

SHAREHOLDER CIRCULAR

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or what action you should take you should seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Shares in Middlefield Canadian Income - GBP PC, you should hand this document at once to the purchaser or agent through whom the sale or transfer was effected for transmission to the purchaser.

MIDDLEFIELD CANADIAN INCOME - GBP PC

(the “Fund”)

a cell of Middlefield Canadian Income PCC

(a protected cell company incorporated with limited liability under the laws of Jersey with registered number 93546)

Notice of Extraordinary General Meeting to consider the proposed amendment of the Fund’s investment policy

The Proposal described in this document is conditional on Shareholder approval at an Extraordinary General Meeting of the Fund.

Notice of an Extraordinary General Meeting to be held at 3.00 p.m. on 18 February 2015 at the offices of Kleinwort Benson, 14 St George Street, London W1S 1FE is set out on page 8 of this document.

Shareholders are requested to complete and return the Form of Proxy accompanying this document for use at the Extraordinary General Meeting. To be valid, a Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event by no later than 3.00 p.m. on 16 February 2015.

Your attention is drawn to the section entitled “Action to be taken by Shareholders” on page 4 of this document.

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EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy	3.00 p.m. on 16 February 2015
Extraordinary General Meeting	3.00 p.m. on 18 February 2015

Note: All references to time in this document are to London time

PART 1

LETTER FROM THE CHAIRMAN MIDDLEFIELD CANADIAN INCOME PCC

*(a protected cell company incorporated with limited liability under the laws of Jersey
with registered number 93546)*

MIDDLEFIELD CANADIAN INCOME - GBP PC

Directors:

Nicholas Villiers (*Chairman*)
Raymond Apsey
Philip Bisson
Thomas Grose
Dean Orrico

Registered Office:

Kleinwort Benson House
West's Centre
St Helier
Jersey
JE4 8PQ

To Shareholders

30 January 2015

Dear Sir or Madam

Proposal to amend the investment policy of the Fund

Introduction

On 9 January 2015, the Board announced that, following consultation with a number of the largest Shareholders, it would be seeking approval from Shareholders for an amendment to the Fund's investment policy. The amendment will, if approved, increase the percentage of the value of portfolio assets which may be invested in securities listed on a recognised stock exchange outside Canada from 20 per cent to 40 per cent.

As the Proposal involves a material amendment to the Fund's existing investment policy the approval of Shareholders is required in accordance with the Listing Rules and the Proposal is therefore conditional on the passing of the Resolution, which will be proposed at the Extraordinary General Meeting of the Fund.

The purpose of this document is to provide you with details and to explain the benefits of the Proposal and to set out the reasons why the Directors are recommending that you vote in favour of the Resolution at the EGM.

Background to and reasons for the Proposal

Following consultation with a number of the Fund's largest Shareholders, the Board is seeking Shareholder approval to amend the Fund's investment policy in order to increase the percentage of the value of portfolio assets which may be invested in securities listed on a recognised stock exchange outside of Canada from 20 per cent. to 40 per cent.

Although such an amendment would permit the Fund to invest in securities listed on any recognised stock exchange outside of Canada, the Fund, as managed by Middlefield Limited and advised by Middlefield International Limited, expects this added flexibility will be primarily used to invest in the US. In addition, it is also proposed that the investment policy will be amended to limit the amount which may be invested in securities listed on any recognised stock exchange outside of Canada and the US to 10 per cent of the value of the Company's portfolio.

The Investment Manager possesses considerable expertise in managing funds which invest in the securities of US and other global issuers. The Fund, as managed by the Investment Manager and advised by the Investment Adviser, believes that certain areas of the US stock market which are under-represented in the Canadian market are attractively valued, and the ability to invest in these areas will potentially reduce portfolio volatility and enhance Shareholder total returns.

If the proposed amendments to the investment policy are approved by Shareholders, the Fund's Canadian-centric focus and benchmark will remain unchanged. Furthermore, the Fund will retain its focus on income and does not expect the overall portfolio yield and the ability to pay dividends to change as a result of the proposed amendments.

The full text of the Fund's current investment policy and the proposed amended investment policy is set out in Part 2 of this document.

Risks associated with proposed change in investment policy

The proposed change in the Fund's investment policy will potentially increase the weighting of US listed company shares within the portfolio. This would result in the performance of the US stock market having a greater influence on Shareholder's return. In addition, UK sterling investors will potentially have greater exposure to the USD/GBP exchange rate.

Extraordinary General Meeting

The Proposal is conditional on the approval by Shareholders of the Resolution to be proposed at the EGM, which has been convened for 3.00 p.m. on 18 February 2015.

The Resolution, which will be proposed as an ordinary resolution of the Fund, will, if passed, amend the investment policy of the Fund by increasing the percentage of the value of portfolio assets which may be invested in securities listed on a recognised stock exchange outside Canada from 20 per cent to 40 per cent and will also limit such investments outside Canada and the US to 10 per cent of the value of the Company's portfolio.

