

Portfolio Managers' Commentary

Equity markets fell for a third straight month in October with the TSX Composite returning -5.1% in British Pounds. U.S. 10-year treasury yields continued to rise, finishing the month at 4.93% and briefly exceeding 5%. Bond yields were relatively flat in Canada with the 10-year finishing the month at 4.05% -- half a percent below U.K. 10-Year Gilts.

The Bank of Canada (BoC) held the Overnight Lending Rate at 5% for a second consecutive meeting on 25 October. In light of moderating inflation, there's a growing consensus that the recent cycle of interest rate hikes is over. Seven of the CPI's eight components moderated from August, with food prices being the only exception. The widespread moderation in inflation is also evident in the core inflation measures used by the BoC, which rose at their lowest pace in 31 months. Conversely, U.K. inflation in September was higher than expected amidst rising oil prices with core inflation remaining above 6%. While the September inflation data takes pressure off the BoC to enact further rate increases, other central banks may need to continue tightening until inflation moderates further. As of early November, the bond market is pricing just a 4% chance of a rate hike at the BoC's next meeting on 6 December.

In a regulatory win for Canadian infrastructure projects, the Supreme Court of Canada ruled in October that the Federal Government's Impact Assessment Act (IIA) is unconstitutional. Enacted in 2019, the controversial bill would allow federal regulators to consider environmental and social impacts in approving various resource and infrastructure projects throughout the country. Critics of the bill argue it creates uncertainty, could drive away investment and delay major infrastructure developments. Moreover, as evidenced by the Pathways Alliance, which is seeking to capture and store up to 12 million tonnes of carbon dioxide emissions from Canadian oil sands operations by 2030, Canadian energy companies are already well ahead of their global peers in extracting oil and gas responsibly and sustainably. We are hopeful that the elimination of the IIA will accelerate the completion of new and existing energy infrastructure projects. The Trans Mountain pipeline expansion project is set to begin transporting an additional 590,000 bbl/d for export in early 2024 and LNG Canada is expected to add 1.8MMBtu of LNG export capacity in 2025.

October was an exciting month in the energy sector from an M&A perspective. In the US, two blockbuster deals were announced by oil majors Exxon and Chevron, worth over \$110 billion in aggregate. In Canada, Tourmaline, one of the Fund's top 10 holdings, announced the acquisition of Bonavista Energy Corp. in a deal worth \$1.45 billion. We believe Bonavista's assets are a good strategic fit for Tourmaline's deep basin position and come with a lower decline rate than Tourmaline's existing production. The purchase price, which equates to just 3.2x cash flow, screens as highly accretive relative to Tourmaline's pre-deal metrics of 6.4x cash flow. The Tourmaline acquisition comes weeks after Peyto, another portfolio holding, announced the acquisition of Repsol's Canadian assets for \$470 million. The deal was also highly accretive and deepens the company's inventory and scale.

Energy producers surpassed real estate to become the Fund's top sector weighting in October. We are encouraged by the recent deal announcements which have lifted investor enthusiasm in the sector. Both Tourmaline and Peyto, which generated returns of 8.8% and 7.5% this month, are leading natural gas companies focused on cost control and maximizing shareholder returns. Canadian energy companies are experiencing a unique period in their history with record distributable free cash flow that is being channeled towards dividends, buybacks, and more recently, accretive acquisitions. At current commodity prices, we remain bullish on the total return outlooks for select Canadian energy companies.

Click [here](#) for the November 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.

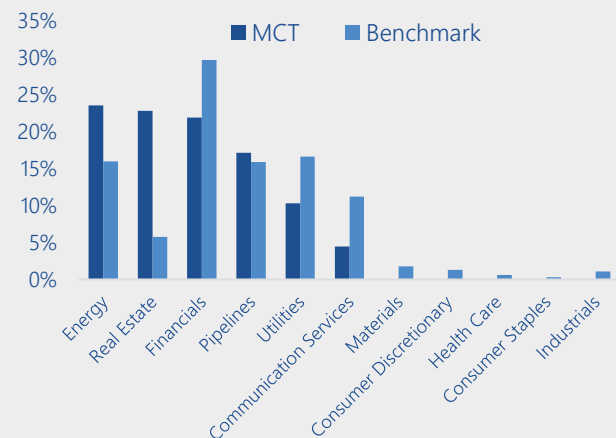
Portfolio Summary

Top 10 Holdings

Name	Sector	% of Equities
Canadian Natural Resources	Energy	5.5%
AltaGas	Utilities	4.8%
BCE Inc.	Comm. Svcs.	4.5%
TD Bank	Financials	4.4%
Royal Bank of Canada	Financials	4.3%
Enbridge	Pipelines	4.2%
Tourmaline	Energy	4.1%
Pembina Pipeline	Pipelines	4.1%
Suncor Energy	Energy	3.9%
Manulife Financial	Financials	3.9%

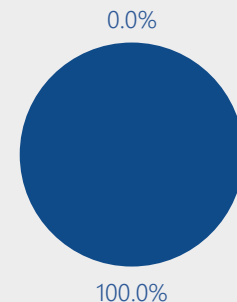
Cumulative Weighting **43.6%**

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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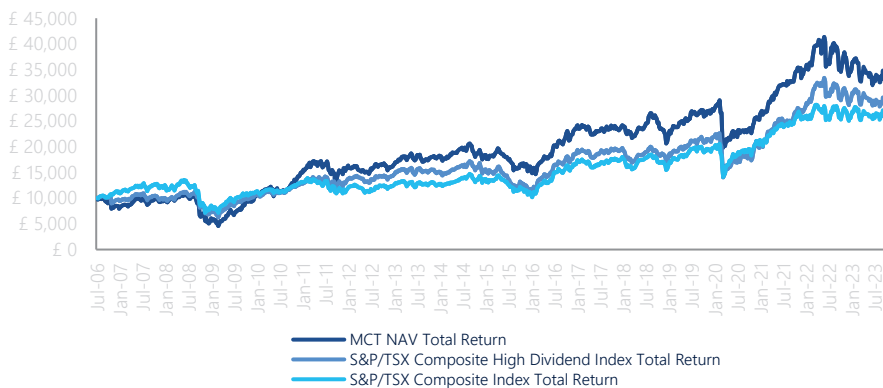
Investment Objective

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	-6.5%	-7.8%	-13.7%	-16.0%	-12.0%
NAV	-5.2%	-7.4%	-10.0%	-9.5%	-14.5%
Benchmark	-4.8%	-7.2%	-8.9%	-6.1%	-10.9%
S&P/TSX Composite Index	-5.1%	-7.4%	-6.0%	-2.8%	-6.8%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	10.6%	5.4%	4.0%	4.5%	5.8%
NAV	11.0%	4.9%	4.3%	5.1%	6.3%
Benchmark	16.1%	8.0%	6.2%	5.7%	6.1%
S&P/TSX Composite Index	10.8%	7.9%	6.3%	6.6%	5.7%

Sources: Middlefield, Bloomberg. As at 31 October, 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.

¹Borrowings as a percentage of total assets – the Fund has the power to borrow up to 25% of total assets

²Borrowings as a percentage of net assets – the AIC standard measure of gearing

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	£118,947,165
Voting Shares	106,487,250
Share Price	95.00p
Net Asset Value	111.70p
Premium/Discount	-15.0%
Dividend p.a.	5.20p
Current Yield	5.5%
Gearing (Gross)¹	13.0%
Gearing (Net)²	15.4%

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

