KEY INFORMATION DOCUMENT

MCT
MIDDLEFIELD CANADIAN INCOME TRUST

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

The product is Middlefield Canadian Income – GBP PC (the "Fund"), with the shares bearing the ISIN number GB00B15PV034. The Fund is a closed-ended protected cell and is the sole cell created by Middlefield Canadian Income PCC (the "Company"). The PRIIP manufacturer is Middlefield Limited (the "Manager"). Please visit http://www.middlefield.co.uk for further information or contact Middlefield Limited at 44 (0) 20 7814 6644 or at e-mail address dorrico@middlefield.co.uk.

The Fund is regulated by the United Kingdom's Financial Conduct Authority and the Jersey Financial Services Commission.

This key information document has been produced on 7 November 2024.

What is this product?

Type

The Company is a closed-ended investment company incorporated in Jersey and is an alternative investment fund under the Alternative Investment Fund Managers Directive. The Fund is a closed-ended protected cell and is the sole cell created by the Company. The shares of the Fund have been admitted to listing on the Official List of the United Kingdom's Financial Conduct Authority and to trading on the London Stock Exchange's Main Market for Listed Securities. The Fund's redeemable participating preference shares are therefore available to the general public

Objectives

The Fund's 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. The Fund seeks 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 Manager believes will provide an attractive level of distributions, together with the prospect of capital growth. It is expected that the Fund's portfolio will generally be comprised of between 30 and 70 investments.

Borrowings

The Fund has the power to borrow up to 25 per cent of the value of its total assets at the time of drawdown. In the normal course of events, the Fund is expected to employ gearing in the range of 0 to 20 per cent of the value of its total assets in order to enhance returns.

Intended retail investor

The Fund is marketed to all investors including investors with basic knowledge seeking an attractive level of income with the potential to obtain growth in both capital and income over the longer term.

Bid/Offer Spread

Shares in the Fund are bought and sold via markets, predominantly the London Stock Exchange. Typically, at any given time the price you pay for shares will be higher than the price at which you could sell them. The Fund does not have a fixed life, so shareholders will typically only be able to realise their investment in the Fund by selling their shares to a willing buyer.

Maturity Date

The Fund does not have a fixed life.

What are the risks and what could I get in return?

Risk Indicator

1	2	3	4	5	**6**	7

Lower risk ← → Higher risk

The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less. Be aware of currency risk and the performance differences between Canadian Dollars, US Dollars and Sterling, so the final return you get will depend on the exchange rate between these currencies. This risk is not considered in the indicator shown above.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is a second-high risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the capacity of the Fund to pay you. The PRIIP holds no capital guarantee against credit risk. The PRIIP holds no capital protection against market risk, so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Information

The main factors that will affect the performance of the Company's shares are the ability of the Investment Manager to correctly assess the future course of price movements of securities and other investments into which the Company invests. The Company invests predominantly in the securities of companies and REITs domiciled in Canada as well as the U.S., and so returns will be affected by the general performance of the Canadian economy. The exchange rate between British Pounds and investments made in Canadian and US Dollars may also affect your returns.

To assess the risk and return performance characteristics of the Company's shares, we have used the daily shareholder total return price history from inception, 6 July 2006, to 7 November 2024.The Company's benchmark since 31 December 2010 has been the S&P/TSX Composite High Dividend Index. Over the last five years, the average annualised rolling one year volatility of the Company's shares was 30.8%, compared with 21.4% risk for the benchmark. The fund may hold sector exposures which differ from the benchmark weights, contributing to a dispersion of year-on-year returns from the index. MCT is primarily focused on dividend paying and dividend growing securities and over the last five years, the securities in the existing portfolio have had dividend growth of 8.1% per annum. In addition, the fund raised the dividend paid to investors in January 2024.

Our ex-ante moderate performance scenario is an annualised return of 7.8% over the recommended holding period of five years. We have used this return in our reduction in yield calculations in the 'What are the Costs?' section below.

What could affect my return positively?

Factors such as the prudent selection and risk management of underlying investments as well as timely execution of investment decisions. Considering the company is denominated in Canadian Dollars, favourable fluctuations in the Canadian Dollar relative to the British Pound can positively impact returns. A sustained period of optimal market conditions in both Canadian and US markets could also positively impact performance. As at 30 June 2024, 92% of the Company's portfolio is exposed to Canadian Real Estate, Financials, Energy, Pipelines and Utilities, Therefore, improved valuations within these sectors are expected to enhance returns. Since inception, a favourable total return over a rolling one-year period was 179.7% and a favourable five-year rolling return was 34.4% per annum.

What could affect my return negatively?

