JANUARY PORTFOLIO UPDATE

MIDDLEFIELD CANADIAN INCOME PCC (LON:MCT)

All information is at 31 January 2021 and unaudited

Net asset value – capital only:	104.14p
Share price:	90.00
Discount to NAV:	-13.6%
Net yield[1]:	5.7%
Gearing:	18.0%
Options overwrite:	0%
Ordinary shares in issue:	106,487,250
Ongoing charges[2]:	1.3%

[1] Based on four quarterly interim dividends of 1.275p per share paid 31 January 2020, 30 April 2020, 31 July 2020, 30 October 2020, and based on the share price as at close of business on 31 December 2020.

[2] Ongoing charges represent the management fee and all other operating expenses excluding interest as a % of average shareholders' funds for the year ended 31 December 2019.

Performance with Net Income Reinvested

	One Month	Three Months	Six Months	One Year	Three Years	Five Years
Net asset value	2.3%	14.6%	14.9%	-6.1%	2.8%	9.5%
Share price	-0.8%	13.2%	6.3%	-10.3%	1.7%	10.9%
TSX High Dividend Index	0.9%	15.4%	17.3%	-7.7%	2.6%	10.4%

Source: Middlefield, Bloomberg.

Sector Weights	Total Equities (%)
Real Estate	30.00
Financials	28.27
Utilities	16.10
Pipelines	9.79
Information Technology	5.27
Communication Services	4.99
Healthcare	3.85
Materials	1.73

	100.00
	=====

Country Analysis	Total Equities (%)
Canada	87.1
United States	12.9

	100.0
	=====

Ten Largest Investments

Company	Country of Risk	Net Assets (%)
CIBC	Canada	4.60
Brookfield Renewables	Canada	4.41
Bank of Nova Scotia	Canada	4.32
Bank of Montreal	Canada	4.01
Toronto Dominion Bank	Canada	3.82
RioCan REIT	Canada	3.77
Northland Power	Canada	3.76
SunLife Financial	Canada	3.74
Enbridge	Canada	3.62
SmartCentres REIT	Canada	3.47

Dean Orrico, representing the Investment Manager, noted:

Global equity indices pulled back at the end of January with the MSCI World, the S&P 500 and the TSX Composite returning -1.2%, -1.2% and -1%, respectively, in British Pounds. The Fund's net asset value appreciated by 2.3% in January, outperforming the Benchmark return of 0.9%.

We are seeing positive momentum on COVID-19 with infections steadily declining and the vaccine rollout accelerating in many countries. Both Canada and the U.S. have cut their daily infection rates by over 50% since early January. Approximately 150 million vaccine doses have been administered globally and lockdown measures are beginning to ease in many regions. We expect vaccine supplies to get a boost soon from Johnson & Johnson (JNJ) which published positive Phase 3 clinical trial data at the end of January. JNJ has filed for Emergency Use Authorization with the U.S. Food and Drug Administration and is expected to produce 1 billion doses of its vaccine by the end of the year. The JNJ vaccine only requires one dose and does not require ultra-cold storage, making it particularly useful in vaccinating populations in less developed nations.

January brought the net addition of 49,000 jobs to the U.S. economy and the Biden Administration continues to push for a US$1.9 trillion relief plan which includes cheques to consumers, added unemployment benefits, money for states and localities and more funding for a national vaccine program. The Bank of Canada and Federal Government continue to support Canadian businesses and consumers with a combination of fiscal stimulus and low interest rates which should persist until 2023. As a result, we expect quarterly earnings results to gain momentum as the global economy gradually recovers, thereby supporting equity market prices. Having said that, we are steadfast in our focus on sectors and companies which are well capitalized and resilient against the increasing potential for market volatility over the coming months.

Utilities were the biggest contributor to the Fund's performance in January. The Fund's exposure to the sector is concentrated in companies focused on renewable power generation, which provide both high levels of income and the potential for capital appreciation. BloombergNEF, a research organization dedicated to the energy industry, expects more than $35 trillion in clean power investments by 2050, making this a very attractive investment sector over the long-term. Canada is home to several world-class renewable power producers, including Brookfield Renewables (BEP), which has installed capacity of more than 20 GW across 5 continents and is planning to build 1 GW of new capacity every year. BEP returned 5.6% in January and was one of the Fund's top performing stocks. Northland Power, which IPO'd on the TSX in 1997, is the world's fourth largest offshore wind company by installed capacity and plans to more than triple its generation base by 2025. Both companies are core positions in the portfolio and are among the Fund's top 10 holdings.

The top performing stock in the portfolio this month was Brookfield Property Partners (BPY) with a total return of 17.7%. BPY received a privatization offer on 4 January from its majority shareholder, Brookfield Asset Management (BAM), at US$16.50 per share, representing a 14% premium to the stock's previous closing price. Historical BAM privatization proposals have resulted in offer prices being increased by 5 to 7% and the stock has traded at a premium to the offer price since the announcement was made. BAM's decision to acquire the remaining stake of BPY was part of our initial investment thesis since BPY was trading at a substantial discount to NAV and was in the early stages of a major repositioning of its U.S. retail mall portfolio, with benefits from this strategy unlikely to be realized for several years.

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Notes to Editors

Middlefield Canadian Income PCC aims to provide long term returns through dividend income and capital growth from a diversified portfolio of predominantly Canadian equity income securities and US stocks. The Company has been listed since 2006 as London's only listed Canadian equity income fund.

For more information on the Company, please visit our website:

http://www.middlefield.co.uk/mcit.htm