

Portfolio Managers' Commentary

Markets continued to rally in April, supported by better-than-expected Q1 earnings. The Fund's NAV generated a total return of 1.9%, beating the TSX Composite and benchmark returns of 0.8% and 1.8%, respectively. The British Pound appreciated 2.2% relative to the Canadian dollar, weighing on returns to U.K. investors.

Cyclical and value sectors represent the majority of the Fund's portfolio. Despite technology and growth stocks outperforming in recent months, we believe the longer-term outlook for the Fund's core investments remains attractive. We have entered a period of higher inflation and higher interest rates which bodes well for companies that can continue to grow their earnings and dividends. The current setup has similarities to the early 2000s – the aftermath of the dotcom bubble when inflation was elevated, rates were rising and the TSX Composite outperformed the S&P 500 in eight out of ten years.

Canada's growing tech sector is making it an increasingly attractive country for investment as the Toronto-Waterloo corridor has grown to become the second largest tech hub in North America, trailing only Silicon Valley. The country's world-class universities, such as the University of Waterloo and the University of Toronto, continue to attract foreign students from around the world and serve as a breeding-ground for top tech talent. Many large U.S. tech companies, including Microsoft, Google and Apple, have opened large offices in Toronto to capitalize on the growth. Although MCT does not own any technology companies directly, its holdings are benefiting from the spillover effects of tech's rise. These include attracting skilled workers, foreign direct investment, and growing consumer demand.

We expect interest rates to remain near current levels over the next several quarters with the Bank of Canada neither hiking nor cutting short-term borrowing rates. The Bank of Canada expects Canadian inflation to reach c. 3% by mid-2023 and return to its 2% target by 2024. Lower interest rate volatility should support Canadian equities, particularly in sectors that have been impacted by the rising rate environment.

Real estate continues to be a large overweight exposure and is a sector where we have strong conviction. Unlike US REITs, where fears of credit losses and loan defaults are elevated, debt and liquidity levels remain very healthy. In Canada, commercial real estate (CRE) lending is dominated by well capitalized large banks, life insurance companies and pension funds which compares to the US where loans from regional banks and commercial mortgage-backed securities are more common. After a muted 2022, debt issuance by real estate companies accelerated in Canada during the first quarter with unsecured debentures issued totalling CAD\$1.4 billion. In addition, we believe the main concerns with CRE relate to the office market and the Fund is not invested in any office REITs. Having said that, office properties in Canada are largely concentrated in well capitalized pension funds, life insurance companies and global private equity firms. These owners are very disciplined in their leasing discussions due to their long term investment horizons. As a result, Canada is not likely to experience the level of distress in the office sector currently occurring in the US. It is important to note that other property types, including our core exposures to industrial, multi family and grocery-anchored retail continue to be on very solid footing with Q1 2023 results either meeting or exceeding estimates.

Click [here](#) for the May 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.

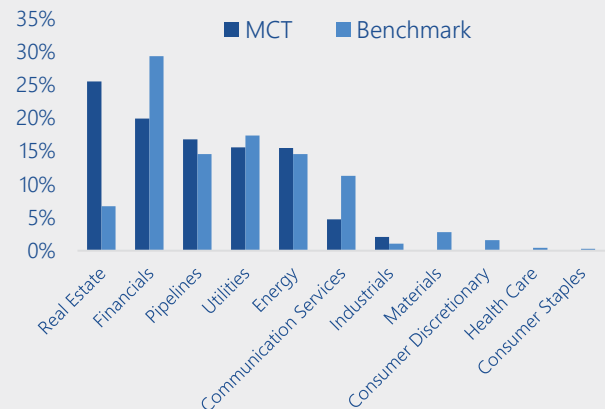
Portfolio Summary

Top 10 Holdings

Name	Sector	% of Equities
Canadian Natural Resources	Energy	4.8%
BCE Inc.	Comm. Svcs.	4.8%
Enbridge	Pipelines	4.3%
Capital Power	Utilities	4.2%
TD Bank	Financials	4.0%
AltaGas	Utilities	4.0%
Bank of Nova Scotia	Financials	4.0%
Whitecap Resources	Energy	3.9%
Pembina Pipeline	Pipelines	3.6%
Bank of Montreal	Financials	3.6%

Cumulative Weighting **41.2%**

Sector Allocation



Geographic Mix

■ US Equity ■ Canadian Equity



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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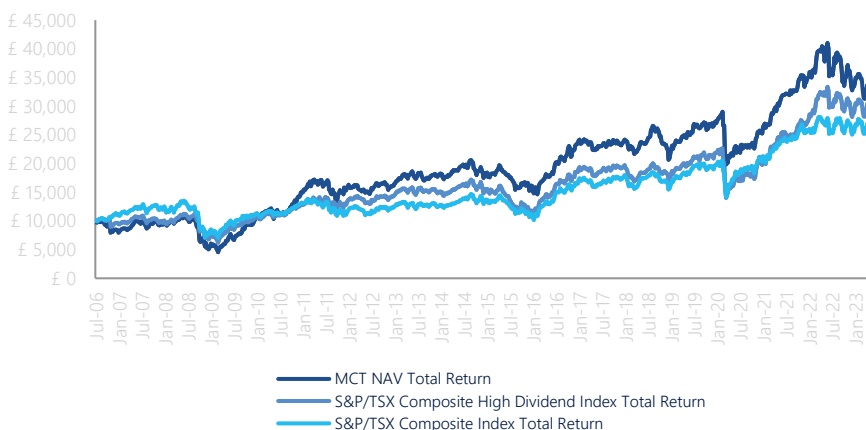
Investment Objective

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	5.8%	-3.5%	2.0%	-2.7%	-12.9%
NAV	1.9%	-5.6%	-5.0%	0.7%	-11.7%
Benchmark	1.8%	-3.8%	-2.1%	3.1%	-6.6%
S&P/TSX Composite Index	0.8%	-3.5%	-0.9%	3.3%	-2.8%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	15.7%	8.4%	10.5%	5.3%	6.9%
NAV	16.2%	8.2%	9.4%	6.2%	7.2%
Benchmark	22.0%	10.8%	10.7%	6.8%	6.8%
S&P/TSX Composite Index	16.3%	9.8%	10.2%	7.5%	6.2%

Sources: Middlefield, Bloomberg. As at 28 April, 2023

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

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	£135,185,371
Voting Shares	106,487,250
Share Price	113.00p
Net Asset Value	126.95p
Premium/Discount	-11.0%
Dividend p.a.	5.20p
Current Yield	4.6%
Net Gearing (Cash)	16.2%
Gearing Range	0% to 25%

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

