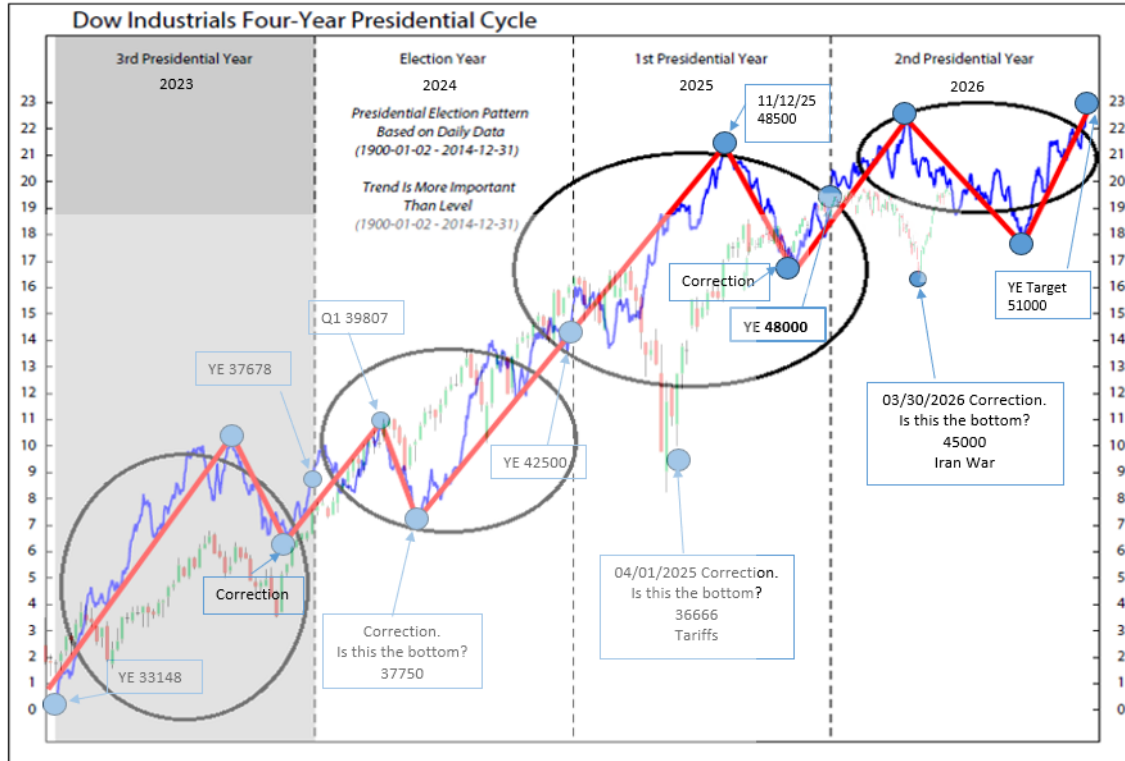
Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



