MCT

MIDDLEFIELD CANADIAN INCOME TRUST

LON MCT

Generational Opportunity to Buy Canadian Dividend Stocks

Rising rates have caused Canada's dividend-paying companies to lag growth stocks this year

Canadian equities are trading at substantial discounts to U.S. peers and are positioned to outperform

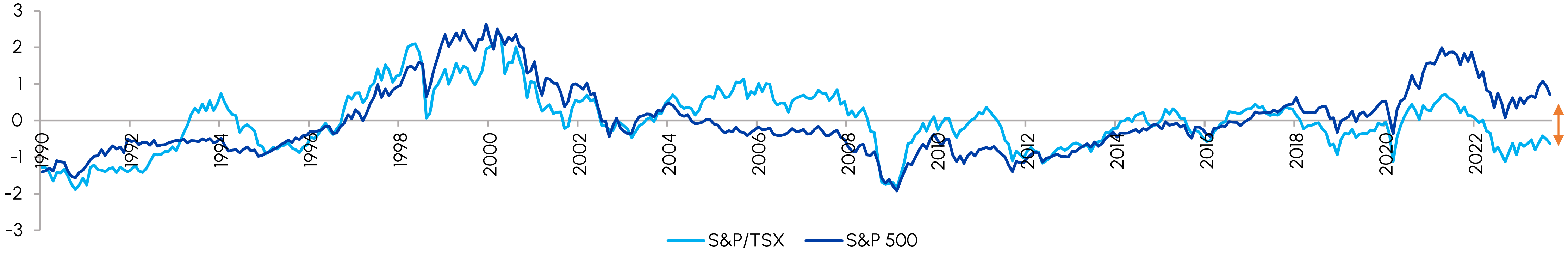
The period of central bank tightening is nearly finished

- Attractive backdrop for rate-sensitive and value sectors (e.g. real estate, financials and utilities)
- Rate of inflation is moderating and a strong consumer is softening the impact of higher interest rates
- Canadian equities offer attractive relative value, covered dividends and solid balance sheets

Canadian Companies are Attractively Priced Relative to U.S.

Valuation Composite: S&P/TSX vs S&P 500

Average z-score of P/E, NTM P/E, P/B, P/S and inverted DY



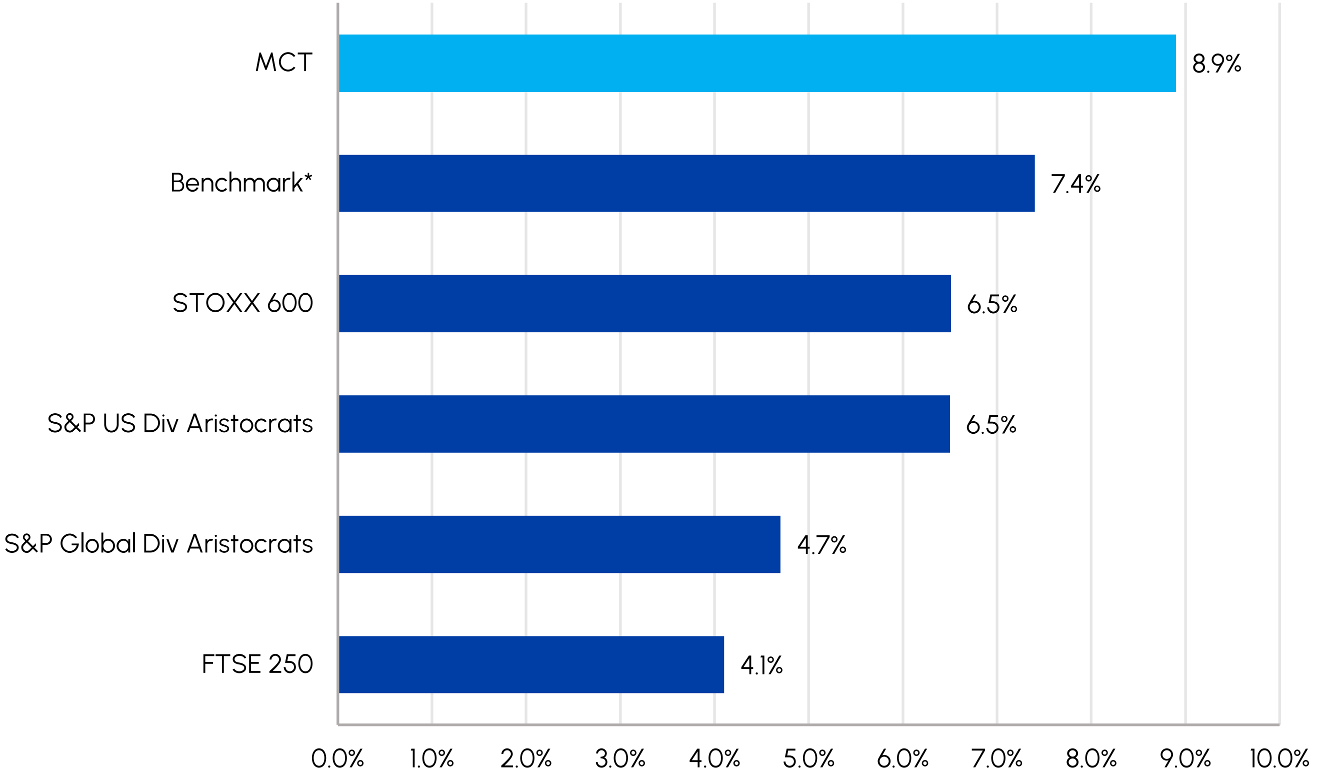
Sources: Middlefield, BMO Capital Markets Investment Strategy Group, Factset, Compustat, IBES.

