

MacKay Weekly Investment Report

WEEK ENDING FRIDAY FEBRUARY 20, 2026

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

*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**

**All the above/ Investing with confidence/ Roaring 2020s**

Equity markets drifting lower since the highs of last week - Is it mid-month correction - option expiring day - trading range since January 1 – US global tariff vote - lower US GDP due to government shut down – Iran - hotter US PCE inflation - sector rotation - all of the above.

**Positives:** **AAll Investment Sentiment Survey** - 34.5% bullish/ 28.5% neutral/ 36.9% bearish - bullish reading continues to slide - not close to bargain prices...yet?

**RBC CM. Pulse of the Market** - First, we review our stance on small caps. We had a little more love for them coming into Valentine's Day weekend due to better fundamentals, but still see challenges that raise the bar for further outperformance (less appealing positioning and valuations, plus continued linkage to evolving views of the Fed). Second, other things that jump out include more evidence of a tough reporting season, the slide in sentiment on the AAll survey which is not signaling oversold conditions yet, and thoughts on why we're not intrigued with the tech sector yet from a generalist perspective.

**RBC WM - S&P 500 valuations are high** - S&P 500 P/E ratio is 22x versus long-term average of 16.6x - earnings growth keeps supporting the valuation, expect 15% growth this year and 16% next year.

**The world** is entering an unprecedented technology investment cycle.

**S&P TSX composite** forward P/Es ratio is 17.3x versus long-term average of 14.7x - S&P TSX earnings growth forecast is 15% this year and 12% next year.

**TSX market cycles** - the average bull market is 68 months.

**Fidelity** – “Where we are. Roughly 2/3 of stocks above the 200-day moving average. Long-term trend remains up, but the slope is flattening. This is a maturing bull market undergoing rotation not breaking. Roughly half of the rally since October 22 has come from earnings and dividends

not just P/E expansion. Earnings momentum remains intact. Liquidity is expanding, global money supply \$120 trillion growing at 12%. Credit spreads are tight. Margins are strong. Strong employment data and falling inflation. AI boost productivity.”

**Jim Paulsen** – “**Investing with confidence** - don't sell a confidence revival. US optimism has again wilted during the last couple years. Indeed, the contemporary economic expansion and bull market have been uniquely characterized by chronic pessimism. It seems an oxymoron to call a period of intense and widespread US pessimism and expansion bullish. What are the primary reasons I have been and remain bullish about the prospects for the current bull market is because US confidence remains so pessimistic. Bulls end with optimism not when pessimism rules. Change in tone among policy officials toward delivering more accommodative policy support which perhaps is also the beginning to improve Main Street confidence. **Poor Rich sentiment indicator** - says buy stocks. When the rich start complaining more than the poor, it's often been a good time to step up and buy some equities. Will this four-month stall in the stock market ultimately break higher or lower?”

**Dr. Ed Yardeni** – “10 reasons to remain optimistic about the US economy. Roaring 2020s refresher course. Roaring consumer spending. Amazing wealth affect. Roaring tech capital spending. Roaring onshore. Accelerating productivity growth. Stimulating fiscal policy. Stimulating monetary policy. Energizing energy. Rebalancing globalization. Animal spirits.”

**Micheal Hakes – MWG** – “Despite a flat start to the year the fundamental backdrop for the S&P 500 remains healthy with earnings growth projected at 8 to 10%. This resilience is bolstered by a stable job market and anticipated US federal reserve rate cuts.”

**Tom Lee** – “It does feel challenging out there. It’s choppy even though I think the trend is slightly higher. Fed funds rates could have 7 cuts in it. I think we’re getting close through the rotation out of the mag seven - it’s not the crowded trade - while gold is. Software is going to eventually bottom. So maybe it’s a rolling bear market and then strong rally into the yearend - stick with energy, basically materials and small caps.”

**Negatives. JPM** - Large cap banks. Key concerns driving sell off - all emanating from AI, directly or indirectly - some new concerns and a revival. Exposure to software companies. Impact on parts of the securities services business. Impact on deposits. Slowdown in investment banking. Impact on interest rate outlook if weakness in the economy leads to more rate cuts & flatter yield curve.

**Charts** - US jobs revised down. Since 2019 - 2.5 million jobs have been erased from official data with negative revisions occurring in six of the last seven years.

**Charts** - Though moving in the right direction, CPI is still uncomfortably high. Tariff pressures on prices are being masked by declines in a few select sectors.

**Fidelity** - Mag seven are at technical support. Valuations depend on sustained earnings momentum. The AI narrative is being tested. Concentration risk remains elevated.

**Brian Westbury** – Monday comments - “If you’re grading the economy based on real GDP it looks pretty good - if grading it based on jobs not so much. It looks like GDP grew at a 3.2% annual rate in the fourth quarter. And yet job growth has sputtered. Good news, but we don’t expect growth as strong in Q1 or for 2026 as a hole.”

**Investment strategy – “Contrarianism and the Herd. The general idea is that what works most of the time is nearly the opposite of what works in the long run.”**

- William Eckhardt

**Stock of the Days:** KMP.UN, C, CHR, NFLX

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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.	4850.08
Apr 11,2025	The Bottom? /Long-term optimistic/ Frankenstein	5,363.36



### **Supreme Court strikes down Trump's sweeping global tariffs**

The Supreme Court has struck down some of Donald Trump's most sweeping global tariffs, upending one of the White House's top policy priorities and injecting new uncertainty into global trade.

In a 6-3 decision, the justices in America's highest court said the law Trump used to impose some of his most significant tariffs did not authorize him to do so.

The ruling opens the door to potentially billions of dollars in tariff refunds, delivering a major victory to the small businesses and states that had challenged the measures.

The Trump administration had contended that the duties were justified under a law empowering the president to respond to national emergencies.

#### [Supreme Court strikes down Trump's sweeping global tariffs](#)

### **US economy slows in final months after turbulent year**

Growth in the US slowed at the end of last year, as consumer spending slackened and the federal government shut down.

