

Portfolio Managers' Commentary

Volatility returned to equity markets in February with the S&P 500 experiencing a 5% drawdown in the last 10 days of the month. The sell-off, which was led by tech stocks, resulted in the NASDAQ Composite falling into correction territory. Canadian dividend-paying equities have fared better, exhibiting lower volatility and higher returns, with the Fund's NAV remaining flat in February compared to the Benchmark and TSX Composite returns of -0.5% and -1.7%, respectively.

The Trump Administration has made a barrage of tariff announcements in recent weeks, with most threats ultimately being dialed back within days. The announcements have caused confusion among investors and have cast a cloud of uncertainty over markets. Regardless of the final rates and timing of U.S. tariffs, Canada, and the rest of the world, will face a much different global trade environment under Trump's leadership. One of the positives that has emerged in Canada is a coordinated and enthusiastic movement for the country to diversify its trade relationships along with boosting domestic trade and infrastructure investments among the provinces.

Although it may not feel like it, we believe the current dynamic may represent the peak in tariff-related headwinds. A prolonged trade war is likely to erode consumer sentiment and present a major political challenge for Trump's pro-growth agenda. The White House is already starting to respond to market signals and the increasing pushback it is getting from within the Republican Party. The pain threshold of the Trump administration should express itself soon given the recent underperformance of the U.S. markets versus the rest of the world, including Europe and Canada. We expect Trump's scheduled tariff decisions on 2 April to provide additional clarity on the longer-term framework, and for him to focus on reciprocal tariffs that would represent a less draconian outcome than what has been announced in recent weeks.

Canada is undergoing significant political shifts after a decade under Justin Trudeau's leadership. Former Bank of England governor Mark Carney has won the Liberal Party leadership race and is currently serving as interim Prime Minister. The upcoming federal election, expected in Q2 2025, is anticipated to be a key catalyst for Canadian equities, as both Carney and Conservative leader Pierre Poilievre are campaigning on pro-business policies aimed at strengthening Canada's economic position. Additionally, the election is expected to provide greater political stability and a more permanent negotiating counterparty for ongoing tariff discussions with the United States.

REITs outperformed the TSX in February, with the TSX Capped REIT Index returning 2.2%. In conjunction with their Q4 2024 earnings reports, most Canadian REITs have provided their 2025 outlooks, reinforcing the sector's resilience. Despite broader macroeconomic uncertainty, fundamentals across various real estate segments remain solid, supported by steady demand, constraints on supply and prudent capital allocation. Our preferred real estate sectors, including grocery-anchored retail, apartments, industrial and seniors housing, are all positioned to re-rate higher as we get more clarity on the trade front and federal government leadership in Q2 2025. We believe these developments will become key catalysts for foreign investors looking for attractive sectors offering both high income and significant capital appreciation potential.

We recently attended Enbridge's Investor Day in New York City and left with greater confidence in the company's long-term growth outlook. Management outlined an extensive \$50 billion pipeline of projects under evaluation through the end of the decade. In addition to investments in growth expenditures, management also reiterated its commitment to returning \$40 to 45 billion in capital to shareholders over the next 5 years through steady dividend growth. With a disciplined capital allocation strategy, a strong balance sheet, and a business model insulated against the impacts of tariffs, Enbridge remains well-positioned to capitalize on North America's evolving energy landscape.

Click [here](#) for the March 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.

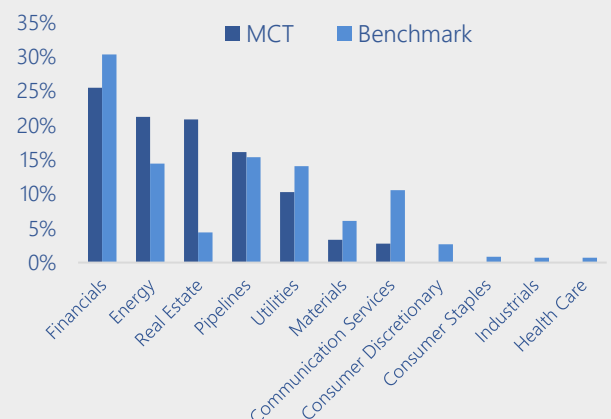
Portfolio Summary

Top 10 Holdings

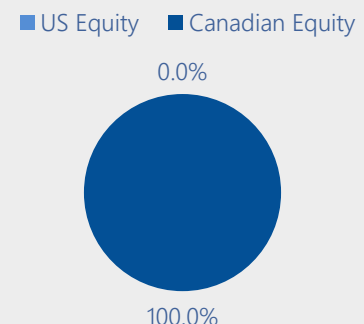
Name	Sector	% of Equities
Tourmaline	Energy	4.8%
Enbridge	Pipelines	4.6%
Bank of Montreal	Financials	4.1%
AGF Management	Financials	3.8%
Canadian Natural Resources	Energy	3.5%
Manulife Financial	Financials	3.4%
TC Energy	Pipelines	3.4%
Nutrien	Materials	3.3%
Pembina Pipeline	Pipelines	3.3%
CIBC	Financials	3.3%

Cumulative Weighting **37.5%**

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

Middlefield International
288 Bishopsgate
London, United Kingdom
EC2M 4QP
Tel: 44 (0) 20 7814 6644
Fax: 44 (0) 20 7814 6611

Dean Orrico, President
Middlefield International Limited
Tel: 44 (0) 20 3709 4016
Email: dorrico@middlefield.co.uk

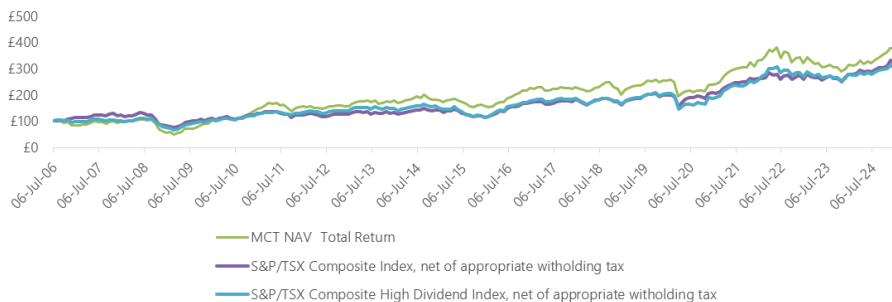
Investment Objective

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	6.3%	-2.0%	19.3%	9.9%	37.7%
NAV	0.0%	-4.5%	5.3%	-0.3%	15.2%
Benchmark	-0.5%	-3.0%	3.9%	1.8%	10.4%
S&P/TSX Composite	-1.7%	-2.4%	7.3%	2.2%	15.0%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised ¹
Share Price	8.1%	11.0%	9.1%	8.3%	7.3%
NAV	1.6%	7.8%	7.4%	7.3%	7.1%
Benchmark	3.0%	9.2%	8.7%	7.6%	6.2%
S&P/TSX Composite	6.9%	11.1%	10.0%	8.9%	6.5%

Sources: Middlefield, Bloomberg. As at 28 February, 2025

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 Oct 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	£140,733,414
Voting Shares	106,487,250
Share Price	126.00p
Net Asset Value	132.21p
Premium/Discount	-4.7%
Dividend p.a.	5.50p
Current Yield	4.4%
Gearing (Gross) ²	16.3%
Gearing (Net) ³	19.5%

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

