

### Portfolio Managers' Commentary

Canadian equities took a breather in June while sectors linked to AI continued to drive performance in the U.S. Halfway through the year, the Fund's NAV has returned 1.9% while its share price has returned 4.6%, outperforming the Benchmark return of 0.3%.

Although the TSX Composite Index has lagged the S&P 500 so far this year, the Bank of Canada (BoC) easing cycle, which began on 5 June, is expected to drive a rebound in Canadian equities in the second half of 2024. Historically, the TSX has averaged double-digit gains twelve months after the first BoC rate cut. We believe core defensive yield sectors including telecommunications, utilities and real estate are particularly well-positioned to outperform in the second half.

Real estate was the biggest positive contributor to the Fund's performance this month. Canadian REITs returned 0.6% in June, outperforming the TSX Composite by 2%. The BoC's decision to cut rates on 5 June is showing early signs of positive sentiment for the sector. There are four BoC meetings remaining in 2024 and the Overnight Index Swaps market is currently pricing more than two more cuts from the BoC before year-end.

Canada's population has increased 8% since before the pandemic. Supply of real estate has not kept pace with the surge in demand, causing Canada's per capita housing stock and shopping centre space to fall by 2% and 6% over this period. As a result, rents have increased while vacancy rates have fallen to historic lows within these asset classes. Apartment rents have risen close to 10% year-over-year while retail property leasing spreads are also in the high single-digits. The operating environment is as attractive as it has ever been for these real estate sectors and when investor focus finally shifts from interest rates to fundamentals, we expect a swift re-rating in REIT unit prices.

Chartwell Retirement Residences (CSH), a longstanding core holding in the Fund, announced a \$345 million equity raise in June at a price of C\$12.20/unit. The proceeds will be used to fund C\$763 million of acquisitions, including 10 residences in Quebec across two relatively new seniors' housing portfolios that will lower the company's overall portfolio age by three years. CSH becomes the first REIT in Canada to issue equity in 2024 – showcasing a unique cost of capital advantage. CSH has consistently exceeded expectations over the past several quarters as occupancy recovers towards pre-pandemic levels in its residences. With the population of those aged 85+ expected to grow by 50% over the next decade in Canada, CSH's portfolio of private retirement homes should benefit from steadily increasing demand and limited new supply. In this light, we are happy to see CSH opportunistically acquire new assets and view the transactions favourably. The market agrees as Chartwell's stock price is already trading 8% above the equity issuance price.

The Fund initiated a position in AGF Management Limited this month, a Canadian investment management firm with C\$50 billion of assets under management. The firm reported 10% growth in capital flows during the first quarter, underpinned by an increase in gross sales. It also closed its acquisition of Kensington Capital Partners earlier in the year which more than doubles the size of the company's Alts platform. AGF trades at an attractive valuation at just 5.4x forward price-to-earnings and a fully covered dividend yield of 5.6%. It becomes the Fund's third non-bank holding within the Financials sector and reflects our positive outlook for Canadian asset managers in the second half of the year.

Click [here](#) for the July 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.