The world's largest economy grew at an annual pace of 1.4%% in the three months to December, falling back from a robust 4.4% in the prior quarter.

It capped a turbulent year for the US economy, which has been buffeted by new tariffs, a crackdown on immigration, cuts to government spending and persistent inflation.

Overall the economy grew 2.2% in 2025, performing better than many had anticipated in the face of those pressures.

#### [US economy slows after turbulent year](#)

### **US trade deficit hits fresh high despite Trump's tariffs**

US goods imports continued to outpace its exports last year, sending the country's trade deficit to a new high despite sweeping tariffs introduced by US President Donald Trump.

The gap between the value of goods imported into the US and American products sold to other countries widened by 2.1% compared to 2024, hitting roughly \$1.2 trillion (£890bn), official figures show.

The rise emerged despite a sharp drop in trade with China, one of the earliest targets of the tariffs.

The gap runs counter to one of the White House's key aims which is to reduce the deficit, arguing that US reliance on overseas goods has hollowed out the country's production abilities and put national security at risk.

[US trade deficit hits fresh high despite Trump's tariffs](#)

### **Trump adviser calls for Fed economists to be 'disciplined'**

One of Donald Trump's most senior economic advisers has said a group of economists should be "disciplined" for a Federal Reserve study which argued that US firms and consumers have borne the brunt of the president's tariffs.

National Economic Council director Kevin Hassett said the report, published by the New York Federal Reserve, was "an embarrassment" and "the worst paper I've ever seen in the history of the Federal Reserve system".

It found that last year, 90% of the cost of increased tariffs was paid for by US companies and shoppers.

Hassett's comments to CNBC are the latest attack by the Trump administration on the Federal Reserve which have, until now, been focused on interest rates.

[Trump adviser calls for Fed economists to be 'disciplined'](#)

### **How do you modernize mango farming?**

Even in good years, mangoes are considered one of the most difficult fruit crops to cultivate.

They depend on a delicate balance of climate, tree physiology, and farming techniques.

Getting that balance right is crucial for India, the world's biggest producer of mangoes, where 23 million tonnes of the fruit is harvested every year - almost a fifth of India's total fruit output.

But for many farmers mango cultivation has, in recent years, become more challenging.

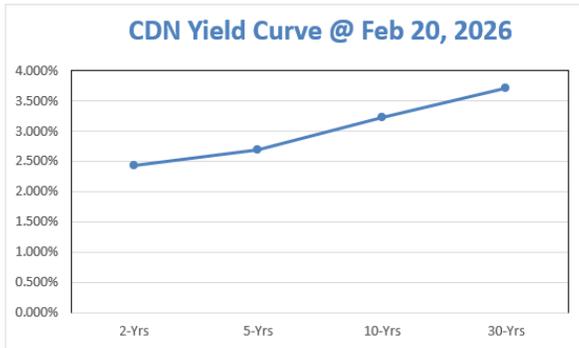
"Mango farming has become unpredictable," says Upendra Singh, who farms 16 acres of land in Malihabad, in the northwestern state of Uttar Pradesh.

[Indian mango farmers are urged to modernise](#)

**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)**

- Global Mining Best Ideas - 3Q25
- Aerospace and Defence - 2025
- Healthcare 2H25 Outlook

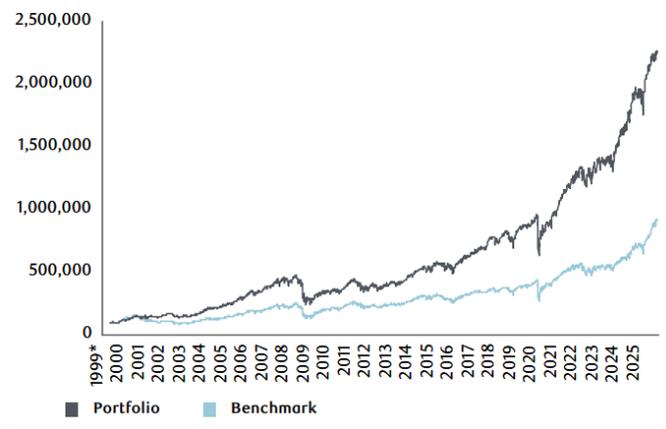
2026 Contribution Limits	Amount (\$CAD)
<b>TFSA</b>	
2026	\$7,000
Aggregate until 2026	\$109,000
<b>RRSP</b>	
2026	\$33,810
<b>FHSA</b>	
2026	\$8,000

**III. RBC DS Canadian Equity Focus List-Dec. 2025**

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, 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 December 31, 2025**

Cumulative portfolio value (inception \$100,000)



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

	1 month	3 months	YTD	1 year	2 years
Canadian Focus List	0.59	2.71	18.94	18.94	22.75
S&P/TSX Composite	1.32	6.25	31.68	31.68	26.51

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.

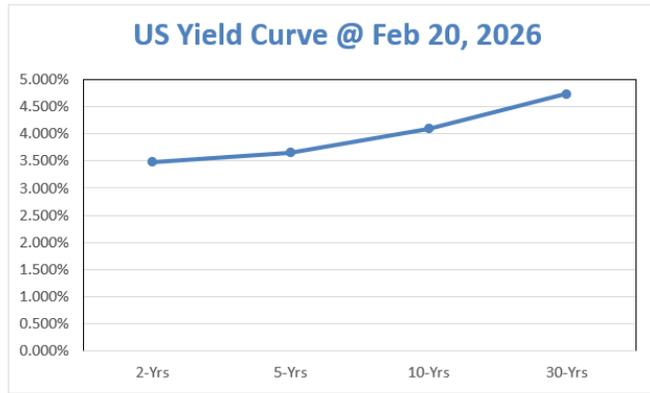
Let's talk, to see if appropriate for you.