As at 30 September 2023

Dividend Growth Focus

- 100% of MCT's portfolio is invested in high dividend paying stocks
- Emphasis on companies with a strong track record of consistently growing dividends
- Covered dividend in 2022 and YTD 2023
- Over the past 5 years
    - 88% of MCT's portfolio companies have grown their dividends
    - 50% have increased dividends every year including pandemic period

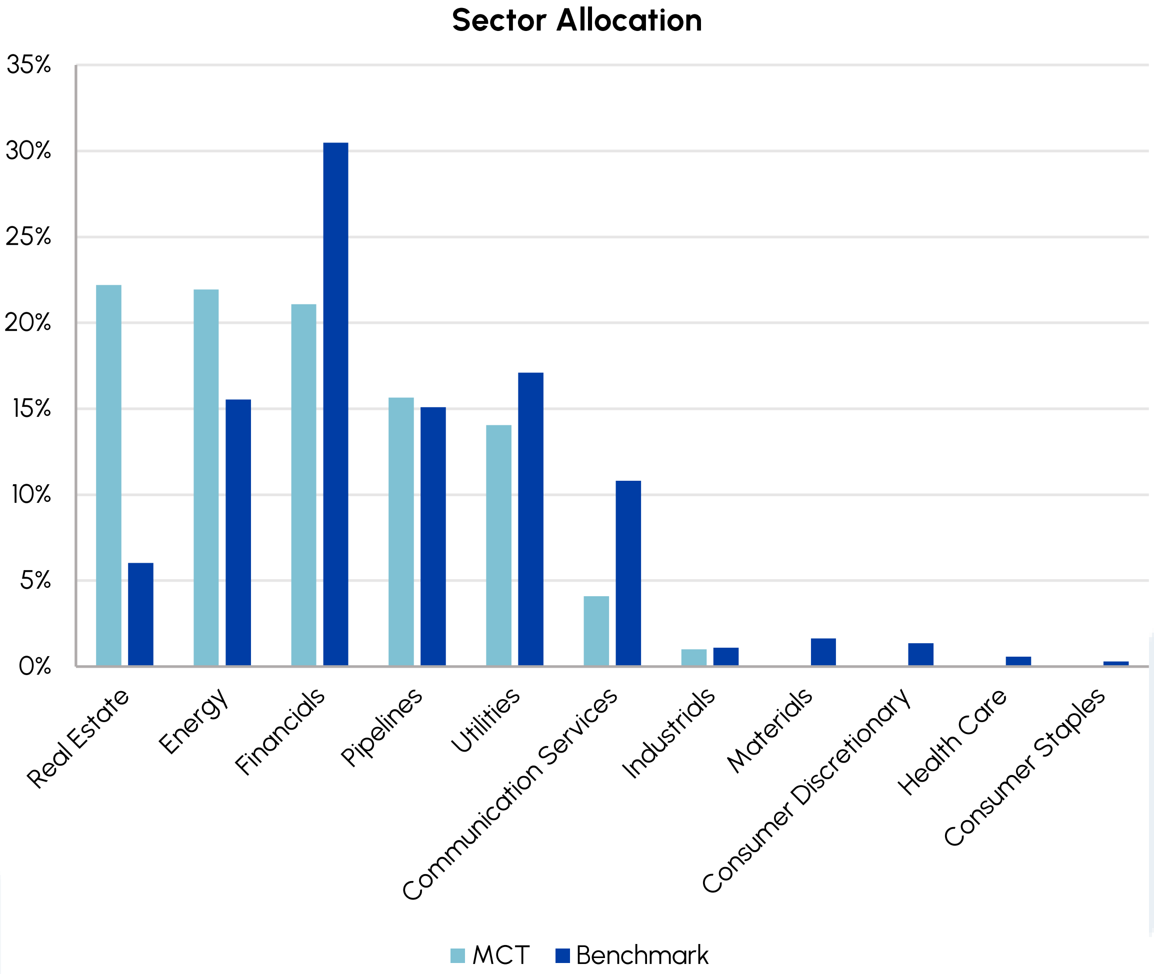
Notable Growth in MCT Dividends over the past 5 years



