HILBERRY GROUP
WEALTH MANAGEMENT

May 1, 2026

Sell in May and Go Away?

Financial Market Overview Middle East Crisis – NBF Economics and Strategy

[Financial Market Overview: Middle East Crisis - April 24, 2026]

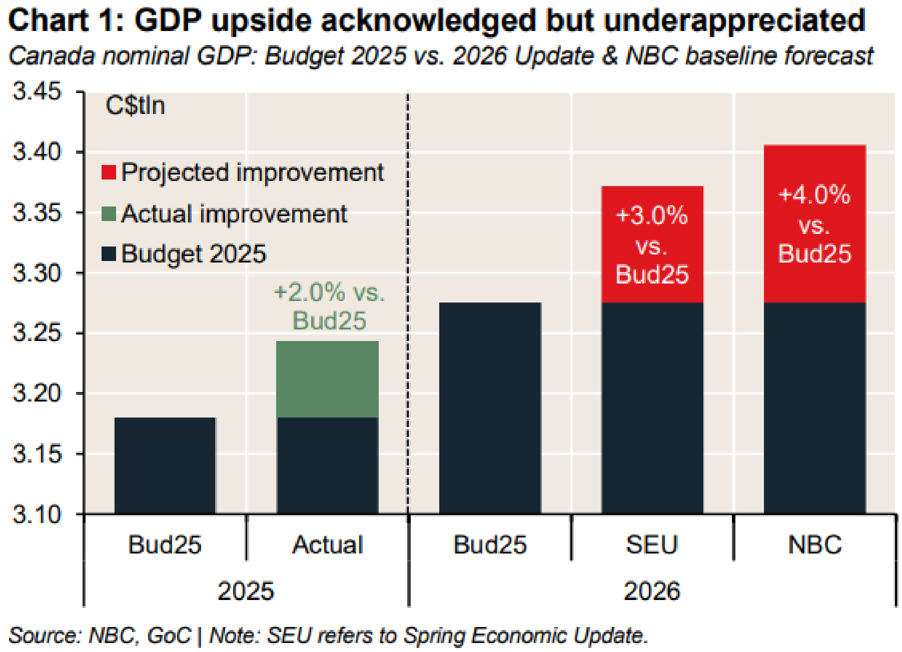
2026 Budget Commentaries

Federal: Deploying fiscal windfall (with more upside to come) – NBF Apr 29, 2026

"Armed with a fresh majority in the House of Commons, Prime Minister Carney's Liberal government opted to deploy an emerging fiscal windfall, leaving the current and future fiscal year deficit trajectory little changed vs. Budget 2025. Mind you, the now completed 2025-26 fiscal year is characterized by less red ink, while some positive adjustments to nominal output aid any relative measure that happens to be scaled to GDP. Adding strength remains the government's overarching focus, which means "building big" and "moving fast", with the spring update positioned as a "next step". Ottawa's relatively ambitious (arguably pragmatic and hopefully transformative) budgetary plan leverages the nation's established fiscal advantage, with Canada's position as a net energy exporter hinting at incremental upside should key commodity prices remain elevated"

[Federal Spring Economic Update 2026 - Deploying fiscal windfall (with more upside to come)]

Federal fiscal update in 10 charts – NBF April 30, 2026



Source: NBC, GoC | Note: SEU refers to Spring Economic Update.

[Market View - Federal fiscal update in 10 charts]

US President Donald Trump's Iran Gambit saw that country close the Straights of Hormuz, and attack of their neighbors…exactly as 50-years of Pentagon war gaming predicted. This apparently [caught the US Administration by surprise]. The wholesale dismissal of expert opinion has a cost. We'll find out who pays? The Hormuz choke point has unleashed chaos in the energy markets. Crude oil spiked past $100 this week.

