MARCH PORTFOLIO UPDATE

MIDDLEFIELD CANADIAN INCOME PCC (LON:MCT)

All information is at 31 March 2021 and unaudited

Net asset value – capital only:	115.57p
Share price:	99.00
Discount to NAV:	-14.3%
Net yield[1]:	5.2%
Gearing:	17.1%
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	8.5%	13.5%	24.3%	39.2%	8.2%	10.1%
Share price	7.7%	9.1%	25.1%	40.5%	8.4%	11.5%
TSX High Dividend Index	8.9%	14.9%	28.8%	48.1%	9.8%	10.3%

Source: Middlefield, Bloomberg.

Sector Weights	Total Equities (%)
Financials	34.39
Real Estate	30.16
Utilities	14.18
Pipelines	9.69
Communication Services	3.25
Information Technology	3.16
Energy	1.88
Materials	1.71
Healthcare	1.58

	100.00

Country Analysis	Total Equities (%)
Canada	89.5
United States	10.5

	100.0
	=====

Ten Largest Investments

Company	Country of Risk	(%) of Equities
Bank of Nova Scotia	Canada	5.18
Bank of Montreal	Canada	4.78
CIBC	Canada	4.77
TD Bank	Canada	4.77
RioCan REIT	Canada	3.96
Brookfield Renewables	Canada	3.74
Sun Life Financial	Canada	3.69
Capital Power	Canada	3.67
SmartCentres REIT	Canada	3.64
Enbridge	Canada	3.55

Dean Orrico, representing the Investment Manager, noted:

Global equities performed well in March with the MSCI World, S&P 500 and TSX Composite returning 4.5%, 5.5% and 6.1% in GBP, respectively. The Fund's net asset value generated a total return of 8.5% during the month, lifting its year-to-date return to 13.5%.

Growth in earnings explains most of the recent move in equities since market multiples have been relatively flat for the past nine months. Q4 2020 earnings results outpaced expectations by an average of 17% among S&P 500 constituents and 8% for members of the TSX Composite. We expect these tailwinds to persist as full-year corporate earnings in 2021 are projected to grow by 40% in the U.S. and 67% in Canada compared to last year.

Disruptions caused by the pandemic are gradually subsiding as vaccines are rolled out. The U.S. continues to be a leader in vaccinations as more than 30% of Americans have now received at least one dose and it's expected that all willing citizens will have access to their first shot by early May. As a result, normal business operations are recommencing across the United States with 916,000 jobs added in March, driving the unemployment rate down to 6%. The headline jobs growth number exceeded Dow Jones estimates of 675,000 and represents the fastest growth in employment since August of last year.

Real Estate was the biggest positive contributor to the Fund's performance this month. Several of the Fund's Canadian retail REITs generated mid-to-high single digit returns, including Choice

Properties, Crombie REIT and CT REIT. Canada's vaccine rollout has been slower but the cadence of inoculations is rapidly increasing with doses currently being made available to residents aged 18 and over and most high-risk populations already vaccinated. As at 27 March, 2021, 93% of adults living in group settings for seniors had received at least one dose with the vast majority fully vaccinated. As a result, we have become more positive on seniors housing and the Fund initiated a position in Chartwell Retirement Residences in early March. Chartwell is Canada's largest owner and operator of seniors housing communities with more than 200 locations. The company is positioned to grow its net operating income as showings re-commence and vacancies caused by the pandemic are filled. Chartwell generated a total returned of 7.4% in March.

The Fund continues to maintain an underweight position in Energy. However, the outlook for oil demand improved in March, lifting the price of WTI crude more than 20% during the first quarter. ESG is a primary consideration when investing in the energy sector. Enbridge, which is one of the largest pipeline companies in the world, has been a core holding of the Fund for many years and was the first major company in the North American oil and gas industry to set a goal of eliminating all net emissions from its operations by 2050. It has been investing in wind and solar power projects for many years and is also looking at gaining scale in technologies such as green hydrogen production and carbon capture and storage. In light of strengthening commodity prices, the Fund also initiated a position in Canadian Natural Resources (CNQ). The company's long-life, low-decline asset base and minimal maintenance capital requirements support a breakeven WTI crude price of approximately $30 per barrel. With WTI currently trading at c.$60 per barrel, CNQ generates strong free cash flow to support its generous dividend which was maintained throughout the pandemic. The company is also making progress on its long-term target of net zero emissions by reconfiguring its mining operations, investing in carbon capture projects and integrating emissions reduction in project planning. Both Enbridge and CNQ outscore their peers on ESG metrics.

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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