Sources: Middlefield, Bloomberg. As at 31 August 2023

Why Invest in MCT?

Positioned to capture tailwinds from higher energy prices, population growth and normalization of interest rates	
	Energy/Pipelines (38%)
	Real Estate (22%)
	Financials (21%)
	Utilities (14%)



Source: Middlefield, Bloomberg. As at 30 September 2023

MIDDLEFIELD

Fund Snapshot

Middlefield Canadian Income Trust is an investment strategy for long-term investors seeking cash flow from a diversified portfolio of stable, profitable businesses domiciled primarily in Canada

Portfolio of dividend growth companies (weighted average mkt cap of CAD$40B)

High conviction, low turnover (approx. 20% turnover p.a.)

Current discount to NAV offers significant upside potential

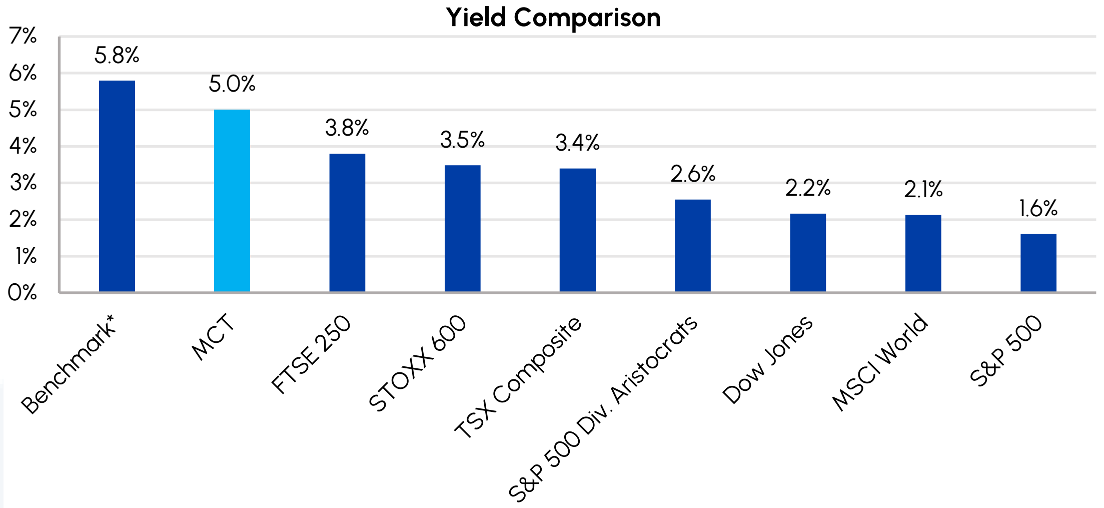
Increased dividend to 5.2p per annum (approx. 5% Yield)