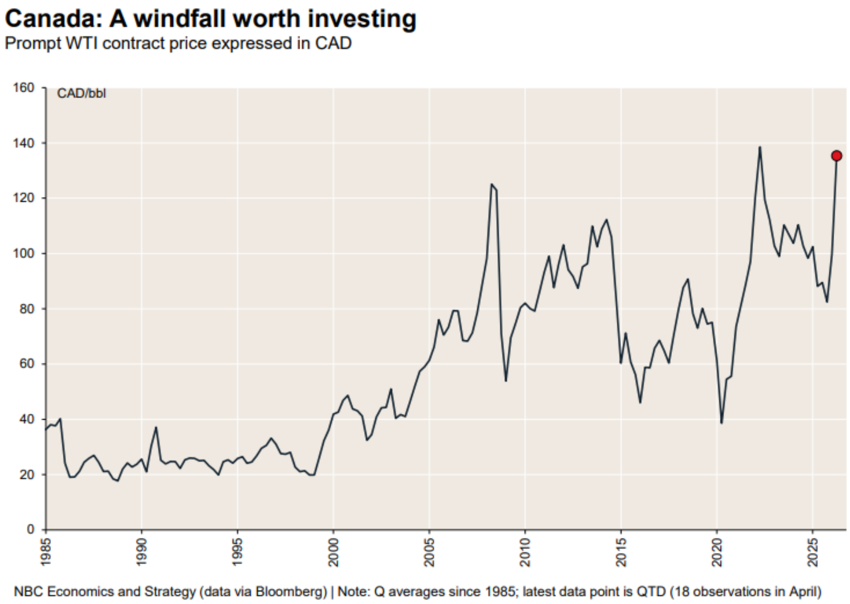
Source: LSEG, NBF, Hilberry Apr 30, 2026

PERSPECTIVE: Fossil Fuels Still Provide Vast Majority of Energy Despite Global 'Energy Transition' – Energy Now April 30, 2026

[Fossil Fuels Still Provide Majority of Global Energy Consumption]

Suddenly there is a ‘business case’ for Canada’s ample energy and commodity reserves. Canadian’s were reminded of this business case with the arrival of an LNG tanker from Australia at Repsol’s New Brunswick terminal back in February. The tanker [travelled 16,000 miles]() to bring LNG **to** the Maritimes! Maritimers pay far higher natural gas prices than in Western Canada. International investors are turning to Canada. NBF advises the Government to use the windfall wisely.

NBF HotCharts: Canada: A windfall worth investing



Hot Charts - Canada: A windfall worth investing

Big Tech to the rescue?

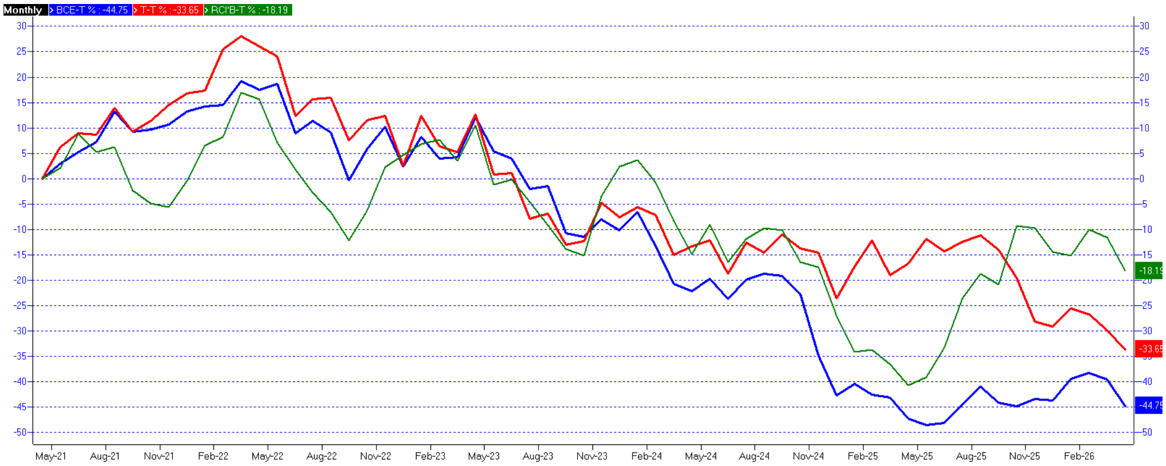
This week saw US exchanges surge into new highs on backs of, you guessed it, AI capital expenditures (Capex). US Mega-Tech companies announced plans to spend $725 billion this year mostly on AI data centers. Analysts predict debt will be involved. Thursday, Google parent Alphabet (GOOG-US-$381.94) jumped +10%, while Facebook owner, Meta Platforms (META-US- $611.91) flopped -10% to a daily low of $600. Investors appear to have looked at the Iran War oil supply shock drag on the US economy compared to the AI led spending boom and (hoped for) productivity surge, and decided ‘What, me worry?”. We were able to add Alphabet to our US Dividend Growth model in the midst of the April 2025 ‘Liberation Day’ tariff panic around $160 per share. It’s doubled since. It’s possible to be pleased and nervous at the same time.