The Board recommends that Shareholders vote in favour of the Resolution.

All Shareholders are entitled to attend and vote at the EGM. In accordance with the Fund's Articles, all Shareholders present in person otherwise than by proxy shall, upon a show of hands have one vote, and on a poll every Shareholder present (including by proxy) shall have one vote in respect of every share held in the Fund. In order to ensure that a quorum is present at the EGM it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative).

The formal notice convening the EGM is set out on page 8 of this document.

Action to be taken by Shareholders

Shareholders will find enclosed with this document a Form of Proxy for use at the EGM.

Whether or not you intend to be present at the EGM you are requested to complete and sign the Form of Proxy and return it, in accordance with the instructions printed thereon, to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 3.00 p.m. on 16 February 2015.

The return of a completed Form of Proxy will not prevent you from attending the EGM and voting in person should you wish to do so.

Recommendation

The Board considers that the Proposal is in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the EGM, as the Directors intend to do in respect of their own beneficial holdings of Shares, which, in aggregate, amount to 780,500 Shares, representing approximately 0.72 per cent of the issued share capital (excluding treasury shares) of the Fund as at the date of this document.

Yours faithfully

Nicholas Villiers
(Chairman)

PART 2 – INVESTMENT POLICY

Current investment policy

The full text of the Fund's current investment policy is as follows:

Investment Portfolio

The Fund will seek to achieve its investment objective by investing predominantly in the securities of companies and REITs domiciled in Canada and listed on a Canadian Stock Exchange, 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 40-70 investments.

The Fund may also hold cash or cash equivalents.

The Fund may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related 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.

Investment restrictions

The Fund will not at the time of making an investment:

- (a) have more than 10 per cent of the value of its portfolio assets invested in the securities of any single issuer;
- (b) have more than 50 per cent of the value of its portfolio assets comprised of its ten largest security investments by value; or
- (c) have more than 20 per cent of the value of its portfolio assets invested in securities listed on a recognised stock exchange outside Canada; or
- (d) have more than 10 per cent of the value of its portfolio assets invested in unquoted securities; or
- (e) purchase securities on margin or make short sales of securities or maintain short positions in excess of 10 per cent of the Fund's net asset value.

Hedging

The Board reserves the right to employ currency hedging but, other than in exceptional circumstances, does not intend to hedge.

Gearing

The Fund has power to borrow up to 25 per cent of the value of its total assets at the time of drawdown. In the normal course of events, and subject to Board oversight, the Fund is expected to employ gearing in the range of 0 to 20 per cent of the value of its total assets in order to enhance returns.

Proposed amended investment policy

If the Resolution is passed at the EGM, the full text of the Fund's amended investment policy will be as set out in the box below. The only section that will be amended if the Resolution is passed relates to the increase in the proportion of portfolio assets that can be invested in securities listed on a recognised stock exchange outside Canada from 20 per cent to 40 per cent and the inclusion of a new restriction which limits such investment outside Canada and the United States to 10 per cent. These amendments are included in bold text below.

Investment Portfolio

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Investment restrictions

The Fund will not at the time of making an investment:

- (a) have more than 10 per cent of the value of its portfolio assets invested in the securities of any single issuer;
- (b) have more than 50 per cent of the value of its portfolio assets comprised of its ten largest security investments by value; or
- (c) **have more than 40 per cent of the value of its portfolio assets invested in securities listed on a recognised stock exchange outside Canada; or**
- (d) **have more than 10 per cent of the value of its portfolio assets invested in securities listed on a recognised stock exchange outside Canada and the United States; or**
- (e) have more than 10 per cent of the value of its portfolio assets invested in unquoted securities; or
- (f) purchase securities on margin or make short sales of securities or maintain short positions in excess of 10 per cent of the Fund's net asset value.

Hedging

The Board reserves the right to employ currency hedging but, other than in exceptional circumstances, does not intend to hedge.

Gearing

The Fund has power to borrow up to 25 per cent of the value of its total assets at the time of drawdown. In the normal course of events, and subject to Board oversight, the Fund is expected to employ gearing in the range of 0 to 20 per cent of the value of its total assets in order to enhance returns.