**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 – Dec. 2025:**

Meta Platforms, Amazon.com, TJX Companies, Alimentation Couche-Tard, Costco, Suncor Energy, TC Energy, Bank of Montreal, Brookfield Corporation, Canadian Imperial Bank, Intact Financial, Mastercard Class A, Royal Bank of Canada, S&P Global, Johnson & Johnson, Stryker, UnitedHealth Group, Canadian Pacific Kansas City, Element Fleet Management, Honeywell International, Toromont Industries, WSP Global, Waste Connections, Apple, Broadcom, Constellation Software, Microsoft, NVIDIA, ServiceNow, CCL Industries

**III. RBC DS ADR Focus List – Nov. 2025:**

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)**

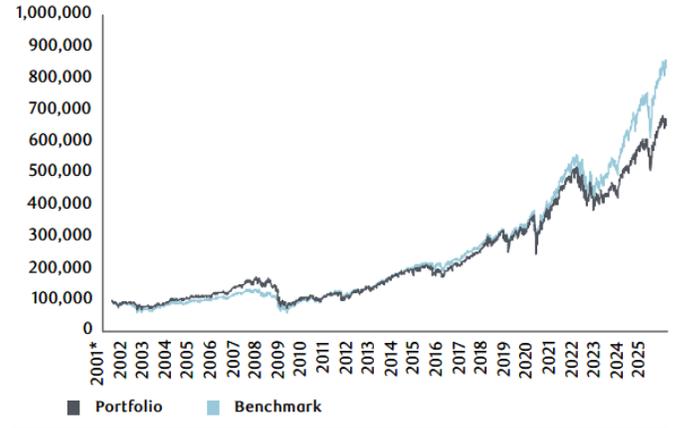
- Global Investment Banks
- Global Exchanges & Market Infrastructure
- The Pulse of the Market (Weekly report)

**IV. RBC DS US Equity Focus List – Dec. 2025:**

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 December 31, 2025**

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)	-1.13	0.46	14.76	14.76	15.96
S&P 500	0.06	2.66	17.88	17.88	21.49

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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**

Canso Credit Income  
RBC High Yield Bond Fund  
PIMCO Monthly Income Fund  
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/

**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

**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/Monthly Income  
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 September 10, 2025.**

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	Stock Price when recommended	Current Stock Price (Sept 10,2025)	Rate of Return %	Sector
18-Oct-13	AVGO-US	Broadcom Inc.	\$2.71	\$365.25	13377.7%	Semi-Conductor
14-May-12	CSU-CAN	Constellation Software Inc.	\$88.75	\$4,564.78	5043.4%	Software
17-Dec-13	ZJG-CA	BMO Junior Gold Index ETF	\$6.20	\$181.57	2828.5%	Precious Metals
28-Apr-20	NVDA-US	NVIDIA Corporation	\$7.63	\$177.86	2231.1%	Technology
05-Dec-12	URI-US	United Rentals, Inc.	\$42.38	\$957.17	2158.5%	Industrials
16-Jun-01	DOL-CA	Dollarama Inc.	\$9.27	\$190.26	1952.4%	Retail
29-Nov-11	GE-US	GE Aerospace	\$14.91	\$279.04	1771.5%	Industrials
12-Jan-12	MSFT-US	Microsoft Corporation	\$27.87	\$501.54	1699.6%	Software
12-Dec-11	AAPL-US	Apple Inc.	\$13.99	\$228.94	1536.5%	Technology
03-Jan-12	GOOG-US	Alphabet Inc. Class C	\$16.42	\$239.83	1360.6%	Software
17-Jun-14	AMZN-US	Amazon.com, Inc.	\$16.40	\$ 233.11	1321.4%	Retail
20-Jan-12	V-US	Visa Inc. Class A	\$25.60	\$ 339.35	1225.7%	Finance
21-Jun-12	BIN-CA	Waste Connections, Inc.	\$19.60	\$246.16	1155.9%	Industrials
19-Mar-18	CCO-CA	Cameco Corporation	\$11.93	\$111.22	832.3%	Energy
22-Feb-12	HD-US	Home Depot, Inc.	\$46.80	\$414.64	786.0%	Consumer
27-Sep-17	LLY-US	Eli Lilly and Company	\$84.31	\$748.01	787.2%	Health Care
05-Jan-12	BAC-US	Bank of America Corp	\$5.75	\$50.47	777.7%	Financials
15-Mar-12	MCK-US	McKesson Corporation	\$86.79	\$ 706.92	714.5%	Health Care
11-May-12	JPM-US	JPMorgan Chase & Co.	\$37.14	\$ 299.72	707.0%	Financials
16-Apr-14	MA-US	Mastercard Incorporated Class A	\$72.91	\$ 577.11	691.5%	Finance
05-Feb-13	KKR-US	KKR & Co Inc	\$17.79	\$ 140.89	692.0%	Financials
13-Aug-13	BX-US	Blackstone Inc.	\$23.38	\$ 178.84	664.9%	Investment Services
12-Apr-17	ORCL-US	Oracle Corporation	\$44.17	\$ 337.59	664.3%	Technology
27-Jan-12	ETN-US	Eaton Corp. Plc	\$48.93	\$ 361.64	639.1%	Industrials
14-Jun-12	VLO-US	Valero Energy Corporation	\$22.10	\$ 161.39	630.3%	Energy