DISLAIMER: We hold Alphabet Inc. personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days. We have no position in Meta Platforms.

“Canadian Telco stocks are stinking up my portfolio. What’s going on?”

- Client enquiry this week.

% Change: BCE Inc -44.7%, Rogers -18.2%, Telus -33.7%– May, 2021 - Apr, 2026



Source: LSEG, Hilberry, NBF Apr 27, 2026 close

Canadian Telecom share prices have disappointed. Reinvested dividends helped… a bit. Measuring from the current lows…..

5 yr Price only vs Total Returns (all dividends reinvested): May 3, 2021 –April 27, 2026.

- BCE Inc: Price only -44.7% | Reinvested dividends: -22.4%
- Rogers Communications: Price only -18.2% | Reinvested dividends: -1.5%
- Telus Corp: Price only -33.7% | Reinvested dividends: -11.9%

None have been rewarding. Rogers has been the least-worst.

Patience hasn’t been a virtue. 10-year total returns. May, 2016 - Apr,2026

- BCE Inc: Price only -47.1%. Reinvested dividends: -3.2%
- Rogers Communications: Price only -1.9%, Reinvested dividends: +38.3%
- Telus Corp: Price only -20.4%. Reinvested dividends: +15.5%

Again Rogers has been the least offensive. None of these returns beat 10 year inflation.

We’ve Been here before

The next chart spans a phone hanging off a chord on the wall to one in your pocket. Telecommunications have become increasingly fundamental to daily life. Given the exponential demand growth, one would think the providers would be immune to declines.

Not so.

May 1, 2026

HILBERRY GROUP

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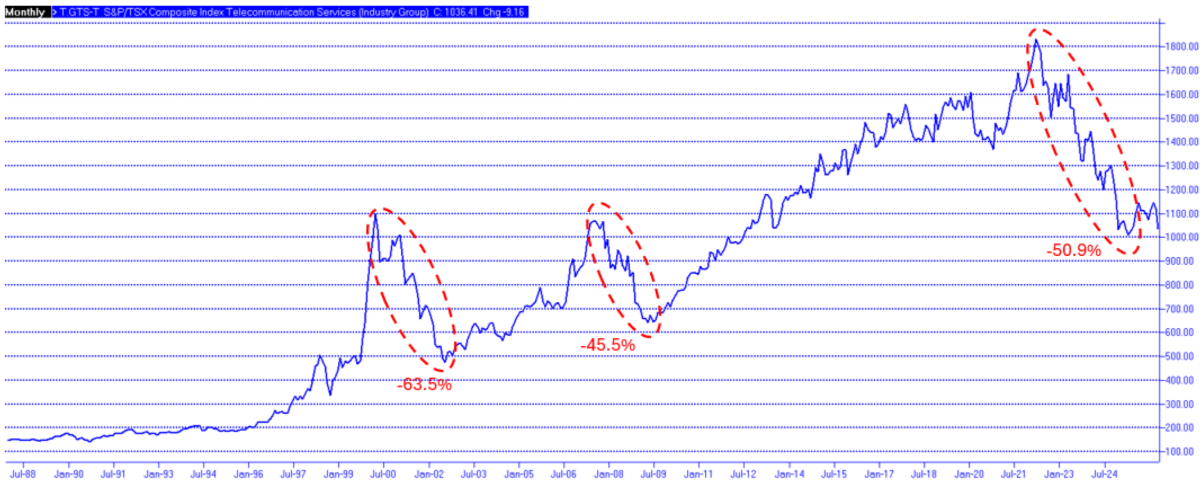
S&P/TSX Telecommunications Services Dec 1987 to Apr 2026 - price only



Source: LSEG, NBF, Hilberry April 27, 2026

From Left to Right….

Dot.Com Bust March/2000-July/2002: March 2000 Nortel Networks market cap comprised over 35% of the TSX 300 Composite Index market. The subsequent Dot.Com bust dragged the Telecom sector down -63.5%. The price index didn't break the March/2000 highs until May, 2013.

Great Recession July/2007-March/2009: The Telecom's dropped -45.5%.