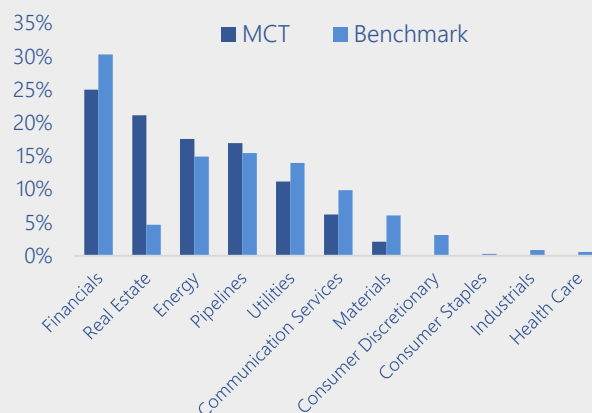
### Portfolio Summary

#### Top 10 Holdings

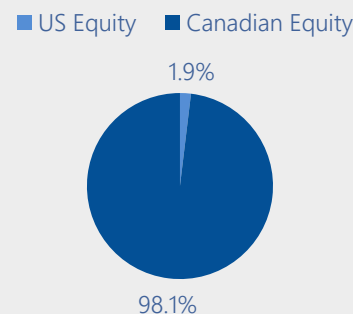
Name	Sector	% of Equities
Enbridge	Pipelines	4.4%
Royal Bank of Canada	Financials	4.4%
Tourmaline	Energy	4.3%
BCE Inc.	Comm. Svcs.	4.3%
Canadian Natural Resources	Energy	4.3%
Manulife Financial	Financials	4.0%
Pembina Pipeline	Pipelines	3.8%
Bank of Montreal	Financials	3.7%
TC Energy	Pipelines	3.1%
Capital Power	Utilities	3.0%

Cumulative Weighting **39.4%**

#### Sector Allocation



#### Geographic Mix



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](http://www.middlefield.co.uk)

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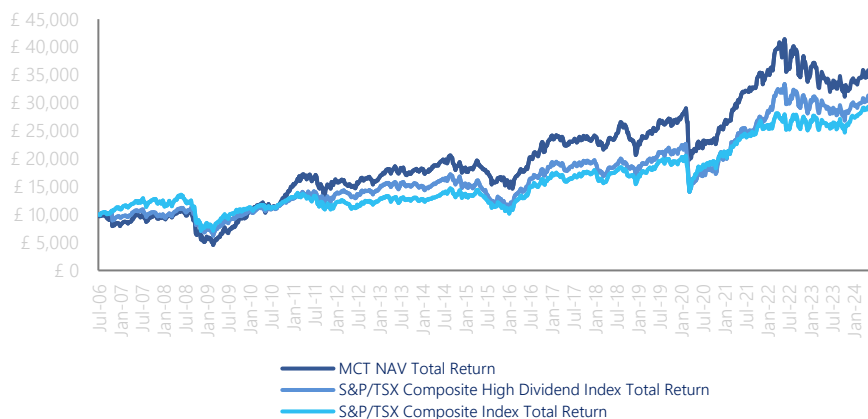
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**Middlefield Canadian Income Trust**
**Investment Objective**

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	-4.2%	2.6%	4.6%	4.6%	4.8%
NAV	-1.6%	-2.6%	1.9%	1.9%	3.9%
Benchmark	-2.5%	-2.6%	0.3%	0.3%	3.7%
S&P/TSX Composite Index	-1.0%	-1.7%	3.4%	3.4%	9.1%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	2.3%	6.2%	5.4%	4.1%	6.2%
NAV	2.3%	5.7%	5.5%	5.2%	6.7%
Benchmark	5.9%	7.9%	7.2%	6.2%	6.4%
S&P/TSX Composite Index	5.7%	8.5%	8.3%	7.5%	6.3%

Sources: Middlefield, Bloomberg. As at 28 June, 2024

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.

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

<sup>2</sup>Borrowings 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.

<b>IA Sector</b>	North America
<b>Year End</b>	31-Dec
<b>Inception</b>	06-Jul-06
<b>LSE Symbol</b>	MCT
<b>ISIN</b>	GB00B15PV034
<b>Benchmark</b>	S&P/TSX Composite High Dividend Index
<b>Dividend Payable</b>	Quarterly (Jan, Apr, Jul, Oct)
<b>Management Fee</b>	0.70% p.a.
<b>Net Assets</b>	£129,098,648
<b>Voting Shares</b>	106,487,250
<b>Share Price</b>	103.00p
<b>Net Asset Value</b>	121.23p
<b>Premium/Discount</b>	-15.0%
<b>Dividend p.a.</b>	5.30p
<b>Current Yield</b>	5.1%
<b>Gearing (Gross)<sup>1</sup></b>	15.1%
<b>Gearing (Net)<sup>2</sup></b>	18.3%

**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**
