

Portfolio Managers' Commentary

Equity markets rebounded in May with Technology and Communication Services leading the rally. Energy and Materials took a breather this month following several months of solid performance. The Fund's NAV generated a total return of 2.7%, in-line with the Benchmark, while its share price appreciated by 7.5%.

For the first time in more than four years, the Bank of Canada (BoC) has announced a cut to its overnight policy rate. The June 5th announcement caused interest-sensitive sectors such as Real Estate and Utilities to rally on the news in what could be the early stages of a turn in sentiment. While the BoC and the Fed typically have similar policy stances, there is historical precedent for the two central banks to diverge. Since 2005, the gap between the overnight rates at the BoC and the Fed has widened to as much as 100 basis points which represents another 25 basis from the current spread. Although expectations for the first Fed cut are starting to move forward again, we believe the BoC could make one more 25 basis point cut before the Fed makes its first move.

Canadian inflation data for the month of April is what gave the BoC the all-clear to start cutting rates. Canada's annual core inflation rate eased for the fourth consecutive month in April to an average yearly pace of 2.7%. Excluding shelter costs, the consumer price index rose just 1.2% year-over-year which is well-within the BoC's zone of comfort. GDP growth for Q1 also came in at a weaker-than-expected pace of 1.7% which gave BoC additional cover for the decision. We acknowledge that economic growth in Canada is slowing but do not foresee a recession in the near-term. This is supported by consumer confidence which reached a two-year high in May according to the Bloomberg Nanos Canadian Consumer Confidence Index. This data point reflects growing optimism among Canadians about their personal finances, job security and economic and real estate prospects. Together, we feel these data points provide a supportive macro backdrop for Canadian equities.

We maintain a bullish stance on Canadian REITs and are overweight the sector. The Fund's core exposures within Real Estate include apartments, industrial, grocery-anchored retail and seniors housing. REITs in these areas still trade at persistently high discounts to NAV even though they enjoy positive supply/demand dynamics, solid balance sheets and increasing cash flows. As mentioned earlier, the recent rate cut from the Bank of Canada may serve as the long-awaited catalyst that causes REIT share prices to gravitate closer to their NAVs. As we witnessed in Q4 of last year, when 10-year bond yields fell by 100 basis points and Canadian REITs rallied by 20%, sentiment can shift quickly, and we are optimistic on the sector as we enter a period of easing monetary policy.

We were recently in London and hosted an investor lunch with Greg Ebel, the CEO of Enbridge (ENB). Greg reiterated the ability for natural gas to provide clean, affordable and secure energy to the world. ENB possesses a strategically located natural gas infrastructure system throughout North America, positioned to benefit from the rise of data centers seeking reliable power sources. The company was also bullish on the long-term outlook for gas infrastructure assets, as evidenced by its September 2023 announcement to acquire three U.S. based gas utilities to create the largest natural gas utility franchise in North America. On June 3rd, ENB showed progress on the transaction by announcing the closing of Utah-based Questar Gas. These acquisitions reinforce ENB's commitment to delivering stable and predictable cash flows, supporting their long-term dividend growth strategy. ENB is the second largest position in the Fund and is well-positioned for the future through its diversified platform of natural gas, liquids and renewable power assets.

Click [here](#) for the June Market Commentary on Middlefield Canadian Income PCC's Website.

The percentage of portfolio assets which may be invested in securities listed on a recognized stock exchange outside of Canada is limited to 40%. Investment outside Canada and the United States is limited to 10%.

Nothing herein is to be construed as a solicitation or an offer to buy or sell any financial products. This factsheet is based in part on information obtained from sources believed to be reliable but not guaranteed as accurate. The Fund may utilize gearing, which will exaggerate market movements both down and up. If markets fall, gearing can magnify the negative impact of performance. Exchange rate changes may cause the value of underlying investments to go down as well as up. Where investments are made in smaller companies and non-investment grade bonds, their potential volatility may increase the risk to the value of, and the income from, the investment. The Fund's share price may either be below (at a discount to) or above (at a premium to) the NAV.

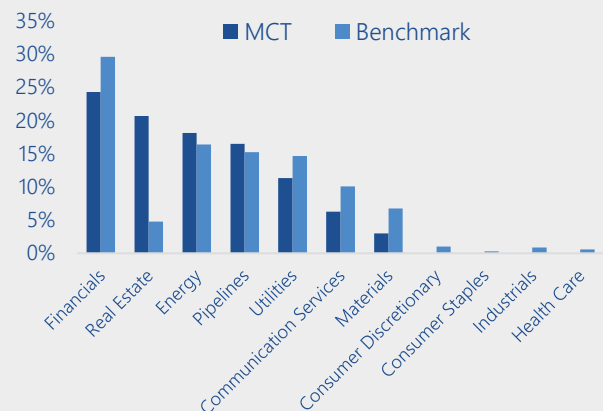
Portfolio Summary

Top 10 Holdings

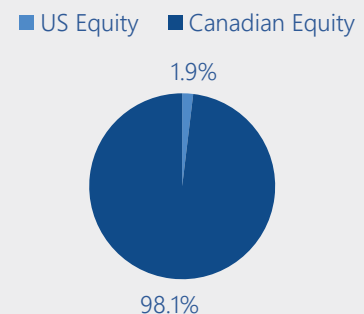
Name	Sector	% of Equities
Royal Bank of Canada	Financials	4.9%
Enbridge	Pipelines	4.5%
Canadian Natural Resources	Energy	4.4%
BCE Inc.	Comm. Svcs.	4.4%
Bank of Montreal	Financials	4.2%
Suncor Energy	Energy	4.1%
Manulife Financial	Financials	3.9%
Pembina Pipeline	Pipelines	3.7%
Tourmaline	Energy	3.6%
TC Energy	Pipelines	3.1%

Cumulative Weighting **40.7%**

Sector Allocation



Geographic Mix



This fact sheet is issued and approved by Middlefield International Limited which is regulated by the FCA. Middlefield Canadian Income PCC is regulated by the Jersey Financial Services Commission.