Several factors may negatively influence returns, including poor selection and risk management of underlying investments, volatile conditions in the Canadian and U.S. markets, unfavourable currency movements between the Canadian Dollar and United Kingdom Sterling, and low growth in North American and global economies. A decrease in valuations of Canadian Real Estate, Financials, Energy, Pipeline and Utilities will likely affect returns negatively due to the portfolio's high exposures to these sectors. Elevated volatility in the stock market may lower the Company's share price and returns. Since inception, an unfavourable one-year shareholder return was -58.4% and an unfavourable five-year rolling return was -3.0% per annum. A prolonged period of higher interest rates may also negatively affect returns.

What could happen in severely adverse market conditions?

An example of severely adverse market conditions was the Great Financial Crisis. Over the period September 2006 to March 2009, the Company experienced a loss of 63.8% before recovering in January 2010. There is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero under similar scenarios.

What happens if the Company is unable to pay out?

As a shareholder of the Fund you would not be able to make a claim to the Financial Services Compensation Scheme, or any other compensation body, about the Fund in the event that the Fund is unable to pay any amounts accruing to you. If you sell your shares on the London Stock Exchange, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you. If your bank or stockbroker is regulated by the FCA or the PRA it should hold that money in a client account, and you would be entitled to claim against the Financial Services Compensation Scheme up to £50,000 for non-delivery of such money to you. You would suffer any losses above that limit.

What are the costs?

The Company is aware of the Financial Conduct Authority's statement on 19 September 2024 in relation to investment trust disclosure requirements and will continue to comply with the PRIIPS Regulation until the regulatory requirements are clarified.

For the avoidance of doubt, the ongoing costs and transactions costs are not additional costs paid by you to the Company. The Company's published NAV is net of all costs and fees incurred by the Company.

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing, and incidental costs.

The amounts shown here are the cumulative costs of the product itself for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment Scenarios £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	250 GBP	955 GBP	1,872 GBP
Impact on return (RIY) per year	2.50 %	2.64 %	2.64 %

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00 %	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less). The impact of costs is already included in the price (this is the most you will pay and you could pay less).
	Exit costs	0.00 %	The impact of the costs of exiting your investment when it matures.
Ongoing costs*	Portfolio transaction costs	0.32 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.32 %	The impact of the costs taken by the fund each year for managing your investments. Includes 1.05% finance costs, down from 1.21% last year. The ongoing charges ratio reported annually, calculated in accordance with AIC's guidelines, is estimated 1.15% for 2024 (2023:1.33%).
Incidental costs	Performance fees	0.00 %	There is no performance fee for this product.
	Carried interests	0.00 %	There are no carried interests for this product.

** This percentage is based on estimated cost, often referencing historical data; therefore, the actual costs paid by an investor may differ.*

How long should I hold it and can I take money out early?

Recommended minimum holding period: 5 years.

An investment in the shares should not be regarded as short term in nature. With limited exceptions, a five year investment horizon is the minimum period recommended. As the Company's shares are traded on the London Stock Exchange, you can expect to sell them at any time through your bank or stockbroker. If you chose to sell your shares, you would pay the dealing costs your bank or stockbroker charge and bear the cost of the bid-offer spread as described above.

How can I complain?

As a shareholder of the Fund you do not have a right to complain to the Financial Ombudsman Service (FOS) about the management of the Fund. Complaints about the Fund or the key information document should be directed to the Board of directors at 28 Esplanade, St Helier, Jersey JE2 3QA, Channel Islands or to the Secretary, JTC Fund Solutions (Jersey) Limited, at +44 1534 700 000 and/or middlefield.cosec@jtcgroup.com and / or at the postal address P.O. Box 1075, 28 Esplanade, St Helier, Jersey JE4 2QP. Alternatively, you could complain to the Manager as the Manufacturer of the Fund. Please visit https://middlefield.com/contact-us/ for further information or contact Middlefield Limited at 44 (0) 20 7814 6644 or at e-mail address dorrico@middlefield.co.uk.

Other relevant information

Since the PRIIPs projection returns in the Performance Scenarios are calculated in Sterling and the portfolio has not been currency hedged over the 5 year period, the figures shown are negatively impacted by the volatility in Sterling versus Canadian Dollar and to a lesser extent Sterling versus U.S. Dollar.

For further information, such as the Company's latest prospectus, annual and half-yearly financial reports, factsheet and copies of regulatory and other announcements, please visit the Company's website at http://www.middlefield.co.uk.

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules.

The Fund's portfolio transaction costs have been calculated based on typical portfolio turnover over the last three years.

The daily bid-offer spread for Middlefield Canadian Income PCC has a median of 2.12% over the three-year period ending November 2024, this equates to an indirect entry and exit cost of 1.06% per share, for bid-mid and mid-offer spreads