



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 July 2011 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 31 October 2011 was 99.64 pence per share or £80.0 million. The total return of the Fund, which reflects changes in the net asset value as well as dividends paid, was 1.1% for the year-to-date period ended 31 October 2011. Comparatively, the returns generated by the S&P/TSX Equity Income Index and the S&P/TSX Composite Index over the same period were 2.9% and -6.9%, respectively.

The asset class weightings for the Fund as at 31 October 2011 were:

<i>Asset Class</i>	<i>Portfolio Weighting</i>
<i>Energy Producers</i>	<i>42%</i>
<i>Real Estate</i>	<i>16%</i>
<i>Oil and Gas Services</i>	<i>8%</i>
<i>Power and Pipeline</i>	<i>8%</i>
<i>Consumer Discretionary</i>	<i>6%</i>
<i>Industrial</i>	<i>4%</i>
<i>Utilities</i>	<i>4%</i>
<i>Metals and Mining</i>	<i>3%</i>
<i>Other</i>	<i>9%</i>

Material Events

On 11 October 2011, the Fund announced the successful completion of its plan to simplify its structure, which was approved at the meeting of shareholders held on 19 September 2011. As of 6 October 2011, the Fund's swap arrangements, including its Canadian dollar currency hedge, were removed and the Fund is now invested directly in a portfolio of assets comprised predominantly of listed Canadian securities.

In connection with the restructuring, the Fund has changed its tax residency from Jersey to the United Kingdom and, as conveyed in the shareholder circular issued on 19 August 2011, it has appointed Mr Thomas Grose, a UK resident, to the Board as an additional non-executive Director. Mr Nicholas Villiers, another UK-resident, has replaced Mr Raymond Apsey as Chairman and Mr Apsey will remain in office as a non-executive director.

In addition, the Fund is pleased to announce its nomination for the second consecutive year as a short-list candidate for the 2011 Investment Trust of the Year Award.

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