Geographic Equity Mix 100%

Recent Performance	1 Mth	3 Mth	6 Mth	YTD	1 Year
Share Price	0.0%	0.7%	-2.3%	-10.2%	-10.3%
NAV	-0.1%	-1.3%	-3.4%	-4.5%	-5.9%
Benchmark	0.5%	-1.7%	-2.6%	-1.3%	-3.2%
S&P/TSX Composite Index	0.3%	-0.5%	-0.1%	2.4%	1.7%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	13.3%	5.1%	6.6%	5.3%	6.2%
NAV	12.1%	4.4%	5.8%	6.1%	6.7%
Benchmark	17.3%	8.1%	7.6%	6.6%	6.4%
S&P/TSX Composite Index	11.4%	7.7%	7.8%	7.6%	6.0%

Canadian Equities Offer Attractive Yields



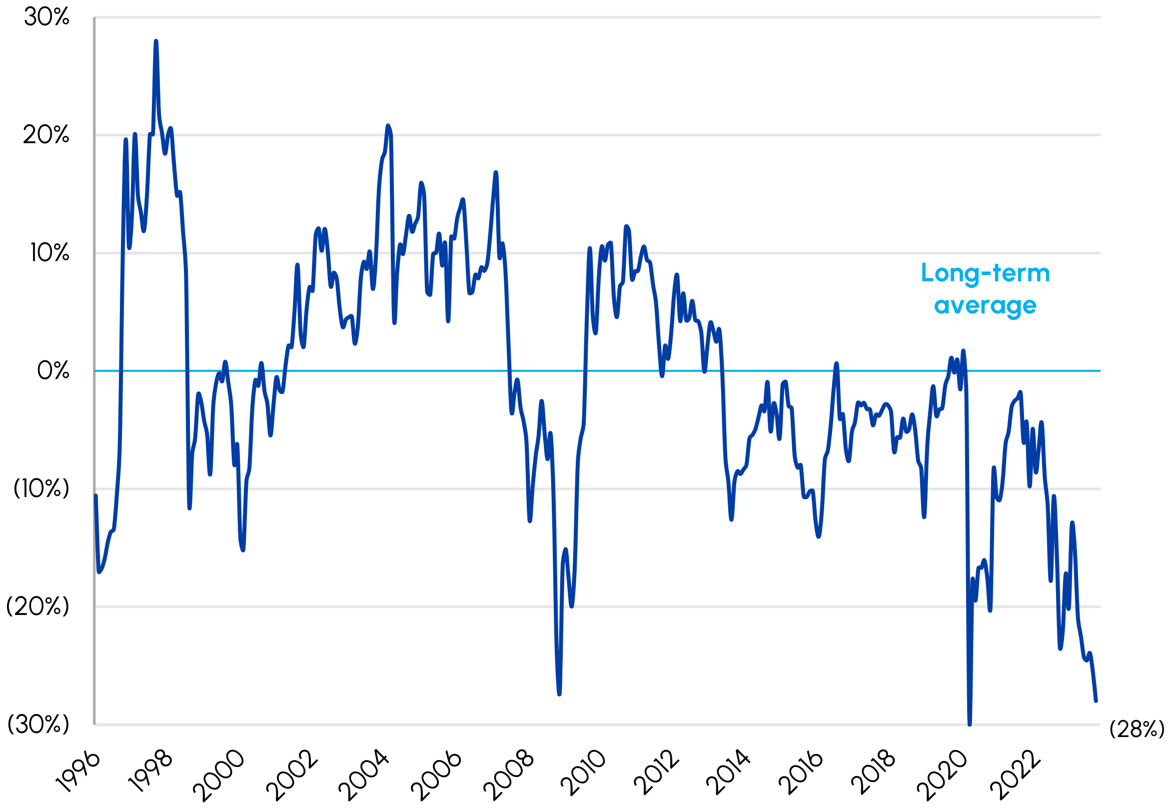
Sources: Middlefield, Bloomberg. As at 30 September 2023