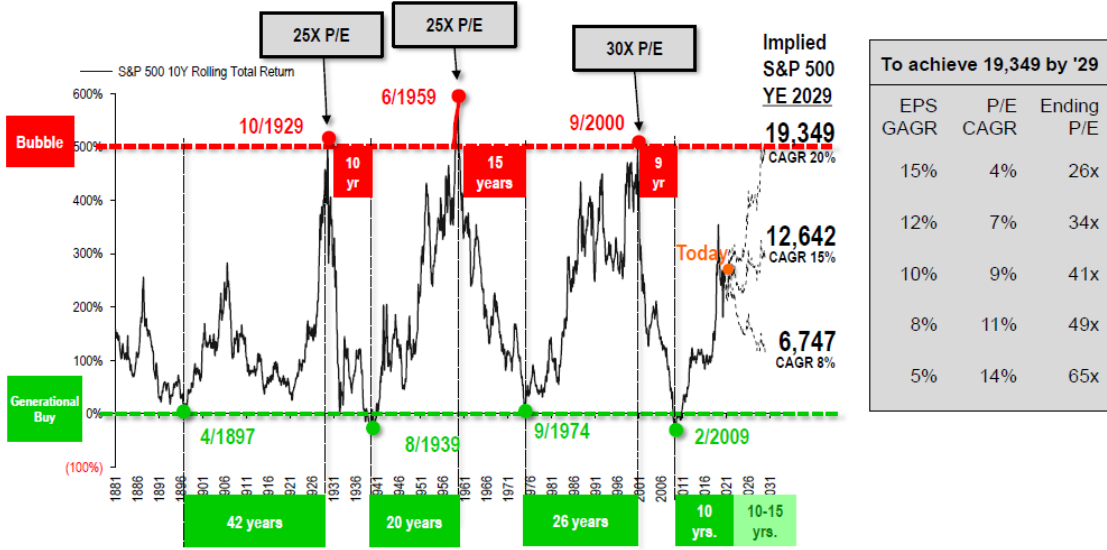
FAVOURITE CHARTS

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

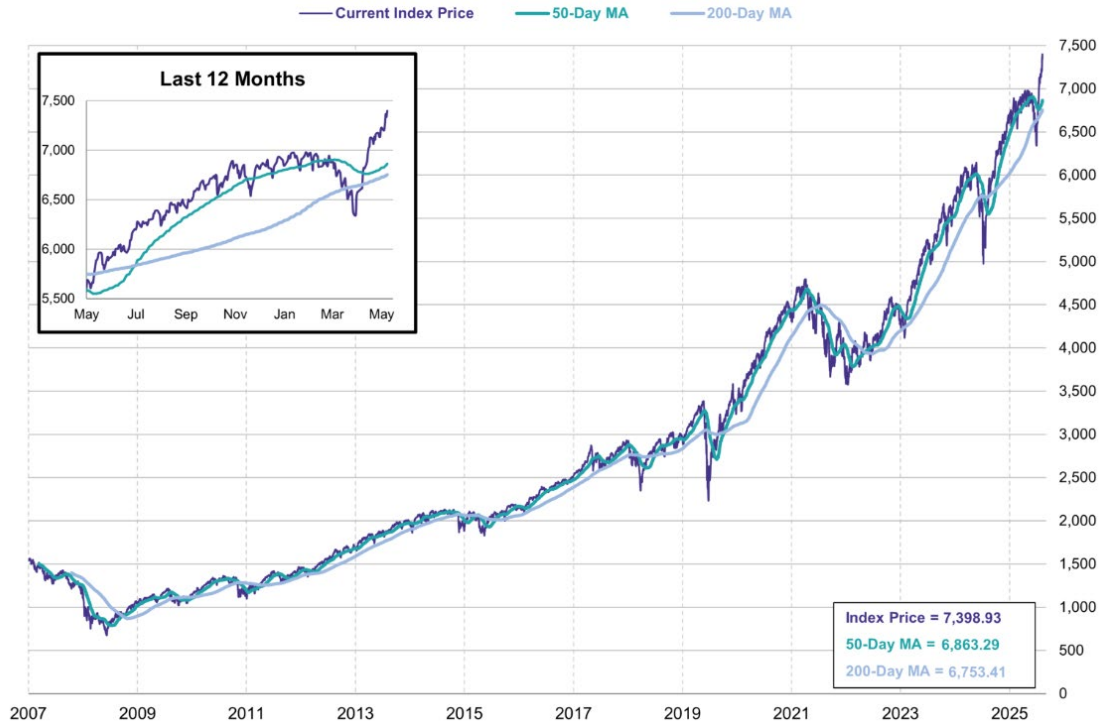
Monthly bars

Log scale



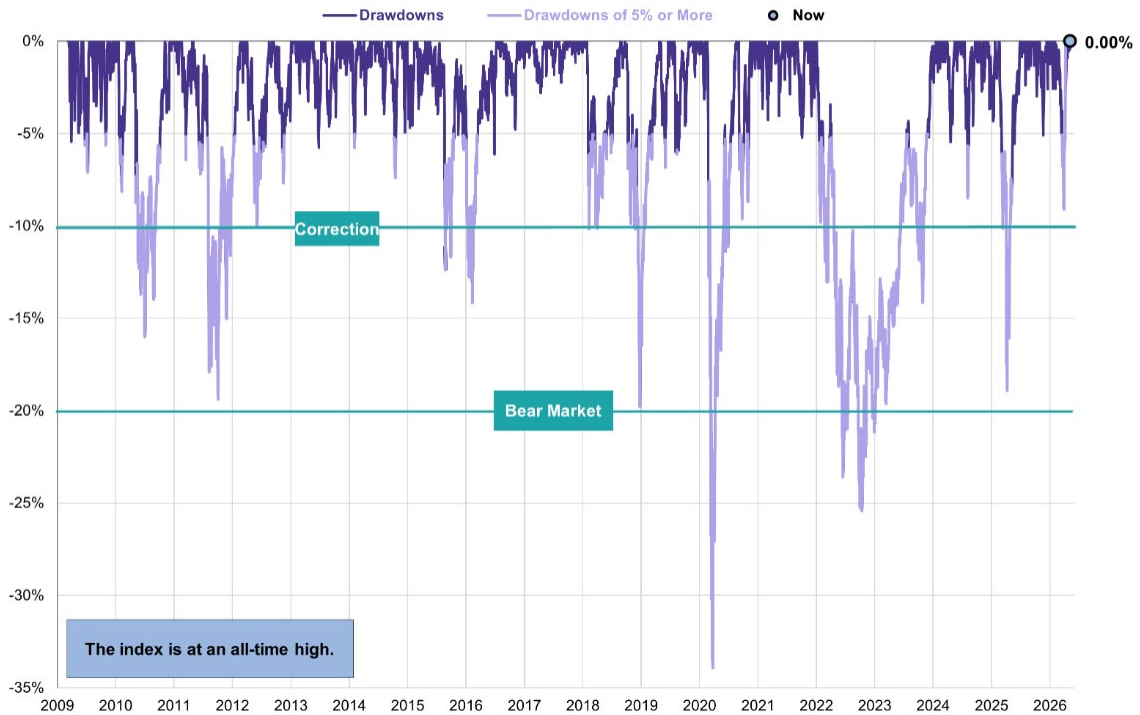
S&P 500 Index: Current Market Snapshot

Daily closes from 10/9/2007 - Present



S&P 500 Percent Off Highs

Start Date: March 9, 2009

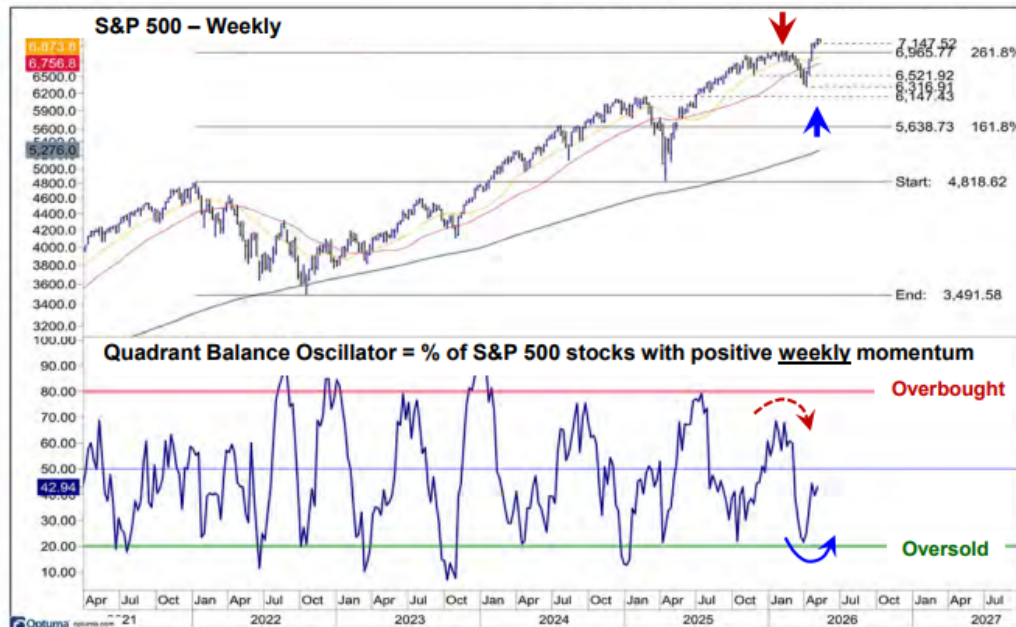


Jerome Powell's tenure as Fed chair comes to a close



Jerome Powell's tenure as Fed chair comes to a close

S&P 500 with weekly Quadrant Balance momentum



Source: RBC Wealth Management, Bloomberg, Optuma

- The S&P surged to new highs despite Q1 weakness keeping its uptrend, defined by higher highs and higher lows, intact.
- However, short-term indicators (see next slide) are overbought suggesting a pullback is likely in the coming 1-2 weeks.
- First support is at 6966 followed by the red 40-week ma at 6712 then the late March lows at 6317.
