

## Portfolio Managers' Commentary

The market rally continued in May following a de-escalation of tariff tensions. In British Pounds, the TSX Composite Index returned 5.1%, lifting the Index to new all-time highs. The Fund's NAV returned 5.3%, outperforming the Benchmark return of 3.8%.

Despite tariffs on steel, aluminum and autos, Canadian equities have outperformed the U.S. in 2025. In local currencies, the TSX Composite has returned over 7% year-to-date, beating the S&P 500 return of 1.1% by a significant margin. Markets are reflecting a more sanguine outlook for the Canadian economy, which is also showing up in hard data. GDP growth in Q1 was better than expected at 2.2% while the early read on April data exceeded expectations. We also believe a tariff deal between Canada and the U.S. may be near. While the U.S. recently increased tariffs on steel and aluminum from 25% to 50%, Prime Minister Carney has opted for restraint vs. reciprocity citing "intensive discussions right now with the Americans on the trading relationship." As a result, we are optimistic an agreement could be reached on or before the G7 meeting in Alberta, Canada from 15 to 17 June 2025.

M&A provided a lift to the Canadian real estate sector in May. InterRent REIT, one of the Fund's holdings, announced an agreement to be acquired by a joint venture between InterRent's Executive Chairman/Founder who has intimate knowledge of the company's operations and GIC, a sovereign wealth fund from Singapore who is one of the world's leading private real estate investors. The offer represents a 35% premium to InterRent's share price before take-out rumours surfaced in March and a 29% premium to its 90-day VWAP. The agreement includes a 40-day go-shop period, creating the possibility for a competing bid or a sweetened offer from the joint venture. Regardless of the outcome, the transaction validates our view that publicly listed apartments are trading significantly below their true intrinsic values and M&A activity will help support a re-rating in the apartment sector specifically and in Canadian REITs generally. More specifically, MCT's REIT portfolio returned 5.9% in May, exceeding the Benchmark and TSX Composite returns of 3.8% and 5.1%, respectively. We expect this momentum in the Canadian REIT sector to continue in 2025, thereby supporting the Fund's overweight to the real estate sector.

Prime Minister Carney and Canada's Premiers have introduced legislation to fast-track nation-building projects and relax rules affecting where skilled workers can operate. The goal is to pass the 'One Canadian Economy Act' through the Parliament before the summer break. This announcement signals renewed momentum for large-scale infrastructure investment that aims to boost national resilience, diversify Canada's market access, and unify the country through economic development. Proposed LNG projects off Canada's west coast, which could be built within the next 5 years, represent over 6 Bcf/d of export capacity – a significant new source of demand in the context of Canada's current production of approximately 19 Bcf/d today. Further egress for Canada's gas-rich basins is expected to drive material upside to today's regional prices. As such, we maintain our high conviction on the medium to long-term outlook for Canadian gas companies. MCT has exposure to several gas-focused producers, including Arc Resources, Peyto Exploration and Tourmaline.

Canada's major banks delivered Q2 results that exceeded expectations, leading to strong returns for the group. Bank of Montreal, TD Bank and CIBC led the pack with total returns of 11.6%, 7.9% and 7.5%, respectively. Elevated trading activity was a common theme across the sector, contributing to solid performance in capital markets divisions. Canada's big six banks also reported Common Equity Tier 1 (CET1) ratios between 160 and 340 basis points above the 11.5% regulatory minimum—equivalent to a C\$58 billion capital surplus. Overall, the quarter underscored the banks' earnings resilience and disciplined risk management.

Click [here](#) for the June 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.

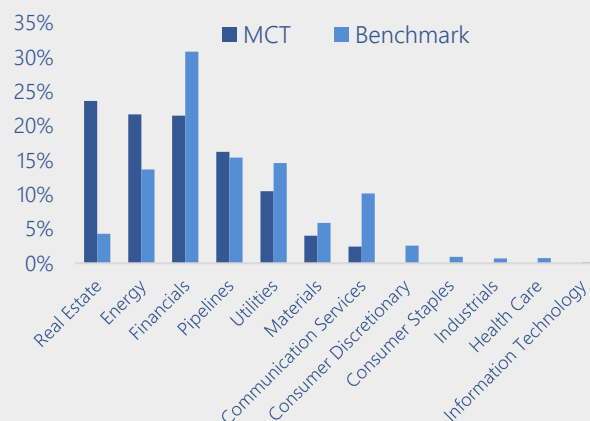
## Portfolio Summary

### Top 10 Holdings

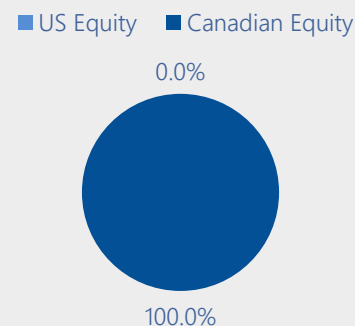
Name	Sector	% of Equities
Enbridge	Pipelines	4.7%
Canadian Natural Resources	Energy	4.5%
Tourmaline	Energy	4.3%
Whitecap Resources	Energy	4.1%
Nutrien	Materials	4.0%
AGF Management	Financials	3.7%
TC Energy	Pipelines	3.7%
RioCan REIT	Real Estate	3.5%
TD Bank	Financials	3.4%
Manulife Financial	Financials	3.2%

Cumulative Weighting **39.1%**

### 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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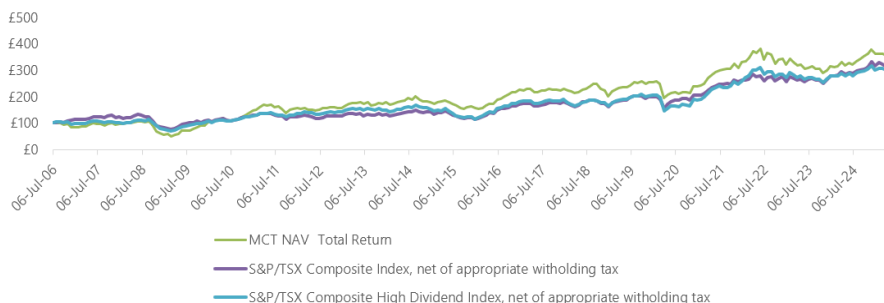
## Investment Objective

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	11.6%	2.4%	0.4%	12.5%	24.3%
NAV	5.3%	0.6%	-3.9%	0.3%	11.4%
Benchmark	3.8%	1.7%	-1.4%	3.5%	8.4%
S&P/TSX Composite	5.1%	1.9%	-0.6%	4.1%	13.1%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised <sup>1</sup>
Share Price	4.1%	15.6%	9.2%	8.4%	7.3%
NAV	-1.6%	11.1%	7.0%	7.3%	7.1%
Benchmark	0.3%	13.7%	8.3%	8.0%	6.2%
S&P/TSX Composite	5.8%	12.6%	9.1%	9.0%	6.5%

Sources: Middlefield, Bloomberg. As at 31 May, 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.

<sup>1</sup>The 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.

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

<sup>3</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.

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	£140,097,884
Voting Shares	106,487,250
Share Price	127.50p
Net Asset Value	131.61p
Premium/Discount	-3.1%
Dividend p.a.	5.50p
Current Yield	4.3%
Gearing (Gross) <sup>2</sup>	13.7%
Gearing (Net) <sup>3</sup>	15.9%

## 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

