

Portfolio Managers' Commentary

2024 proved to be a fruitful year for MCT unitholders, marked by substantial gains that have laid a strong foundation for continued growth in 2025. In British Pounds, the Fund's shares generated a total return of 20.6% and a NAV total return of 15.1%. This compares to the Benchmark total return of 7.6% and the TSX Composite Index total return of 13.5%.

In early January, Canadian Prime Minister Justin Trudeau announced he will step down after nine years in office. Trudeau's Liberal Party will hold an internal leadership race in the weeks ahead, with a Federal election expected sometime in the spring. We view the upcoming election as an opportunity for Canada to adopt a more pro-business stance, similar to the U.S. Recent polls show the Conservative Party holds a 20-point lead over all opposition parties and is likely to win a majority government. PM Trudeau's resignation and corresponding impending election is, in our view, long overdue and we expect a change in government to reinvigorate the Canadian economy, unlock its vast potential and drive economic growth. In addition, Conservative leader Pierre Poilievre provides a refreshing new counterparty for the Trump Administration as tariff negotiations commence. We maintain the view that tariffs on Canadian imports would have a detrimental effect on the U.S. economy and, if enacted, will be more incremental than initially signaled by Trump.

In addition to political tailwinds, the Bank of Canada has adopted a more accommodative policy stance than the U.S. Federal Reserve. With the reduction in Canadian inflation, continued interest rate cuts in 2025 are expected to provide vital economic support and help the country skirt a recession. This accommodative monetary policy should encourage a continued rotation out of cash-like instruments into dividend-paying securities as investors seek higher yields in a low-rate environment. This shift should bolster sectors known for their consistent dividend payouts, including real estate, utilities and financials.

Energy was among the Fund's biggest contributors to performance in 2024 and remains a high-conviction investment theme for 2025. As at 31 December, energy producers represented 22% of the Fund's portfolio, with an additional 17% allocated to pipeline companies. Energy policy is core to the Conservative Party's election platform, with promises to eliminate Canada's federal carbon tax while maintaining support for emission-reduction technologies such as carbon capture and storage. The expected changes to Canadian energy policy coincide with more global acceptance of natural gas as a key power source in the energy transition. Over the next two years, North America is expected to increase its LNG export capacity by 8 Bcf/day, including 1.5 Bcf/d coming from the inaugural exports of LNG Canada.

Utilities were another major contributor to Fund performance in 2024. Capital Power Corp. (CPX) was a standout performer, generating a total return of 78%. CPX has a premium fleet of natural gas power assets and is well-positioned to capitalize on improving industry trends. CPX has also demonstrated leadership in carbon capture and storage technology with a wealth of opportunities for collaboration and innovation in low-emission energy solutions. AltaGas (ALA) is another gas-focused energy infrastructure company that gathers, processes and distributes natural gas to customers across North America. ALA generated a total return of 25% in 2024 and recently laid out its 2025 guidance which included 6% EBITDA growth as well as expansion projects on existing assets and balance sheet de-leveraging. Gas-focused utilities are positioned to maintain their recent momentum in 2025 and remain core positions for the Fund.

Click [here](#) for the January 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.

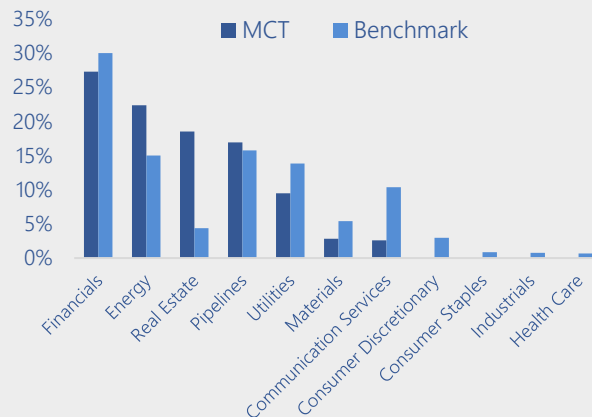
Portfolio Summary

Top 10 Holdings

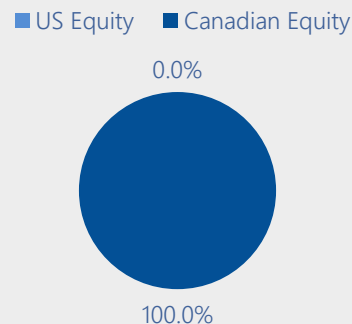
Name	Sector	% of Equities
Tourmaline	Energy	4.8%
Enbridge	Pipelines	4.7%
Bank of Montreal	Financials	3.9%
Canadian Natural Resources	Energy	3.8%
Royal Bank of Canada	Financials	3.7%
TC Energy	Pipelines	3.5%
CIBC	Financials	3.4%
AGF Management	Financials	3.4%
Manulife Financial	Financials	3.4%
Pembina Pipeline	Pipelines	3.1%

Cumulative Weighting 37.6%

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

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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	-10.8%	3.6%	15.3%	20.6%	20.6%
NAV	-4.2%	2.6%	12.9%	15.1%	15.1%
Benchmark	-4.7%	1.1%	7.7%	7.6%	7.6%
S&P/TSX Composite	-4.5%	4.2%	9.9%	13.5%	13.5%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised ¹
Share Price	4.3%	8.2%	7.2%	6.7%	6.8%
NAV	3.3%	7.2%	6.8%	7.4%	7.2%
Benchmark	5.2%	7.9%	6.9%	7.1%	6.1%
S&P/TSX Composite	6.4%	9.8%	8.3%	8.4%	6.4%

Sources: Middlefield, Bloomberg. As at 31 December, 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. All returns presented are total returns including the reinvestment of dividends. Fund returns are net of fees and other expenses.

The Fund's Benchmark is the S&P/TSX Composite High Dividend Index. For all Fact Sheets prior to 31 October 2024, the Fund's Benchmark, as well as the S&P/TSX Composite Index, were calculated gross of withholding tax. Beginning 31 October 2024, the Benchmark and the S&P/TSX Composite Index are calculated net of a 15% withholding tax and all period returns have been restated on this basis.

¹The Benchmark's since inception return represents a composite of monthly total returns for the S&P/TSX Income Trust Index from inception on 6 July 2006 to 31 December 2010 and the S&P/TSX Composite High Dividend Index thereafter. The Benchmark is currency adjusted to reflect returns in Canadian dollars (hedged) from inception to 5 October 2011 and in British Pounds thereafter.

²Borrowings as a percentage of total assets – the Fund has the power to borrow up to 25% of total assets

³Borrowings 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	£142,694,391
Voting Shares	106,487,250
Share Price	116.00p
Net Asset Value	134.05p
Premium/Discount	-13.5%
Dividend p.a.	5.50p
Current Yield	4.7%
Gearing (Gross) ²	19.3%
Gearing (Net) ³	16.2%

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).

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