- The weekly the quadrant balance indicator (bottom panel) tracking the percentage of stocks within the S&P 500 with rising weekly momentum, continues to build to the upside after declining into the low 20% range suggesting an expanding list of stocks that are bottoming heading through Q2.

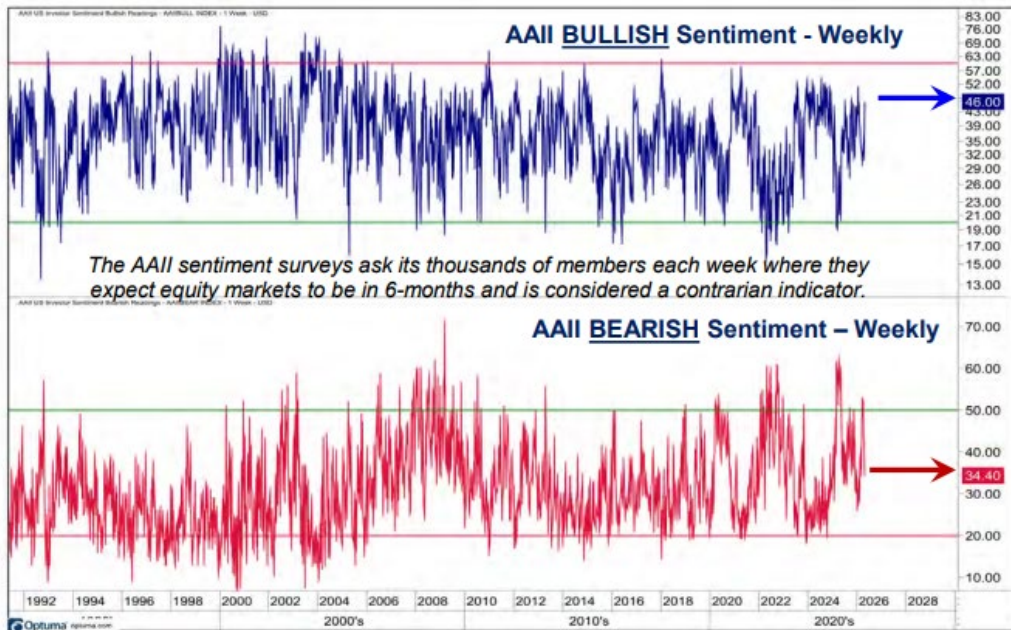




Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
May 13	39.3%	24.1%	36.6%
May 6	38.3%	28.7%	33.0%
Apr 29	38.1%	22.2%	39.7%
Apr 22	46.0%	19.5%	34.4%
Apr 15	31.7%	25.5%	42.8%
Apr 8	35.7%	21.3%	43.0%
Apr 1	33.6%	15.0%	51.4%
Mar 25	32.1%	18.1%	49.8%
Mar 18	30.4%	17.6%	52.0%
Mar 11	31.9%	21.7%	46.4%
Mar 4	33.1%	31.4%	35.5%
Feb 25	33.2%	27.0%	39.8%
Feb 18	34.5%	28.5%	36.9%
Feb 11	38.5%	23.3%	38.1%
Feb 4	39.7%	31.3%	29.0%
Jan 28	44.4%	24.8%	30.8%
Jan 21	43.2%	24.1%	32.7%
Jan 14	49.5%	22.3%	28.2%
Jan 7	42.5%	27.5%	30.0%
Dec 31	42.0%	31.0%	27.0%
Dec 24	37.4%	27.8%	34.8%
Dec 17	44.1%	22.7%	33.2%

