



MIDDLEFIELD CANADIAN INCOME TRUSTS INVESTMENT COMPANY PCC

Interim Management Statement

This statement has been prepared to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority’s Disclosure and Transparency Rules. It should not be relied upon by any party for any purpose other than as stated above. This statement covers the period 1 January 2010 to date.

Middlefield Canadian Income Trusts Investment Company PCC is a closed-ended investment company incorporated in Jersey on 24 May 2006. The Company has initially established one closed-ended Cell known as Middlefield Canadian Income Trusts – GBP PC (referred to as the “Fund” which term includes, where the context permits, the Company acting in respect of Middlefield Canadian Income Trusts - GBP PC). Admission to the official list of the UK Listing Authority and dealing in redeemable participating preference shares commenced on 6 July 2006.

Investment Objective

The Fund’s investment objective is to produce a high income return whilst also seeking to preserve shareholder capital.

To achieve its objectives, the Fund (i) entered into a Swap with a Canadian chartered bank in order to achieve efficient currency hedged economic exposure to the Canadian income trust market through its reference asset, CIT Trust, an actively managed portfolio of Canadian income trusts and (ii) invests its assets in a Money Market and Bond Portfolio.

Performance Summary

The net asset value of the Fund as at 29 April 2010 was 86.51 pence per share or £69.5 million. The total return of the Fund, which reflects changes in the net asset value as well as dividends paid, was 16.9% for the year to date period ended 29 April 2010. The key driver of Fund performance is the mark-to-market value of the Swap which, in turn, is affected by a combination of the performance of its reference asset, CIT Trust, and the mark-to-market value of the CCMD Value. The CCMD Value is the direct result of the Fund’s decision to eliminate the impact of fluctuations in the spread between Sterling and Canadian interest rates on the Fund’s revenues by locking in the spread from the outset. All else being equal, the CCMD Value will reduce to zero as the termination date of 28 June 2013 for the Swap is approached.

The asset class weightings for CIT Trust as at 30 April 2010 were:

<i>Asset Class</i>	<i>Portfolio Weighting</i>
<i>Oil and Gas</i>	<i>53%</i>
<i>Business Trusts</i>	<i>19%</i>
<i>Power and Pipeline</i>	<i>13%</i>
<i>REITs</i>	<i>1%</i>
<i>Other</i>	<i>14%</i>

Material Events

The year 2010 is the final year before income trusts become taxable entities. As a result, we anticipate most will convert into corporations over the next several months and many will reduce distributions to fund corporate taxes. However, in addition to REITs, which are generally exempt from corporate tax, a number of income trusts are expected to remain high-yielding equities and anticipate maintaining current levels of distributions and these are the issuers on which the adviser will focus. Moreover, the adviser believes that the ongoing demand for income from investors will remain strong and high-yielding equities will receive a scarcity premium. Accordingly, the adviser expects that the taxation of trusts will act as a catalyst in the expansion of an emerging high-yielding equity market in Canada as non-dividend and low-dividend paying corporations either initiate dividend payments or increase their dividend rates in order to compete against former income trusts for investment capital. In addition, a number of income trusts will become acquisition targets of private equity and pension fund investors seeking assets which generate stable levels of cash flow. CIT Trust continues to be biased towards high quality issuers with low debt, stable distributions and good prospects to grow their businesses.

A Fund Extraordinary General Meeting will be held at 11.30 a.m. on 26 May 2010 or as soon as possible immediately following the conclusion of the Annual General Meeting at Wests Centre, St Helier, Jersey JE4 8PQ. As more fully described in the shareholder notice dated 30 April 2010, the purpose of the meeting relates to the enhancement in the ability of CIT Trust to invest in the emerging Canadian high-yield equities market as well as to changes to the Fund's articles of association, which correspond to amendments to the listing rules of the UK Listing Authority.

The Board of Middlefield Canadian Income Trusts Investment Company PCC is not aware of any significant event or transaction which has occurred between 1 January 2010 and the date of publication of this statement which could have a material impact on the financial position of the Company.

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*Past performance is not a guide to future performance.
This interim management statement is available at: www.middlefield.co.uk.*