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context requires otherwise:

Articles	the articles of association of the Fund, as amended from time to time
Board	the board of Directors of the Fund
Company	Middlefield Canadian Income PCC
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CREST Manual	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
Directors	the directors of the Fund
Extraordinary General Meeting or EGM	the extraordinary general meeting of the Fund to consider the Proposal, convened for 3.00 p.m. on 18 February 2015, or any adjournment thereof, notice of which is set out on page 8 of this document
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
FCA	the Financial Conduct Authority of the United Kingdom
Form of Proxy	the form of proxy provided with this document for use in connection with the EGM
Fund	Middlefield Canadian Income – GBP PCC, the only Cell of the Company and, where the context so permits, the Company acting in respect of Middlefield Canadian Income – GBP PC
Investment Adviser	Middlefield International Limited
Investment Manager	Middlefield Limited
Listing Rules	the listing rules made by the FCA under section 73A of the Financial Services and Markets Act 2000
Notice of EGM or Notice	the notice of the EGM set out at the end of this document
Proposal	the proposed amendments to the Fund's investment policy as described in this document
Resolution	the ordinary resolution of the Fund to approve the amendment of the Fund's investment policy, which will be proposed at the EGM and details of which are contained in the Notice of EGM
Shares	redeemable participating preference shares of no par value in the capital of the Fund
Shareholder	a holder of Shares and/or a holder of management shares of no par value in the capital of the Fund
United States or US	the United States of America

MIDDLEFIELD CANADIAN INCOME – GBP PC

a cell of Middlefield Canadian Income PCC

(a protected cell company incorporated with limited liability under the laws of Jersey
with registered number 93546)

Notice is hereby given that an Extraordinary General Meeting (the **Meeting**) of Middlefield Canadian Income – GBP PC (the **Fund**) will be held at the offices of Kleinwort Benson, 14 St. George Street, London W1S 1FE on 18 February 2015 at 3.00 p.m. to consider and, if thought fit, approve the following resolution as an ordinary resolution of the Fund:

1. **THAT**, the Fund's investment policy be amended by deleting paragraph (c) under the heading "Investment restrictions" and replacing it with the following text:
 “(c) have more than 40 per cent of the value of its portfolio assets invested in securities listed on a recognised stock exchange outside Canada; or
 (d) have more than 10 per cent of the value of its portfolio assets invested in securities listed on a recognised stock exchange outside Canada and the United States; or”
and paragraphs (d) and (e) of the Fund's investment policy be renumbered accordingly.

BY ORDER OF THE BOARD

Kleinwort Benson (Channel Islands) Corporate Services Limited
Secretary

Date: 30 January 2015

Registered office: Kleinwort Benson House
West's Centre
St Helier
Jersey
JE4 8PQ

Notes:

These notes should be read in conjunction with the notes on the reverse of the Form of Proxy

- (1) A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder.
- (2) For the convenience of Shareholders who may be unable to attend the Meeting, a reply-paid Form of Proxy is enclosed with this document. To be valid, the Form of Proxy should be completed in accordance with the instructions printed on it and sent, so as to reach the Company's registrar, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 48 hours before time fixed for the Extraordinary General Meeting. The fact that holders of Shares may have completed Forms of Proxy will not prevent them from attending and voting in person at the Extraordinary General Meeting should they subsequently decide to do so.
- (3) The quorum for the Extraordinary General Meeting is at least two Shareholders present in person or by proxy or by attorney or, in the case of a body corporate, by corporate representative. The majority required for the passing of the ordinary resolution of the Fund is a simple majority (or more) of the total number of votes being cast for the resolution.
- (4) If, within half an hour from the appointed time for the Extraordinary General Meeting, a quorum is not present, then the Extraordinary General Meeting will be adjourned to the same day at the same time in the next week (or if that date is a public holiday in the United Kingdom the next working day thereafter at the same time and address). At the adjourned Extraordinary General Meeting, if a quorum is not present within half an hour from the time appointed for the holding of the Extraordinary General Meeting, those Shareholders present in person or by proxy or by attorney will form a quorum whatever their number and the number of Shares held by them. Again, a simple majority of the total number of votes cast in favour is required to pass the ordinary resolution of the Fund.
- (5) In the event that a Form of Proxy is returned without an indication as to how the proxy shall vote on the Resolution, the proxy will exercise his discretion as to whether, and if so how, he votes.
- (6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (7) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA10) by the latest time for receipt of proxy appointments specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (8) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (9) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
- (10) The Fund, pursuant to regulation 40 of the (Companies Uncertificated Securities) (Jersey) Order 1999 (as amended), specifies that only holders of Shares registered in the register of members of the Fund at 6.00 p.m. on 16 February 2015 shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of Shares registered in their name at that time or in the event that the Extraordinary General Meeting is adjourned, in the register of members at 6.00 p.m. two days before the date of any adjourned Extraordinary General Meeting. Changes to entries on the register of members after such time or, in the event that the Extraordinary General Meeting is adjourned, to entries in the register of members after 6.00 p.m. two days before the date of the adjourned Extraordinary General Meeting, shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.
- (11) As at 29 January 2015, being the last Business Day prior to the printing of this notice, the Fund's issued capital (excluding shares held in treasury) consisted of 108,932,250 Shares carrying one vote each. Therefore, the total voting rights in the Fund as at 29 January 2015 were 108,932,250.