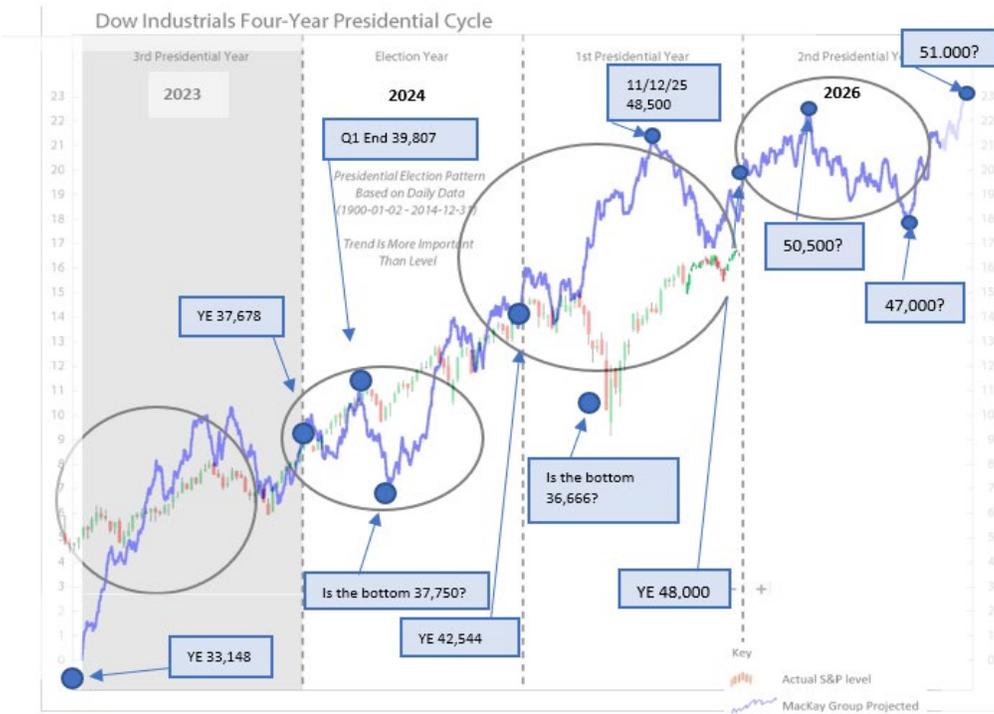
# Technical Update - By Bruce

Portfolio Advisory Group

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



Will this happen - possible?



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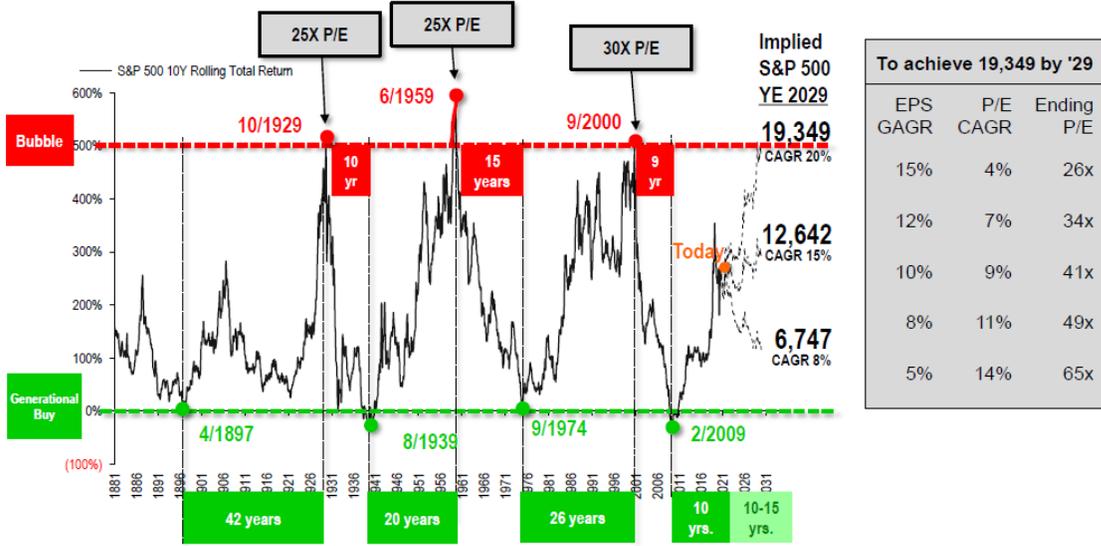
# FAVOURITE CHARTS

## 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

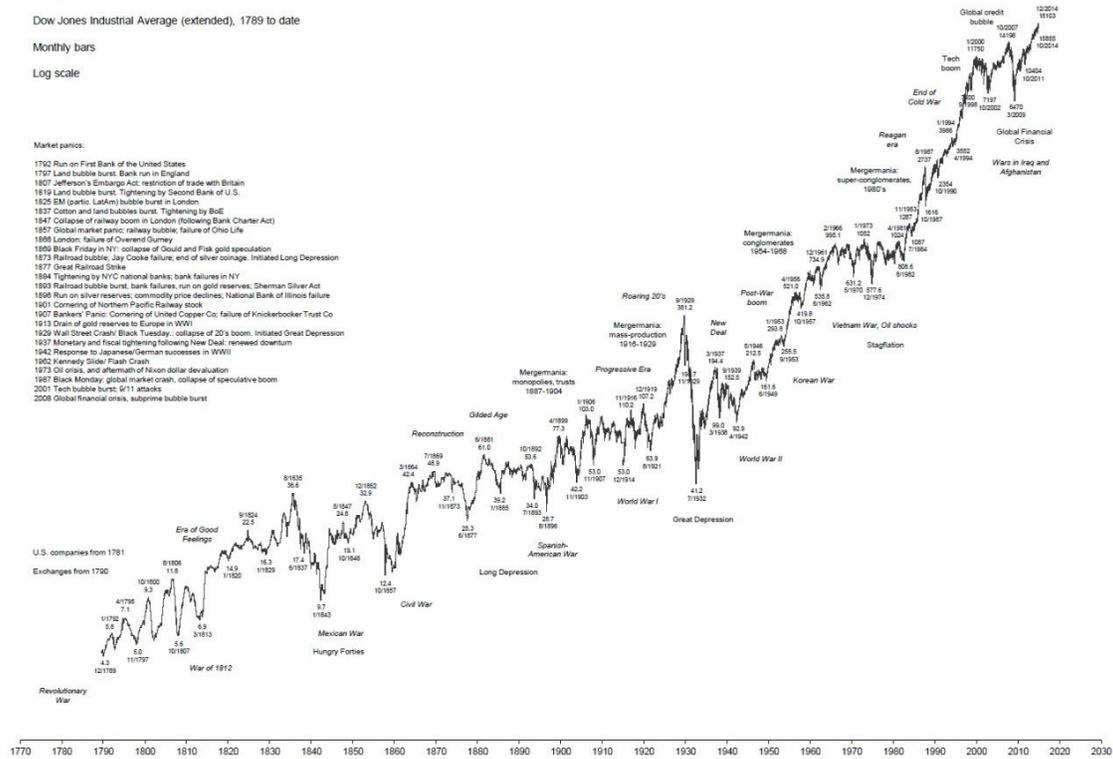
Dow Jones Industrial Average (extended), 1789 to date

