

Portfolio Managers' Commentary

Dividend-focused strategies remain a highly effective and defensive approach to navigating periods of elevated market volatility and uncertainty. Since 1990, dividend payers typically outperform when the VIX is above its three-year average and when overall market volatility is rising. Our funds emphasize dividend payers with strong balance sheets and competitive moats. We believe investors should be adding exposure to dividend growers to mitigate volatility without compromising exposure to market upside. MCT generated a total return of -1.7% in March, outperforming the Benchmark and the TSX Composite.

President Trump's 2 April tariff announcements were worse-than-feared and have created more uncertainty than expected clarity. Rather than aligning tariff rates with conventional trade frameworks, the administration opted to target countries based on the size of their trade deficits with the U.S. — a clear deviation from initial expectations. This approach led to disproportionately high tariff rates for certain countries and were far more widespread than anticipated. Markets are now recalibrating for the inflationary and economic consequences of these policies, reigniting fears of stagflation. In the coming weeks, we will be watching to see how companies respond and if adjustments will be made to their outlooks. Given the contractual nature of the companies in MCT's portfolio, we expect most companies to meet or exceed Q1 expectations and to reaffirm full-year guidance.

Canada and Mexico were notable exclusions on Liberation Day with their previously announced tariff rules left unchanged. This means that USMCA-compliant trade will be tariff free and we expect roughly 80% of Canadian exports to the U.S. will ultimately fall under this category. The Trump Administration's previously announced tariffs on steel, aluminum and autos will remain in effect. Despite being the first to be targeted by Trump's tariff agenda, the Canadian stock market has outperformed the U.S. this year. In Q1, the TSX Composite generated a total return of 1.5% (local currency), outperforming the S&P 500 by nearly 6%. We believe the recent streak of outperformance is poised to continue. With a federal election on the horizon, we expect a shift toward greater policy clarity, and regardless of the outcome, the prevailing political momentum favours more business-friendly, pro-growth initiatives. Beyond the political backdrop, Canada offers structural advantages that support long-term investment, including a highly educated workforce producing world-class talent in engineering and technology, abundant natural resources, and access to some of the cheapest and cleanest energy globally. The TSX Composite is trading at a 5x multiple discount to the S&P 500 with comparable earnings growth and several catalysts on the horizon.

We believe the current tariff uncertainty with the U.S. could benefit Canadian energy in the long run. Canada has become overly reliant on the U.S. for our energy exports and provincial governments have established trade and mobility barriers in recent years. This has resulted in a series of major project cancellations and policy decisions that have handcuffed Canada's options for selling our natural resources beyond the U.S. In an open letter published mid-March, the CEOs of 10 of the largest oil and natural gas companies and the four largest pipeline companies called for the leaders of the four federal political parties to declare a Canadian energy crisis and use emergency powers to help speed the development of key projects in the national interest. The changing sentiment toward large scale energy infrastructure projects is expected to be momentous and constructive for the strength and resilience of the Canadian economy for future generations.

Click [here](#) for the April 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.

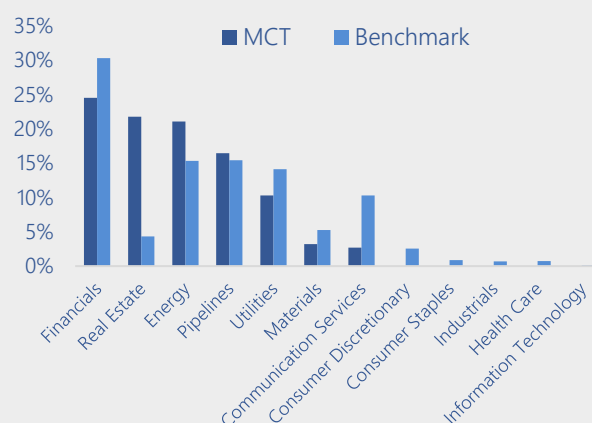
Portfolio Summary

Top 10 Holdings

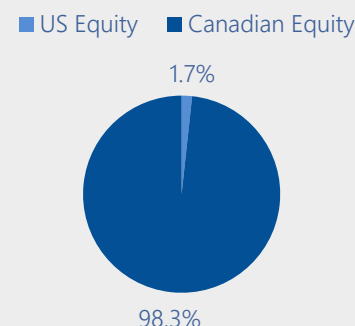
Name	Sector	% of Equities
Tourmaline	Energy	4.8%
Enbridge	Pipelines	4.6%
Canadian Natural Resources	Energy	4.0%
TC Energy	Pipelines	3.6%
Bank of Montreal	Financials	3.4%
Manulife Financial	Financials	3.3%
Pembina Pipeline	Pipelines	3.2%
AGF Management	Financials	3.2%
Nutrien	Materials	3.2%
TD Bank	Financials	3.1%

Cumulative Weighting **36.4%**

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

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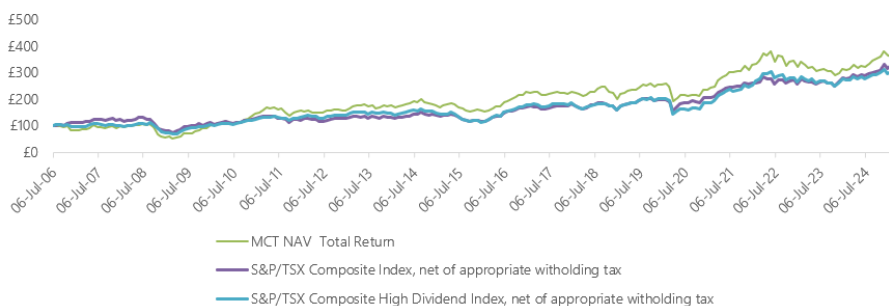
Investment Objective

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	-5.2%	4.2%	7.9%	4.2%	23.3%
NAV	-1.7%	-2.1%	0.5%	-2.1%	7.6%
Benchmark	-1.9%	-0.2%	1.0%	-0.2%	4.6%
S&P/TSX Composite	-3.6%	-1.5%	2.6%	-1.5%	6.3%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised ¹
Share Price	-0.6%	15.3%	9.2%	8.0%	7.0%
NAV	-1.4%	12.9%	7.6%	6.9%	7.0%
Benchmark	0.0%	15.5%	8.9%	7.4%	6.1%
S&P/TSX Composite	3.1%	15.2%	9.8%	8.4%	6.2%

Sources: Middlefield, Bloomberg. As at 31 March, 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	£138,310,338
Voting Shares	106,487,250
Share Price	119.50p
Net Asset Value	129.93p
Premium/Discount	-8.0%
Dividend p.a.	5.50p
Current Yield	4.6%
Gearing (Gross) ²	15.3%
Gearing (Net) ³	18.0%

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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