AAII US Bullish and Bearish Sentiment Survey

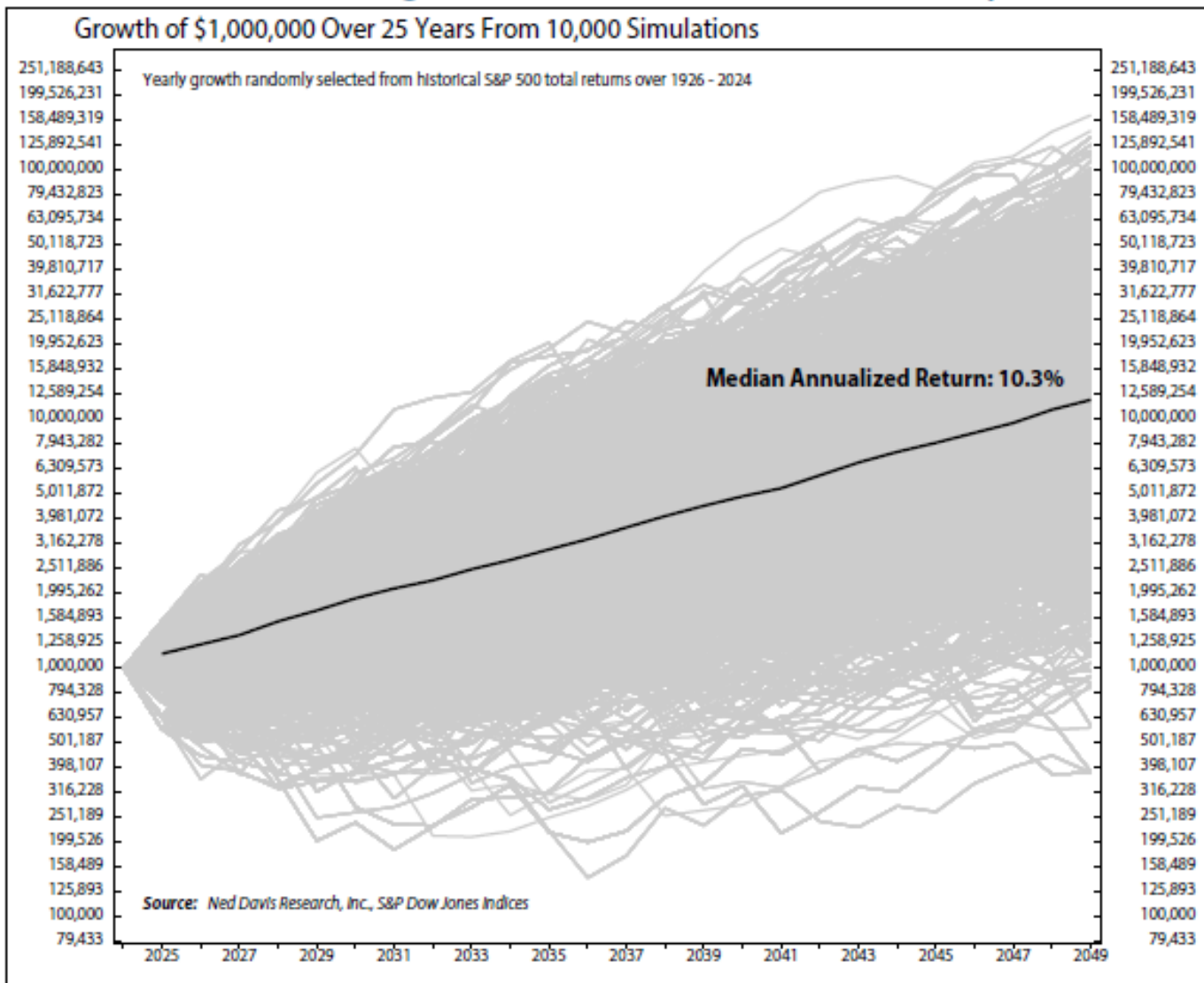


- Bullish Sentiment readings have rebounded with the equity rally, but are not at concerning extremes yet, while...

- ...Bearish Sentiment readings have declined from levels often coinciding with a tactical low in in equities near 50 with current readings closer to neutral for equities.



Monte Carlo and Long-Run Stock Market Uncertainty



CRS202501_01



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Simulation creates artificial data resembling actual data, first used in the 1940s for nuclear testing and known as "Monte Carlo." This method can model future scenarios, such as simulating 10,000 possible 25-year investments in the S&P 500, showing a typical return of around 10% per year, with a range of outcomes from -3% to 22%.

How are simulations and uncertainty related to each other?

Simulation refers to the creation of artificial data that looks plausibly similar to the actual data it is meant to simulate. An early implementation occurred during nuclear weapons testing in the 1940s and was dubbed "Monte Carlo" to describe the virtual dice-rolling used to randomly generate the data. We can apply the same basic tools to modeling the different ways the future might look. The chart at left shows 10,000 simulations of a 25-year investment in the S&P 500 using a method called bootstrapping, where historical yearly returns are randomly shuffled and spliced together to create a single time series. While the typical bootstrapped return is around 10% per year, the simulation also illustrates the wide range of potential paths, with the lowest and highest annualized returns around -3% and 22%, respectively.