For further information about the Fund, please contact us at the below address or visit our website at www.middlefield.co.uk

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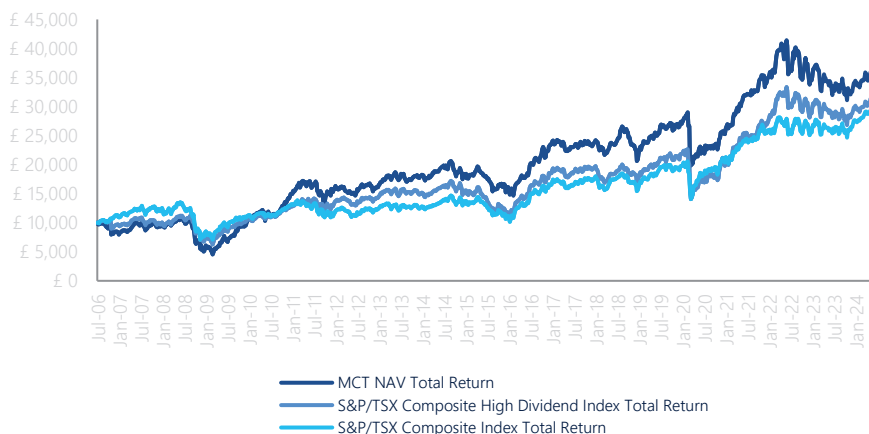
Investment Objective

The Fund seeks to provide Shareholders with a high level of dividends as well as capital growth over the longer term. The Fund intends to pay dividends on a quarterly basis each year.

Investment Policy

The Fund will seek to achieve its investment objective by investing predominantly in the securities of companies and REITs domiciled in Canada as well as the U.S. that the Investment Manager believes will provide an attractive level of distributions together with the prospect for capital growth. It is expected that the Fund's portfolio will generally comprise between 40 and 70 investments. The Fund may also hold cash or cash equivalents and may utilise derivative instruments for the purposes of efficient portfolio management. The Fund will at all times invest and manage its assets in a manner which is consistent with the objective of spreading investment risk.

Performance Since Inception



Fund Performance

Recent Performance	1 Mth	3 Mth	6 Mth	YTD	1 Year
Share Price	7.5%	13.5%	14.6%	9.2%	9.4%
NAV	2.7%	4.1%	9.6%	3.6%	7.1%
Benchmark	2.7%	3.8%	8.7%	2.8%	8.4%
S&P/TSX Composite Index	1.8%	3.7%	10.4%	4.4%	14.1%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	4.4%	7.9%	5.9%	4.9%	6.5%
NAV	3.9%	6.7%	6.1%	5.8%	6.8%
Benchmark	7.7%	9.2%	8.0%	6.8%	6.6%
S&P/TSX Composite Index	7.0%	9.8%	8.8%	8.0%	6.4%

Sources: Middlefield, Bloomberg. As at 31 May, 2024

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. All price information is indicative only. Total returns including the reinvestment of dividends for all returns. Fund returns are net of fees. Composite of monthly total returns for the S&P/TSX Income Trust Index from inception to 31 December 2010 and the S&P/TSX Composite High Dividend Index (formerly named the S&P/TSX Equity Income Index) thereafter. Currency adjusted to reflect CAD\$ returns from inception of MCI to Oct 2011 and GBP returns thereafter since MCI was CAD\$ hedged from inception to Oct 2011.

¹Borrowings as a percentage of total assets – the Fund has the power to borrow up to 25% of total assets

²Borrowings as a percentage of net assets – the AIC standard measure of gearing

Company Overview

Middlefield Canadian Income PCC (the “Company”) is a Jersey incorporated, protected cell company. The Company’s initial cell is Middlefield Canadian Income – GBP PC (the “Fund”) whose shares are traded on the London Stock Exchange’s main market. The Fund has been designed to invest in a broadly diversified, actively managed portfolio of Canadian and U.S. listed equity income securities.

IA Sector	North America
Year End	31-Dec
Inception	06-Jul-06
LSE Symbol	MCT
ISIN	GB00B15PV034
Benchmark	S&P/TSX Composite High Dividend Index
Dividend Payable	Quarterly (Jan, Apr, Jul, Oct)
Management Fee	0.70% p.a.
Net Assets	£131,177,120
Voting Shares	106,487,250
Share Price	107.50p
Net Asset Value	123.19p
Premium/Discount	-12.7%
Dividend p.a.	5.30p
Current Yield	4.9%
Gearing (Gross) ¹	16.2%
Gearing (Net) ²	19.6%

Portfolio Managers



Dean Orrico
President & CEO

Mr Orrico has over 25 years experience in the financial services sector and is currently responsible for overseeing the creation and management of Middlefield’s investment funds including mutual funds, ETFs, closed-end funds and flow through funds. He graduated with a Bachelor of Commerce degree from the Rotman School of Management (University of Toronto) and holds an MBA from the Schulich School of Business (York University). Mr Orrico is a registered Portfolio Manager with expertise in both equity and fixed income securities and has spent many years meeting with international companies and investors.



Rob Lauzon
CIO

Mr Lauzon is Middlefield’s Chief Investment Officer and has been with the firm since 2002, bringing his acumen to numerous successful Middlefield products. He holds the Chartered Financial Analyst designation as well as an Honours Bachelor of Business Administration (Wilfrid Laurier University) and an MBA from the Rotman School of Management (University of Toronto).

Available Platforms to Invest