The latest… April 2022 to Apr, 2025: The recent -50.9% swoon bottomed out last year. Some of the Telecom's continued to decline into this year (lookin' at you Telus).

What next? Is this the last chance to exit the bus before the cliff?

Telecom Services NBF Research April 22, 2026

'Oh Canada, What Are You Doing to Yourself? Does it really make sense to precipitate material cuts in telecom investments.'

"Anyone that is still fixated on the false narrative that Canadians pay the highest wireless bills must not have been walking through malls, scrolling online or talking with friends that picked up the cheapest mobile deals ever in this country during 1Q26. While plans found new lows in recent months, they have been on a steady trajectory lower over the past three years. What's also been happening during this timeframe is persistent regulatory pressure on the revenues of the Canadian telecom industry. In the CRTC's latest move against the sector, it announced in March the elimination of activation, modification, and cancellation fees effective June 12. These represent high-margin annual revenues of at least $50M for each of the Big 3, as the companies explore over coming weeks how to mitigate some of the impact of this move.

Industry growth has been slowing, animal spirits continue with promotions that make little sense, and regulation has been punitive. While headcount has been reduced in recent years at an accelerated clip to try to right-size expenses, carriers are belatedly waking up to the fact that they have kept capex spending elevated for too long and returns on these investments are being steadily eroded by regulation that used to involve the dual objective of driving facilities-based investments and stimulating competition but has mostly fixated only on the latter in recent years.

What are the effects in "the land of contentment"? As prices move lower, eventually you get diminished quality of service and less modernization of the network. South Korea aims to commercialize 6G in 2028, Japan in 2030, and others 2030-2033. Where will Canada be amid increasingly constrained capex? Data usage doesn't slow. We're in the early innings of AI. How is innovation and productivity advanced when investment in critical infrastructure is contracting?"

Figure 1: 1Q26 Global Network Excellence Index: Mobile Networks

Country	Overall Rank	Time on 4G/5G	Excellent Consistent Quality	Download Speed
South Korea	1	1	1	2
Denmark	2	12	12	5
Netherlands	3	5	5	14
Sweden	3	2	2	21
Estonia	5	22	22	7
Norway	6	3	3	19
Finland	7	6	6	28
Iceland	8	31	31	4
Lithuania	9	13	13	33
USA	10	8	8	6
Luxembourg	11	35	6	18
Slovakia	12	29	4	29
Portugal	13	20	27	17
Bulgaria	14	42	16	8
Latvia	15	16	10	41
Australia	16	11	25	37
Slovenia	17	39	13	22
North Macedonia	18	44	18	15
Belgium	19	41	17	20
Taiwan	20	7	28	44
Austria	21	17	14	50
Singapore	22	10	56	16
Qatar	23	24	59	1
Canada	24	23	22	42
Cyprus	25	4	33	51
Hungary	26	9	24	56

Source: Opensignal

[Telecom Services NBF Research April 22, 2026]

Despite the gloom, the above NBF Research is looking past the current struggles. They maintain 'Outperform' rankings on BCE Inc (BCE-TSX-$32.13 – target $39.00, Rogers (RCI.B-TSX-$49.46 – target $62) and Telus (T-TSX-$16.90 – target $21).

We think this is a poor time to SELL Canadian Telecoms. History says BUY/HOLD.

NOTE: We've realized capital gains for client portfolios this year and last, triggering grumbled "uhm…. thanks… I guess" from clients. Realized losses may be carried back 3 years and forwards indefinitely. We **may** be selling Telecom's this spring, 'crystallizing' losses for tax purposes. This entails selling, booking the loss, waiting required 30-day stand off period, then repurchasing the security sold.

DISCLAIMER: We hold BCE, and Telus personally, for family members, and for client accounts over which we have trading authority. We have traded in both securities within the past 60 days. We hold Rogers for certain clients at their request. Market prices as of Apr 28, 2026 mid-session. Data Sources: LSEG, NBF Research

And now for some winners….

Sun Life Financial (SLF-TSX-$97.37) daily ranges 2 years

Source: LSEG, NBF, Hilberry Apr 28, 2026

Sun Life Financial Inc.