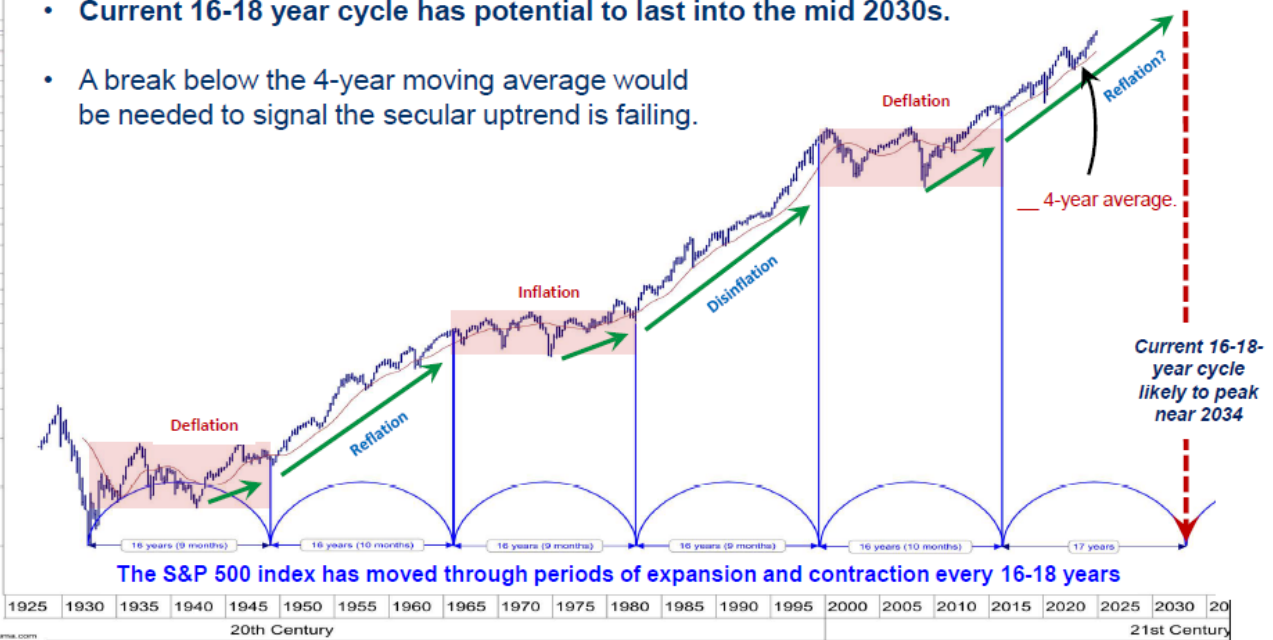


S&P 500 – Generational cycles lasting roughly 16-18 years



7000.00
6,032.38
4,520.11
3700.00
3000.00
2400.00
1900.00
1500.00
1200.00
900.00
700.00
500.00
400.00
300.00
200.00
160.00
130.00
100.00
70.00
40.00
30.00
20.00
10.00
-900.00

- 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.



The S&P 500 index has moved through periods of expansion and contraction every 16-18 years

Optuma optuma.com
Source: RBC Wealth Management, Bloomberg, Optuma

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



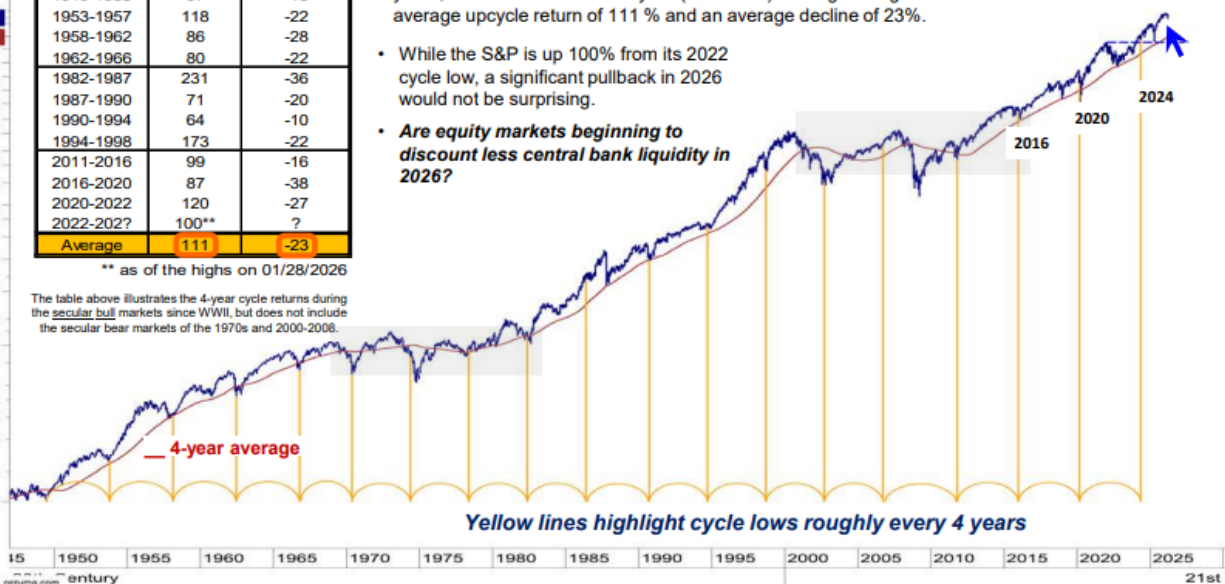
6,581.00
5,148.47
4,400.00
3,100.00
2,600.00
2,200.00
1,800.00
1,500.00
1,200.00
1,000.00
800.00
600.00
500.00
400.00
300.00
240.00
200.00
140.00
120.00
100.00
80.00
60.00
50.00
40.00
30.00
20.00
0.00

4-Year Cycle	% Rally	% Correction
1949-1953	97	-15
1953-1957	118	-22
1958-1962	86	-28
1962-1966	80	-22
1982-1987	231	-36
1987-1990	71	-20
1990-1994	64	-10
1994-1998	173	-22
2011-2016	99	-16
2016-2020	87	-38
2020-2022	120	-27
2022-202?	100**	?
Average	111	-23

** as of the highs on 01/28/2026

The table above illustrates the 4-year cycle returns during the secular bull markets since WWII, but does not include the secular bear markets of the 1970s and 2000-2008.