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



# The Investment Committee reacts to the Supreme Court ruling against Trump's global tariffs



[The Investment Committee reacts to the Supreme Court ruling against Trump's global tariffs](#)



## S&P 500 with weekly Quadrant Balance momentum



Source: RBC Wealth Management, Bloomberg, Optuma

The S&P has stalled at a resistance level coinciding with its 162% extension level at 6958 but pullbacks have remained short lived.

Support is at the lower end of the recent trading range between 6552-6773 near the yellow 20-wk ma with next important support at 6521 at the November lows.

More importantly, the **weekly quadrant balance** indicator tracking the percentage of stocks within the S&P 500 with rising weekly momentum, has been building positively from oversold levels reflecting a broad list of non mega-cap growth stocks that pulled back through Q3 into Q4 rallying into Q1.

*Our expectation has been for this indicator to peak mid-late Q1 with early signs it may be beginning to top supporting a case to tighten downside risk control levels moving into Q2.*

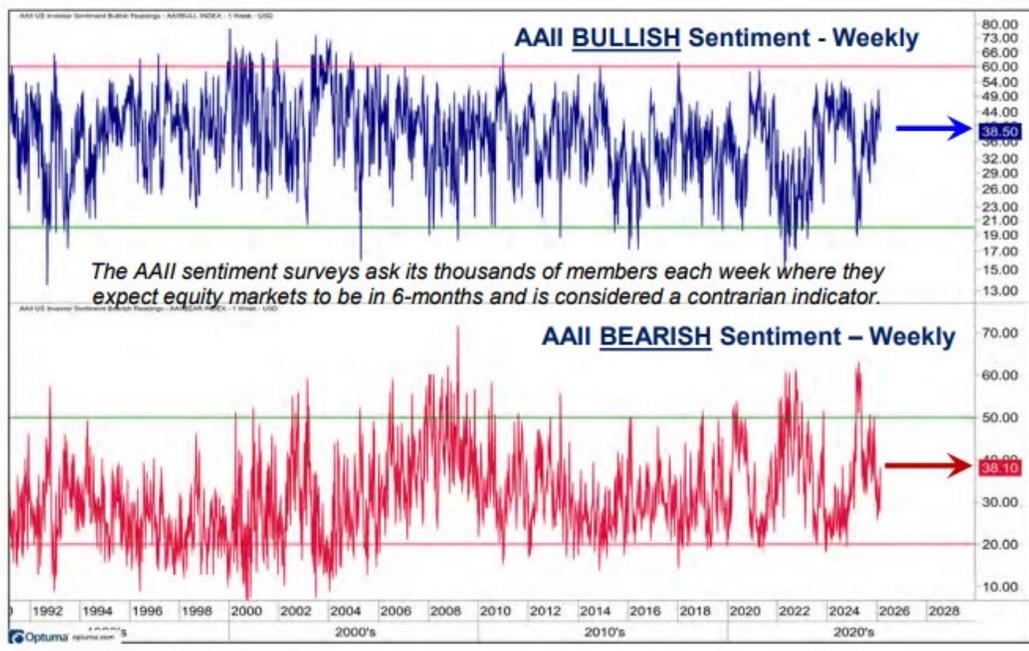




# Sentiment Survey Historical Data

Reported Date	Bullish	Neutral	Bearish
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%
Dec 10	44.6%	24.8%	30.6%
Dec 3	44.3%	24.9%	30.8%
Nov 26	32.0%	25.3%	42.7%
Nov 19	32.6%	23.9%	43.6%
Nov 12	31.6%	19.2%	49.1%
Nov 5	38.0%	25.8%	36.3%
Oct 29	44.0%	19.1%	36.9%
Oct 22	36.9%	20.5%	42.7%
Oct 15	33.7%	20.3%	46.1%
Oct 8	45.9%	18.5%	35.6%
Oct 1	42.9%	17.9%	39.2%
Sep 24	41.7%	19.1%	39.2%