**Benchmark: S&P/TSX Composite High Dividend Index*

Canadian REIT Valuations Disconnected from Fundamentals

Canadian REITs are Trading at Discounts that Compare to Pandemic Lows and The Great Financial Crisis

- Investors buying higher yielding cash or deposit instruments
- A substantial disconnect between public and private markets
  - Public REITs positioned to outperform the private market
  - NAV estimates have declined 10 to 15% on average yet REITs still trade at a material discount to current estimates
- Healthy NOI growth offsetting cap rate expansion
  - REITs serve as a hedge against inflation
- REITs in Canada benefiting from growing demand and constrained supply
- Balance sheets and liquidity ratios remain healthy



Sources: Middlefield, RBC Capital Markets, Government of Canada, As at 30 September 2023

Commercial REITs Benefiting from Growing Population

Industrial REITs: E-commerce, reshoring and just-in-case inventory management are driving demand for industrial warehouse space

- Canadian availability rate of 2.5% vs. 15-year average rate of 4.8%
- Elevated land and construction costs limit the risk of new supply

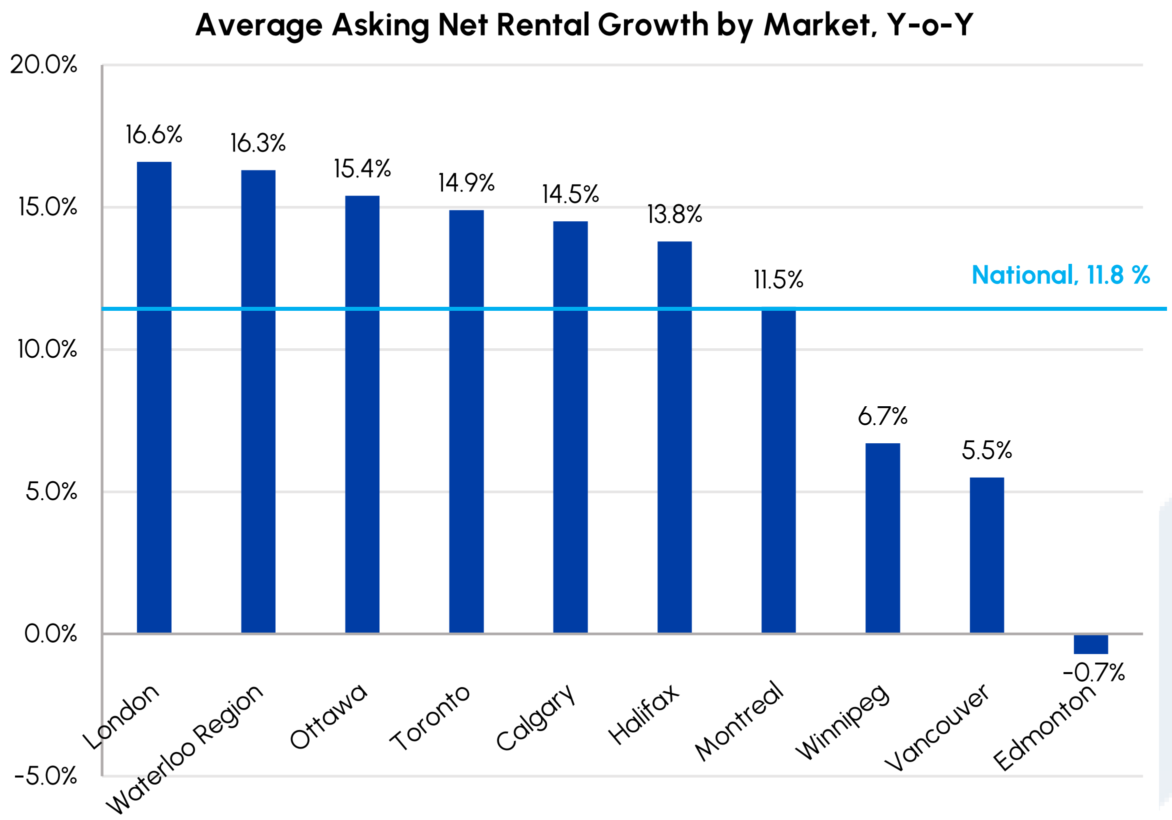
Necessity-based Retail REITs: Valuation support for grocery-anchored retail and residential development upside on urban lands