- During secular bull markets, a cycle low has developed roughly every four years, often near the red four-year (200-week) moving average with an average upcycle return of 111 % and an average decline of 23%.
- While the S&P is up 100% from its 2022 cycle low, a significant pullback in 2026 would not be surprising.
- Are equity markets beginning to discount less central bank liquidity in 2026?



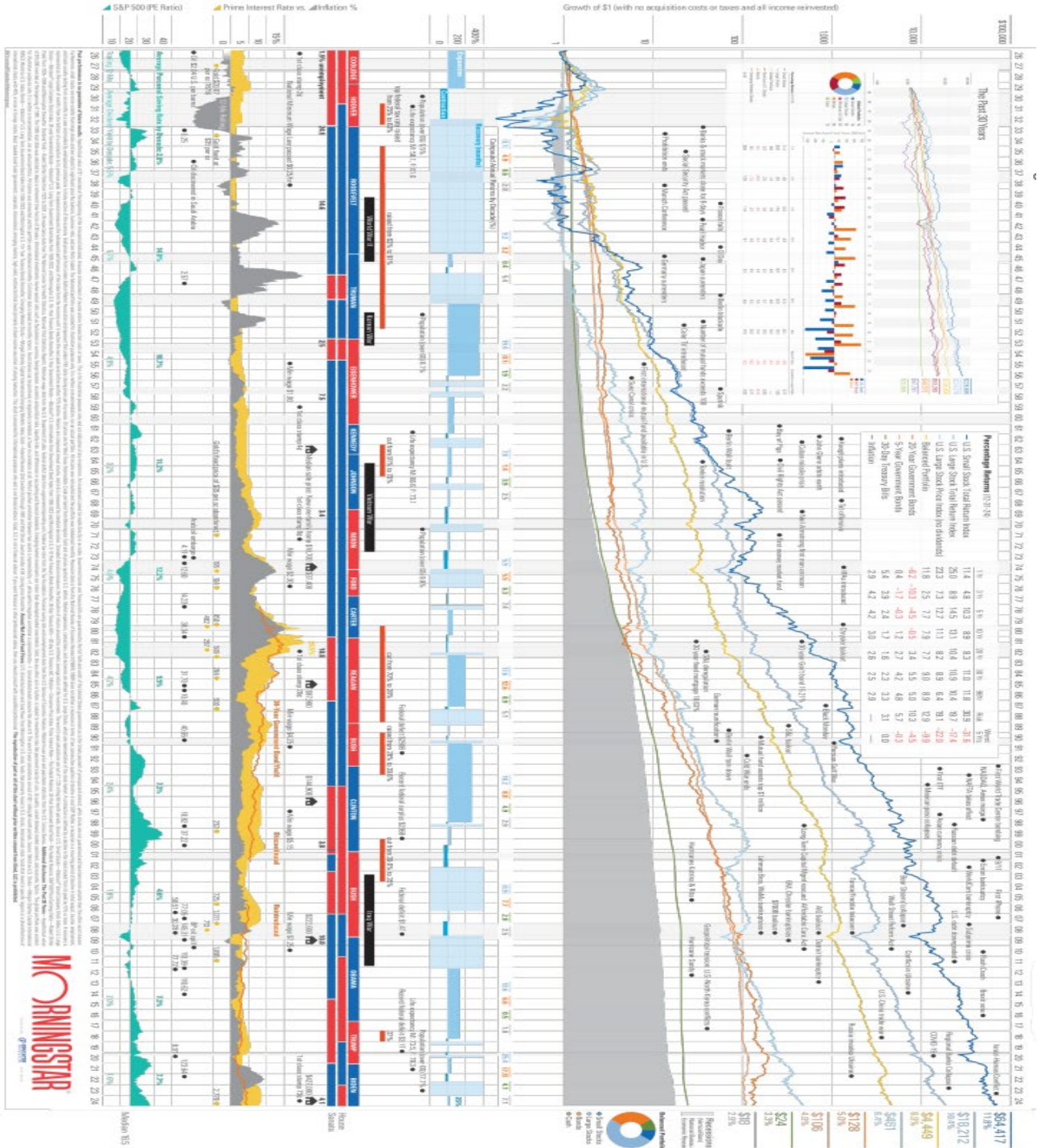
Yellow lines highlight cycle lows roughly every 4 years