## AAII US Bullish and Bearish Sentiment Survey



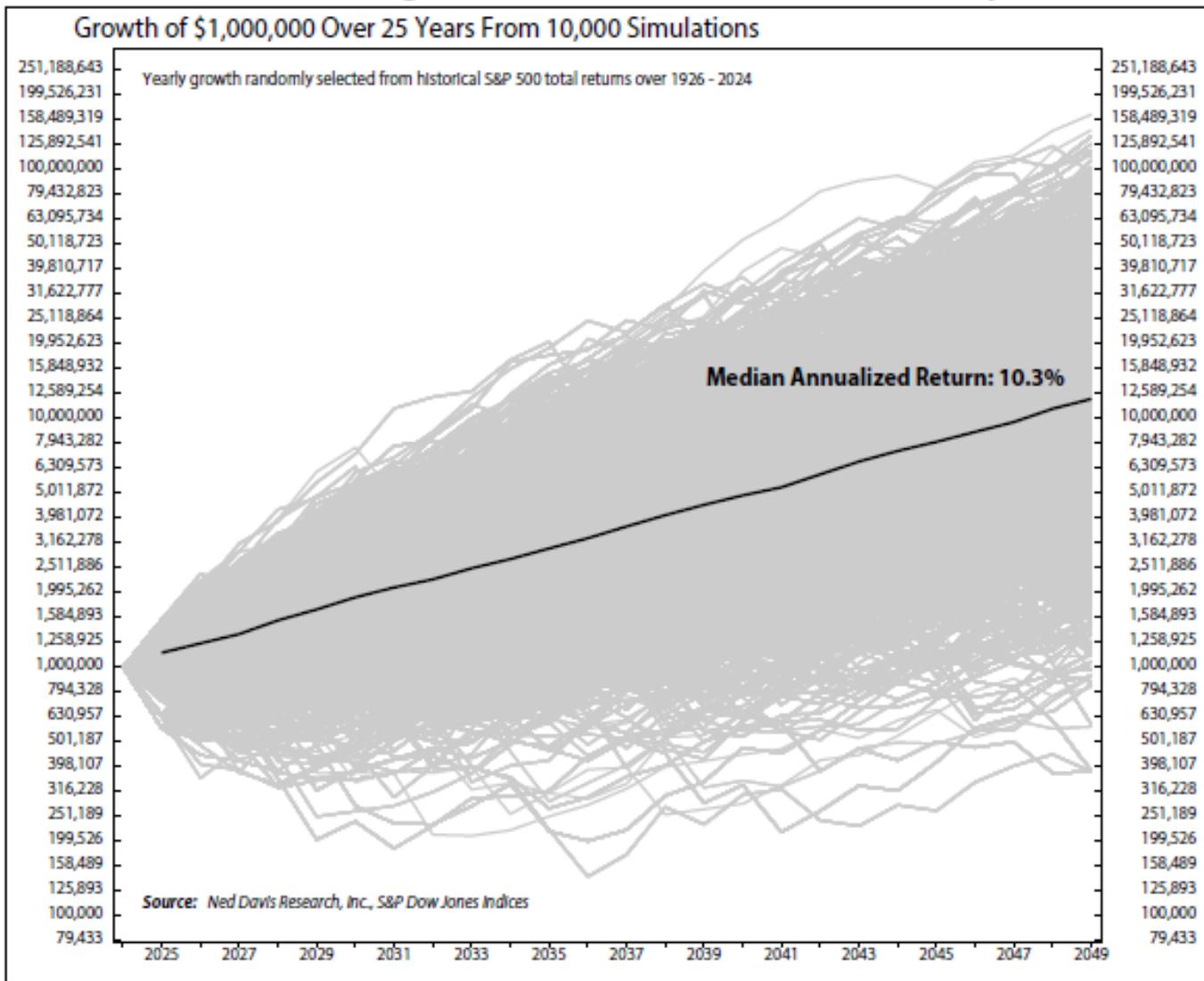
- Bullish Sentiment readings have risen but are not at elevated levels to signal investors are overly optimistic or complacent,

however

- Bearish Sentiment readings are declining, and while they are not at an extreme yet, they are trending in that direction.
- Our expectation is extremes could be reached in mid-late Q1.



# Monte Carlo and Long-Run Stock Market Uncertainty



CRS202501\_01



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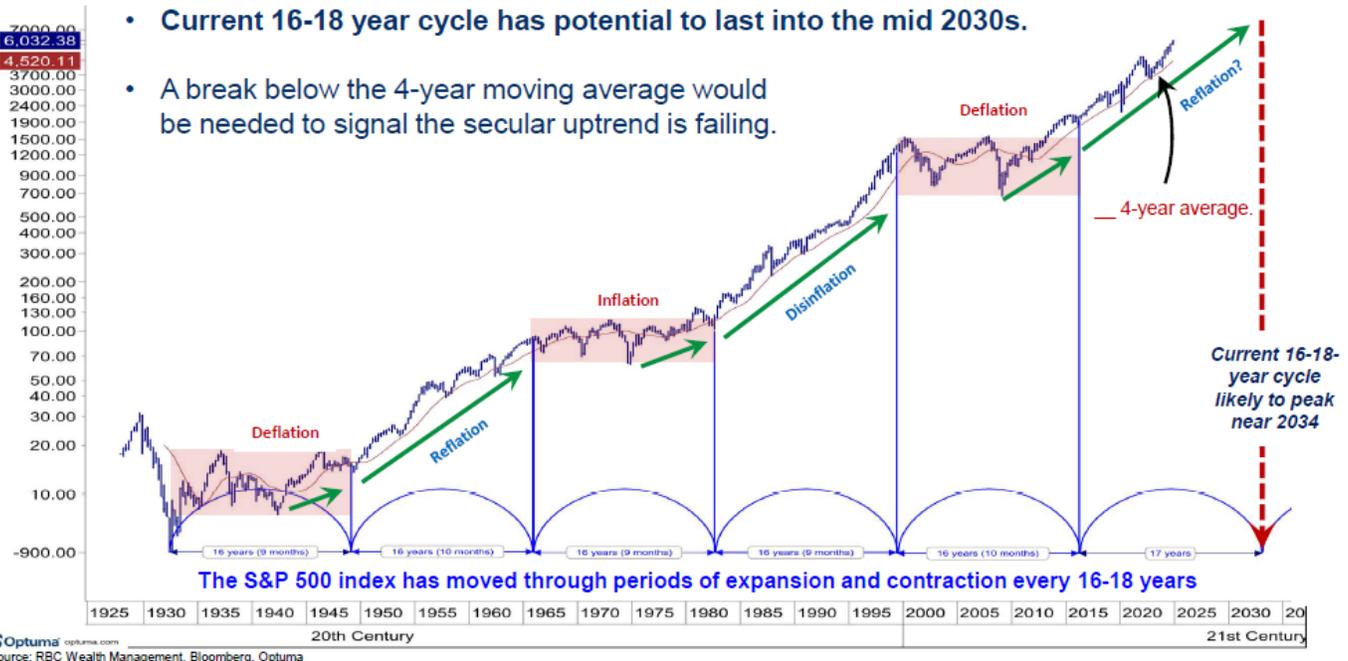
Simulation creates artificial data resembling actual data, first used in the 1940s for nuclear testing and known as "Monte Carlo." This method can model future scenarios, such as simulating 10,000 possible 25-year investments in the S&P 500, showing a typical return of around 10% per year, with a range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