- Limited new supply of open air, grocery-anchored properties over the past 10 years and little development activity due to higher costs and interest rates
- Tenant mix is extremely sound and looking to expand

dream industrial REIT

Choice Properties REIT

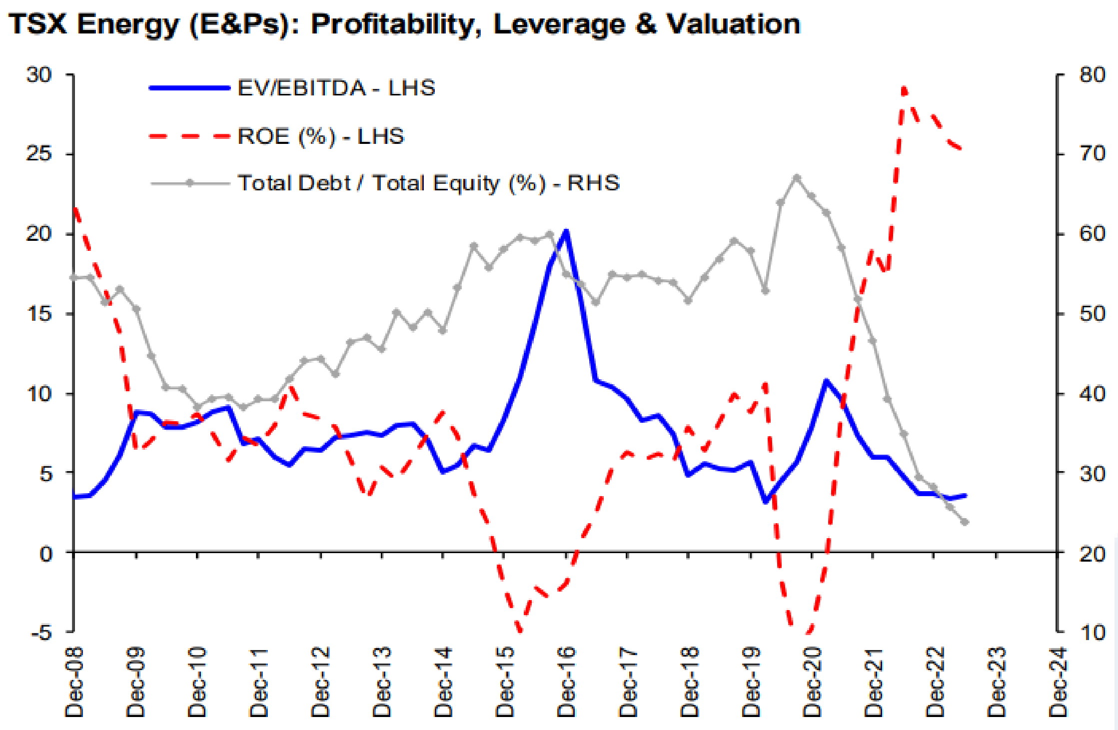
Industrial Rent Growth has been Expanding in Key Markets Across Canada



Source: CBRE Canada Industrial Figures Q3 2023

Momentum Building in the Canadian Energy Sector

- Record distributable FCF for Canadian energy producers being returned to shareholders in the form of dividends and share buybacks
- Most producers expecting to be net debt-free by the end of 2023
- Stricter capital discipline has de-risked Canadian energy companies
- Canadian energy infrastructure benefiting from increased volumes
  - TMX pipeline begins transporting an additional ~590,000 bbl/d for export in early 2024
  - LNG Canada expected to be in service in 2025 and will add ~1.8MMBtu of export capacity