Optuma optuma.com
Source: RBC Wealth Management, Bloomberg, Optuma



Index Chart

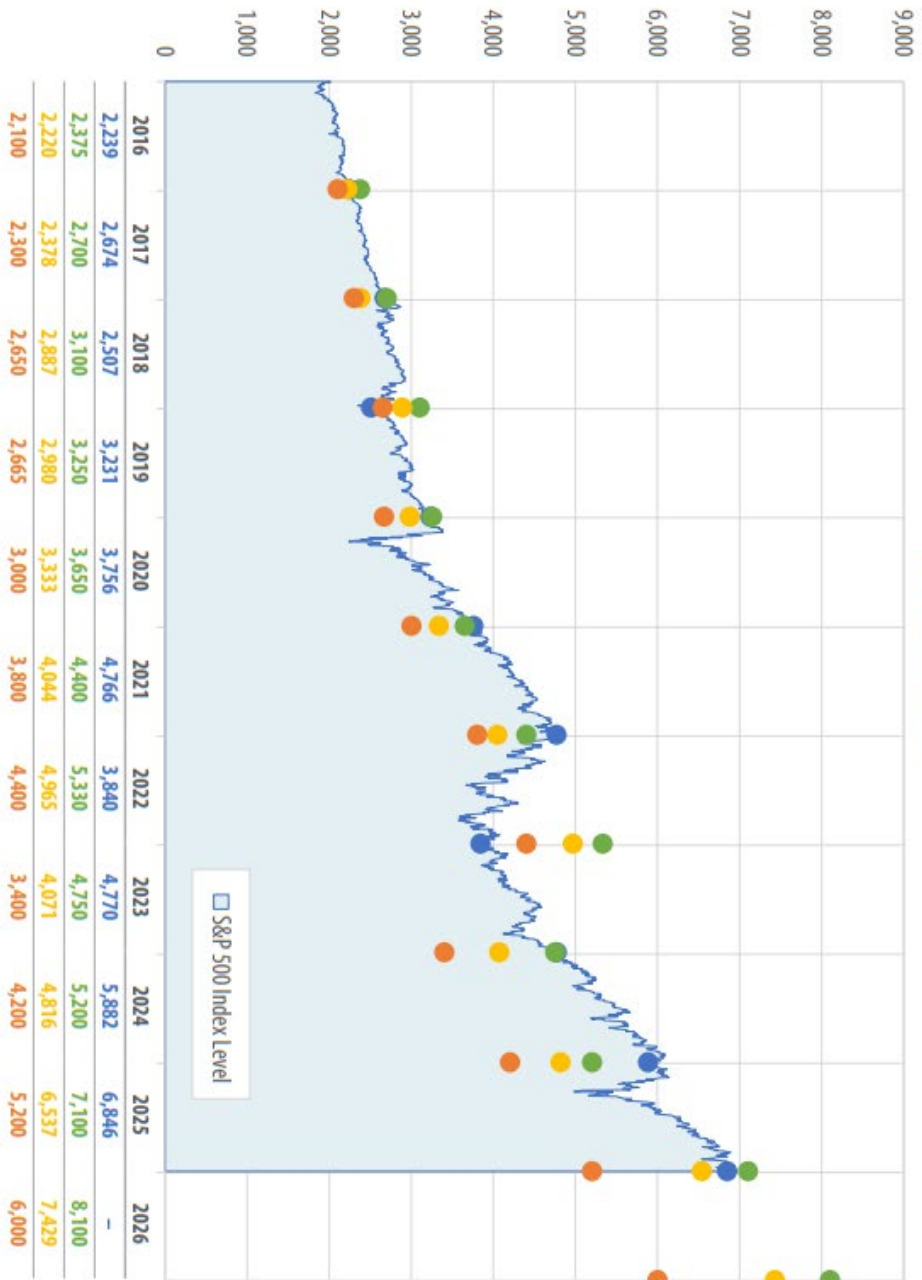
The Index Chart tracks the performance of \$100 invested over a 72-year period in different types of investments amid the context of significant historical, political, economic and social developments. It helps you consider current events through a long-term lens and, as a result, make informed investment decisions. Each coloured line in the Index Chart represents the performance of a different investment type or asset class. While each type of investment has charted an upward course over time, their movements differed under the same economic circumstances, underscoring the importance of diversification.



S&P 500 Index: Strategists' Projections vs. Actual Performance

2016-2026

At the end of every calendar year, top strategists in the industry set their S&P 500 price targets for the upcoming year-end. Below are their projections and how the S&P 500 Index performed.



S&P 500 Index Level

S&P 500 Index Annual Return

Year	Average Projection	Actual Return	Difference
2016	8.6%	9.5%	+0.9%
2017	6.2%	19.4%	+13.2%
2018	8.0%	-6.2%	-14.2%
2019	18.9%	28.9%	+10.0%
2020	3.2%	16.3%	+13.1%
2021	7.7%	26.9%	+19.2%
2022	4.2%	-19.4%	-23.6%
2023	6.0%	24.2%	+18.2%
2024	1.0%	23.3%	+22.3%
2025	11.1%	16.4%	+5.2%
2026	8.5%	?	?

● Year-End Actual
● Highest Projection
● Average Projection
● Lowest Projection

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

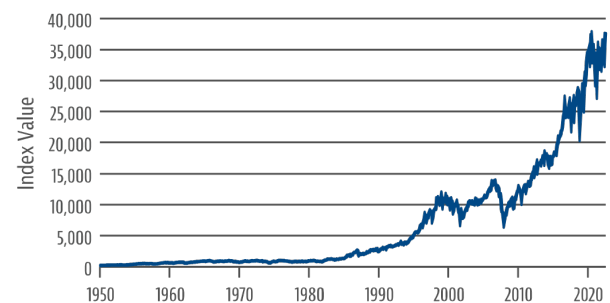


Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession
	1959	679	Castro takes over Cuba
1960's	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's	1970	839	Conflict spreads to Cambodia
	1971	890	Wage & price freeze
	1972	1020	Largest 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 skyrockets, 10%+ unemployment
1980's	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's	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's	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	8,776	Banking and credit crisis
	2009	10,428	Recession, "credit crunch"
2010's	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's	2020	30,606	COVID-19 crisis and recession
	2021	36,338	Decades high inflation
	2022	33,147	Aggressive rate hiking cycle
	2023	37,690	U.S. regional banking crisis

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

DOW JONES INDUSTRIAL AVERAGE: 1950 - 2023



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, Registered Charity Gift of Stock Acct, Annual Tax-Assisted Flow-Through Share Program, Joint Gift of Beneficial Right of Survivorship (JGBRS)

PORTFOLIO MANAGEMENT PROGRAMS

Our team manages clients' portfolios on an individual basis (AUM \$2.11B). 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. MG Private Investment Management - PIM (AUM \$350M)-Discretionary portfolio 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.

RBC DS-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, Templeton.

3.MG Non-Discretionary Advisory Management (AUM \$300M)- Non-discretionary investment portfolio management.