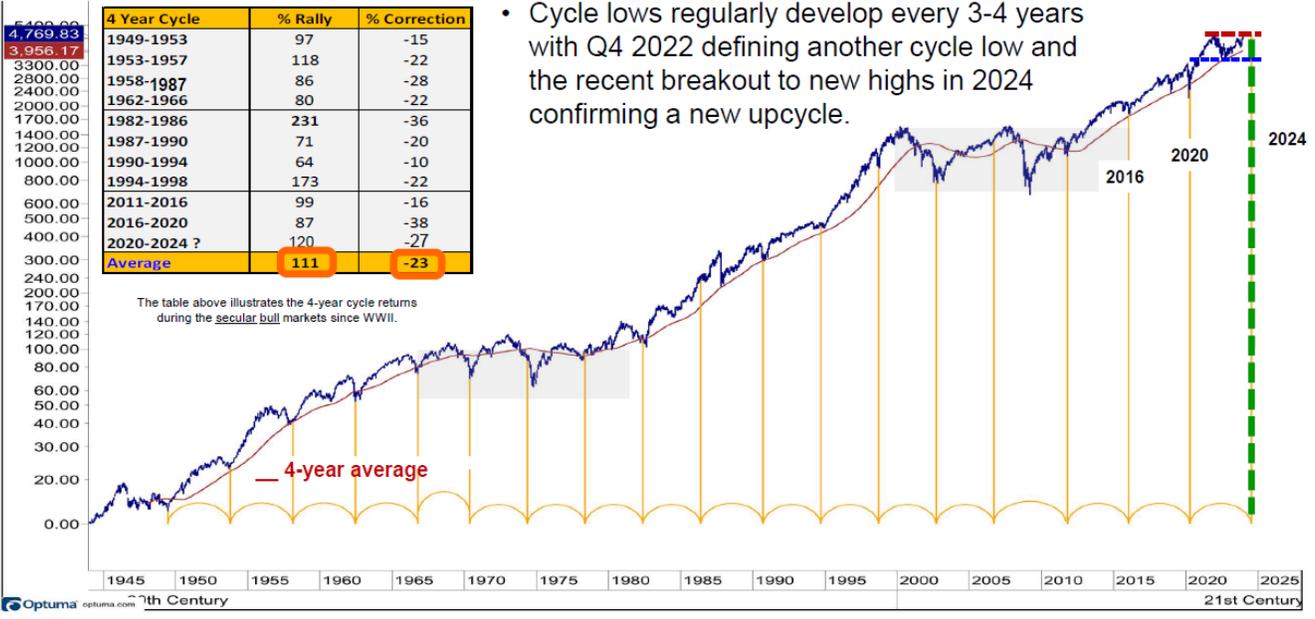
# S&P 500 - A repetitive 3-4 year cycle driven by central bank liquidity and economic growth



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
<b>Average</b>	<b>111</b>	<b>-23</b>

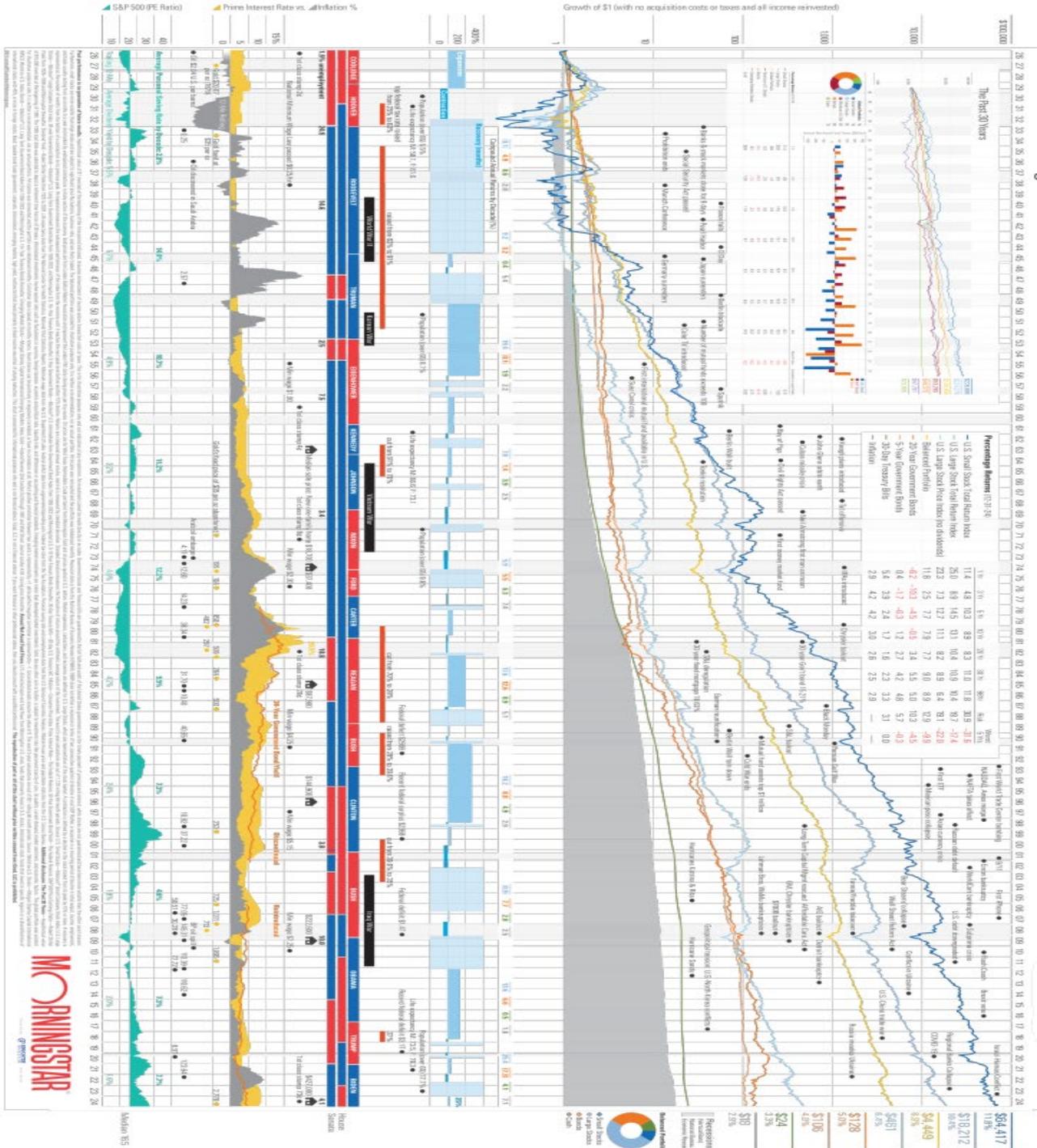
The table above illustrates the 4-year cycle returns during the secular bull markets since WWII.