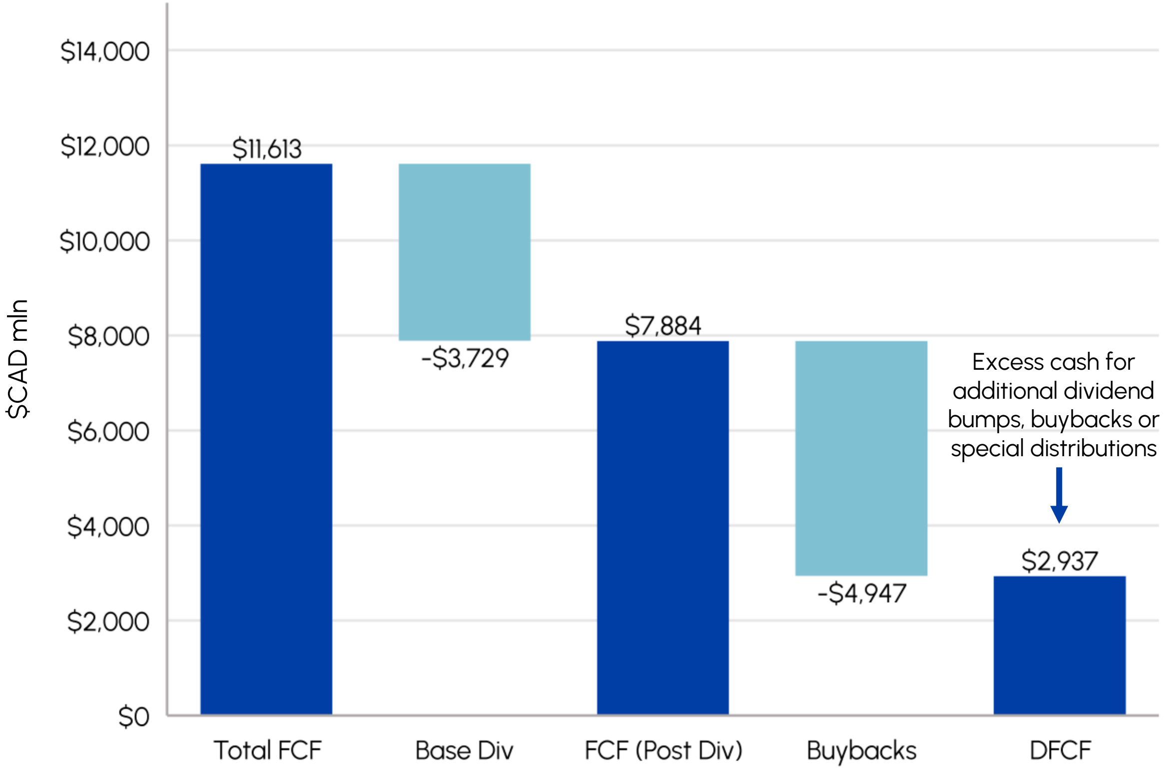


Sources: Middlefield, Scotiabank GBM Portfolio Strategy, FactSet. As at 30 September 2023

Case Study: Canadian Natural Resources (CNQ)

- CNQ has exceeded its debt reduction targets and is expected to return 100% of FCF to shareholders
    - ~ 20% yield to shareholders over the next 2 years
    - 5 Year Dividend CAGR of 23%
    - **Base dividend has grown for 23 consecutive years**
- Founding member of the Oil Sands Pathways to Net Zero Alliance
    - Goal to reduce 90% of oil sands emissions
    - CNQ is Canada's largest owner of carbon capture capacity and the 6th largest globally
- High insider ownership and culture of accountability
- Owned and controlled infrastructure a significant advantage

CNQ Distributable FCF Waterfall Chart (Based on Strip Pricing)



Notes: 1) DFCF represents discretionary; 2) Buybacks assume 50% of NCIB executed in 2024 at current share price given 2023 historical