Highlights include: Discussion on each investment, 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 - 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
- Taxation of the corporation at death and more.
- Retirement and estate planning
- Business succession
- Withdraws from corporation tax- effectively

2. Insurance Planning - Andrew Sipes and Barrington Grey

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 - 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 and Bobby Hinduja

Several 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 Snowdon-Steacy

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- Niaz Dharas & Margaret Caponio

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.

What clients have to say about us

Client Testimonials & Comments

Portfolio Management comments:

“Bruce and his team have been managing our financial lives for years. Always available, never too busy for a question or to allow us to pick their brains. We recently had the experience of sitting down in their office with them to review our up-coming retirement plans. Starting with the worksheet (homework as I called it) to the preparation and presentation of the fully detailed reports it was all handled in a most professional, yet personal and informative manner. During this current turmoil caused from COVID19, we have had our melt-downs but we have always known that Bruce and Andrew and the rest of the team were there for us and managing the mysteries of the market of 2020. Thanks to all of you” - **Bill & Deb.**

“I am very grateful for all your input and guidance that you provided to us. We could not have done this without the RBC information-very grateful, very thankful” – **Elaine.**

“We value Andrew's input and advice when making our investment decisions. He is always available to answer our questions and deal with any concerns we have regarding our investments. His tax saving suggestions have also been very helpful. He is a very valuable asset to the MacKay team.” – **Frances & Paul.**

“MacKay Group Wealth Management have been our family advisers for over ten years, through a financial crisis and now a pandemic. They are a knowledgeable and capable team that have provided us with sound advice through bad markets and good. They are always pro-active and available to discuss options and markets. We are very thankful that they are our team.” -**Gail & Ken.**

“I want you to know how happy Gail and I are with the MacKay Group Wealth Management. Your hands on advice and your constant returns are very much appreciated. I sleep very well at night. Thank you. What a wonderful team of talented, knowledgeable, helpful and friendly advisors you have in your office. You should be proud. You and your team deserve a big pat on the back.” – **Paul & Gail.**

“The MacKay Wealth Management Group always provides constructive information on investments I am considering or currently hold. They are responsive and informed. As well, on three separate occasions they have provided expert help in Estate and Will matters pertaining to my investments and financial institution. I would not hesitate to recommend the MacKay Group Wealth Management to potential clients” – **Paul.**

“The MacKay Group Wealth Management has been managing my investments for over 20 years. During that time, I have benefited from their collective knowledge of the markets; they have given me sage advice to protect and grow my assets. I have found the team to be knowledgeable, approachable and responsive. I have always been able to get my questions answered; no query of mine has ever been too trivial or time consuming not to elicit a timely response from the team. In dealing with the Mackay Group Wealth Management, I have the benefit of highly personalized service backed up by the security of the Royal Bank.” – **Jay.**

Financial and Will & Estate Planning comments:

“It was a good process to go through and Ted did a great job capturing all the information and formulating it into a coherent plan” – **Susan.**

“I appreciate how thorough Ted was, and how he seemed to drill down and get a better handle on our situation. I hadn't gone into such details with the discovery process before and value how deep our group wanted to dig to ensure the projections were accurate. A great start to the relationship.” **Ray.**

THE MACKAY GROUP TEAM COMMENTS

Our Mission

"To provide our clients superior investment advice, products and service at MGWM since 1981."

Our Team Management

We operate like a partnership. Team of equals with many skills combined to serve our clients. Combined with RBC DS and RBC.

Portfolio Management

Bruce MacKay- Senior Portfolio Manager & Investment Advisor

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 Slivinsky - Associate Portfolio Manager & Wealth Advisor

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 Nicolaides - Senior Associate Advisor

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.

Client Services & Portfolio Administration

Shannon Earl- Senior Associate

Oversees client onboarding and account maintenance ensuring information is accurate and processes run efficiently and smoothly.

Arieh Abrahami- Associate

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

Erik DeGuerre- Associate

Working with Shannon, Arieh and team to deliver efficient service and handle daily tasks with accuracy.

Research

Ryan MacKay- additional resource

Supplying select research and editing MacKay Weekly Newsletter. Let us know if you would like to receive additional research.

Wealth Management & Business Development

Kristi MacKay-Associate Investment Advisor & Wealth Advisor

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

Kyle MacKay- Wealth Advisor & Financial Planner

In addition to Wealth Management, I worked in Private Banking so can help clients with their many Premier and Private Banking needs.

Financial Planning and Estate Advisors

Kristi & Kyle coordinate meetings with our partners:
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 your estate and insurance plans.

Karen Snowdon-Steacy, Senior Trust Advisor

Provide with valuable estate and Royal Trust services.

RBC Banking

Niaz Dharas, Premier Banking

Angus Fraser, Private Banking

Laurence Donovan, Private Banking

Works with you to deliver tailored banking, credit & wealth solutions

MGWM and RBC Foundation Charitable Gifts

Charities we support in 2026 - Trillium Health Partners, Canadian Wildlife Federation, Toronto Public Library, ABC Life Literacy, Canadian Canoe Museum, Ontario Track III, Camp Winston, Muskoka Discovery Centre, ROM, Reena, Alzheimer's, Dorothy Ley Hospice, St Andrews, Beat the Streets.

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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.



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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. Specifically, the following assumptions have been made when calculating model portfolio returns: the portfolio is rebalanced monthly and any time a change to portfolio holdings is made; market close prices are used for all valuations; and returns are gross of all account fees and transaction costs. Insurance products are offered through RBC Wealth Management Financial Services Inc. ("RBC WMFS"), a subsidiary of RBC Dominion Securities Inc.* RBC WMFS is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc., RBC WMFS and Royal Bank of Canada are separate corporate entities which are affiliated. *Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. and RBC WMFS are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2018 RBC Dominion Securities Inc. All rights reserved.

