



MIDDLEFIELD CANADIAN INCOME 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 2013 to date.

Middlefield Canadian Income 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 – GBP PC (referred to as the “Fund” which term includes, where the context permits, the Company acting in respect of Middlefield Canadian Income - 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 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.

To achieve its objectives, the Fund invests predominantly in the securities of companies and real estate investment trusts (“REITs”) domiciled in Canada and listed on a Canadian Stock Exchange, that the Investment Manager believes will provide attractive levels of distributions, together with the prospect for capital growth.

Performance Summary

The net asset value of the Fund as at 30 April 2013 was 110.03 pence per share or £118.9 million. The total return of the Fund, which reflects changes in the net asset value as well as dividends paid, was 12.1% for the year-to-date period ended 30 April 2013. Comparatively, the returns generated by the S&P/TSX Equity Income Index and the S&P/TSX Composite Index over the same period were 8.7% and 4.5%, respectively.

The asset class weightings for the Fund as at 30 April 2013 were:

| Asset Class | Portfolio Weighting |
|---|---------------------|
| <i>Energy Producers</i> | 20.0% |
| <i>Bonds and Convertible Debentures</i> | 16.4% |
| <i>Financials</i> | 12.9% |
| <i>Real Estate</i> | 12.6% |
| <i>Utilities</i> | 10.4% |
| <i>Industrials</i> | 8.7% |
| <i>Power and Pipeline</i> | 5.3% |
| <i>Materials</i> | 4.4% |
| <i>Metals and Mining</i> | 3.0% |
| <i>Consumer Discretionary</i> | 2.7% |
| <i>Telecommunication</i> | 1.9% |
| <i>Oil and Gas Services</i> | 1.1% |
| <i>Other</i> | 0.6% |

Material Events

In order to satisfy on-going market demand and to raise additional money for investment in accordance with the Fund's investment policy, Middlefield Canadian Income published a prospectus on 19 October 2012 in respect of a placing programme of up to 85 million shares. To date, approximately 19 million voting shares have been issued under this programme.

Middlefield International Limited (the "Manager") remains positive on the outlook for the Canadian equity income sector. The Manager believes that as a result of increasing investor demand for yield, companies offering high levels of sustainable and increasing income will continue to attract significant investor interest and achieve premium valuations.

Company Secretary
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15 May 2013

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