- 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.



# Index Chart

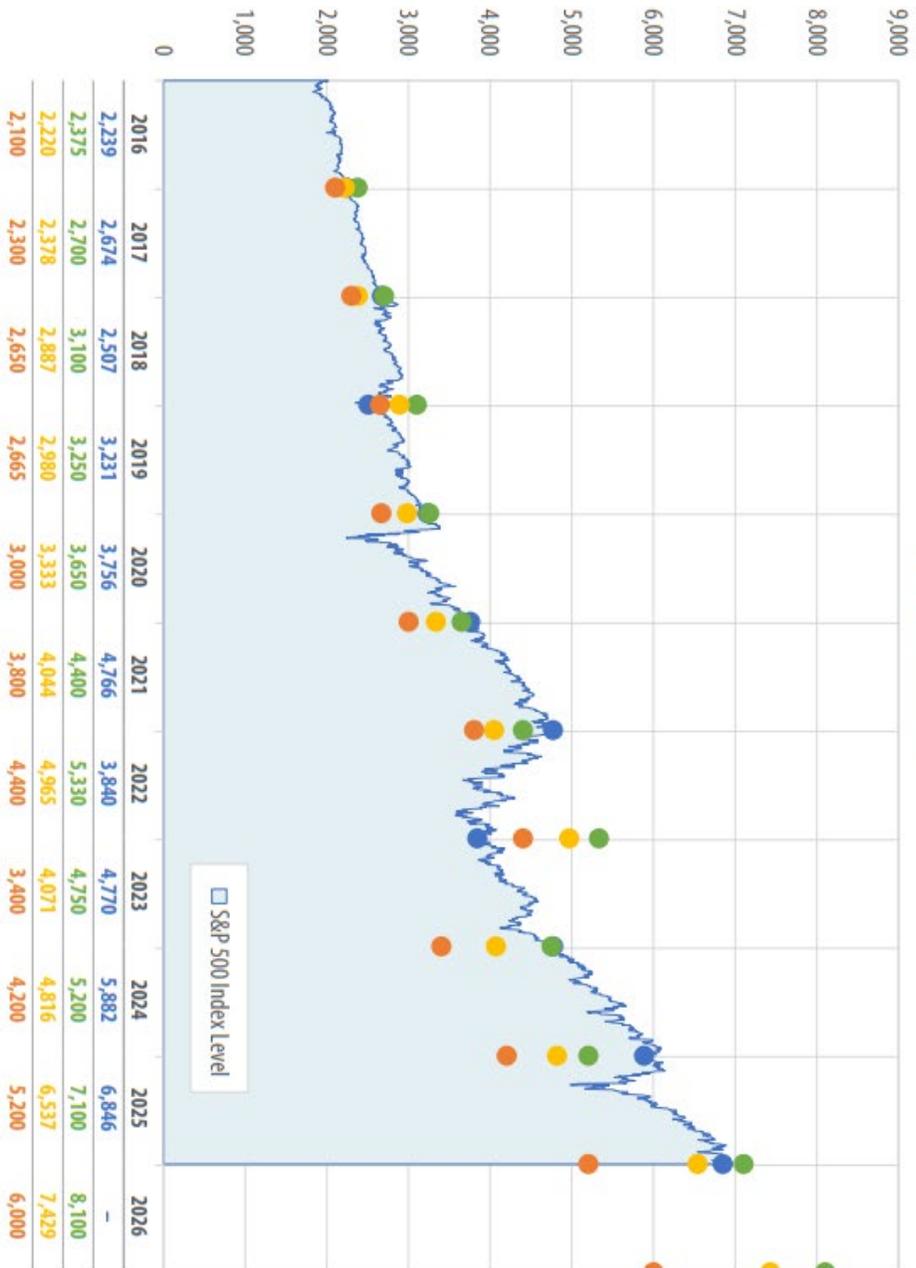
The Index Chart tracks the performance of \$100 invested over a 72-year period in different types of investments amid the context of significant historical, political, economic and social developments. It helps you consider current events through a long-term lens and, as a result, make informed investment 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...”

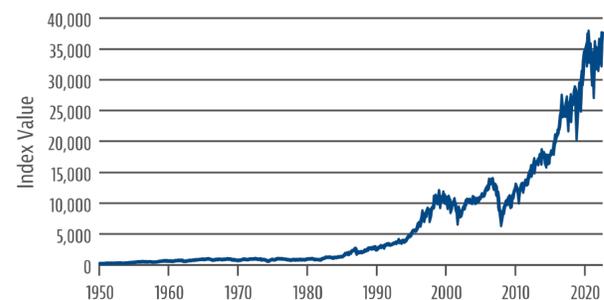


Year*	DJIA		
1950's	1950	235	Korean War
	1951	269	Excess Profits Tax
	1952	292	U.S. seizes steel mills
	1953	281	USSR explodes hydrogen bomb
	1954	330	Dow tops 300 - "market too high"
	1955	485	Eisenhower has heart attack
	1956	499	Suez Canal crisis
	1957	436	USSR launches Sputnik
	1958	584	Recession
	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

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### **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

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### **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

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### **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

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### **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.

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### **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.**

## MacKay Group Wealth Management

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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. 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