U.S. turnaround expected to continue. Upgrade to Outperform – NBF April 23, 2026

Upgrade to Outperform

U.S. turnaround potential

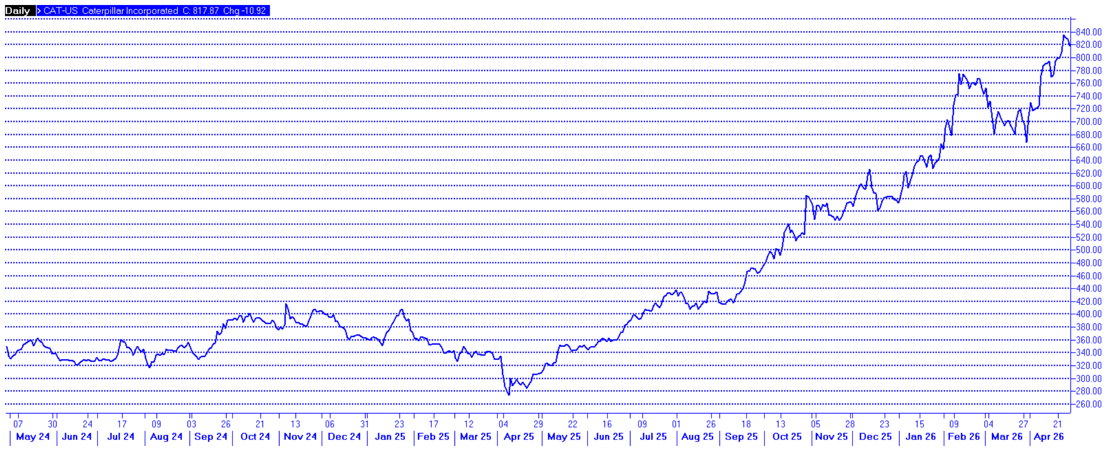
SLF's U.S. segment reported cumulative experience losses of US$156 mln between Q4/24 and Q3/25. They were mainly incurred in the Stop Loss business, reflecting a combination of higher-than-expected claims incidence and severity. SLF had hiked pricing on its Jan. 1, 2025 cohort by 14%, reflecting the negative experience that began in 2024. However, it fell about 2% short of what was required. Management stated that it had implemented another price hike on its Jan. 1, 2026 cohort of ~17%. Despite higher pricing, it still recorded sales during Q4/25, signalling that pricing was not only being achieved, but that similar (or higher) repricing being implemented by competitors was driving business towards SLF. In short, we believe the combination of repricing initiatives and improved claims management processes should result in a strong start to the year for the Stop Loss business. We have adjusted our forecast to reflect experience gains from the U.S. segment, as opposed to experience losses, previously.

Mr. Dechane upped his target to $109.

[Sun Life FInancial Upgrade to Outperform - 23-Apr-2026]

DISCLAIMER: We hold Sun Life Financial personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days.

Caterpillar Inc (CAT-NYSE-$817.87)



Source: LSEG, NBF, Hilberry Apr 28, 2026

CAT's stock price has been on fire lately. April 2024 saw the stock close around $350 per share. That close was 70% higher than the May/2023 $205 close! This month saw CAT touch $845. The stock price has tripled over the past three years. Investors appear focused on AI datacenter driven demand for CAT's generators, CAT's 'AI self driving' heavy equipment and AI automation driving down CAT's manufacturing costs. Yup. It's an AI free-for-all. One wonders if a 240,000 lb, autonomous bulldozer capable of easily flattening your house is a good idea. We continue to hold Caterpillar while standing in awe of the market's majesty.

DISCLAIMER: We hold Caterpillar Inc personally, for family members and for client account over which we have trading authority. We have traded in the security within the past 60 days.

Hilberry Dividend Growth Model Portfolio asset allocation;

Mandate: Large Cap, dividend payers selected from senior equity indices.

- Cash: 18.0%
- Canadian Equities: 48.7%
- US/Intl Equities: 33.3%

We didn't join in the party this week. We're sitting sitting on our hands – and our cash horde.

Have a Great Weekend

Steve & Anna Hilberry

<u>FOR THE RECORD Apr. 30, 2026 close</u>

DOW INDUSTRIALS:	49,652
S&P 500:	7,209
S&P/TSX COMP:	33,964
WTI:	$105.32
LOONIE IN $USD:	$0.7359 $US

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CIRO Canadian Investment Regulatory Organization

CIPF Canadian Investor Protection Fund MEMBER

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

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