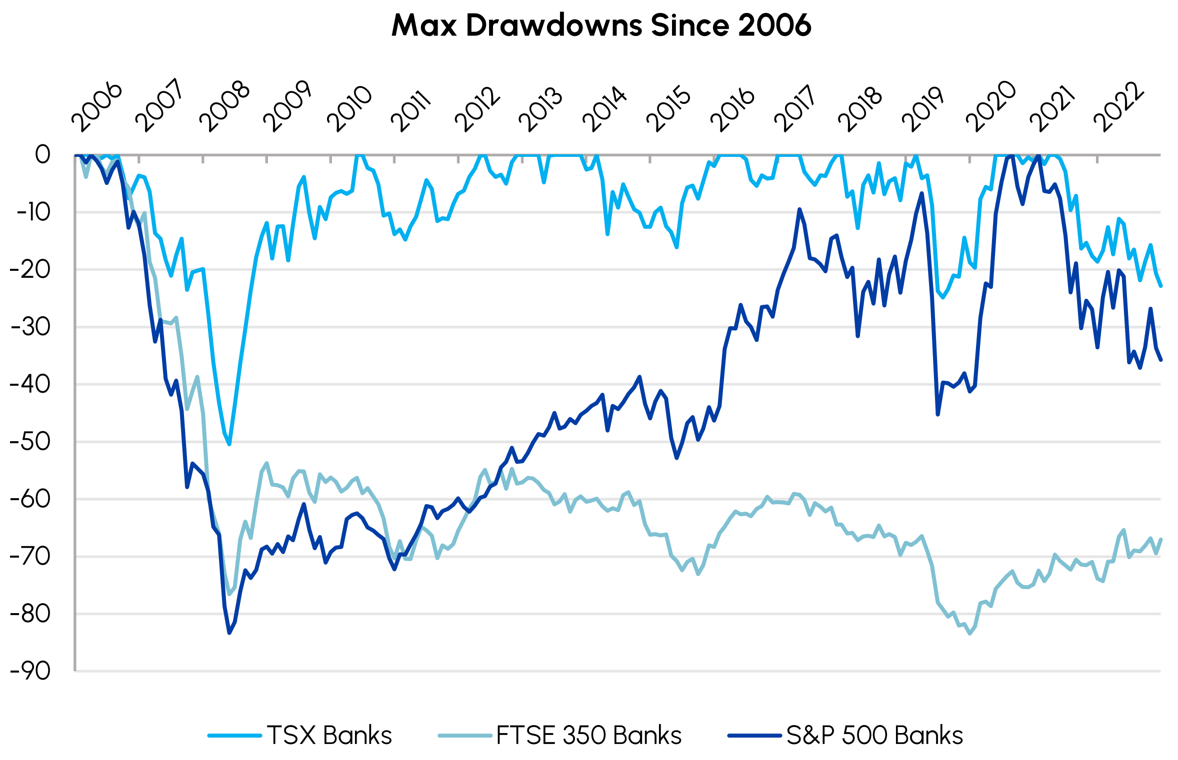
Sources: Middlefield, National Bank Research. As at 30 September 2023

Stable & Well-Capitalized Canadian Banks

Diversified Exposure to Canadian Financials

- Canadian banks have suffered from negative sentiment and underperformance, but are poised to rebound in H1'24
- Focus on Canadian banks with high exposure to U.S. economy and discounted valuations
- Forward P/Es are below historical range (9.3x vs. 10x-12x)
- Dividend yields averaging 5.7%, supported by low payout ratios and high capital reserves
- Banks proactively working with mortgagors to manage impact of higher rates
- Complementing exposure to banks with insurance companies to diversify risk amid period of higher-for-longer rates

Historically Less Volatile than Global Peers During Periods of Market Turmoil



Sources: Middlefield, Bloomberg, As at 30 September 2023

Summary

Canada is very attractive in the current macro economic environment

- Hedge against inflation through exposure to commodities and real estate
- Canadian equities are at trough valuations and inflation is among the lowest in the G7
- **Peaking short term rates provide a backdrop for Canadian equities to outperform U.S. equities**

Portfolio focused on high and growing dividend-paying Canadian businesses

- Canadian natural gas is a long-term solution to the energy trilemma – security, sustainability and affordability
- Real estate trading at widest discounts to NAV with well-covered dividends, solid balance sheets and ample liquidity
- Canadian banks are attractively valued, well-capitalized and a safe haven for depositors and investors

The Fund's NAV has outperformed the benchmark since inception in 2006

- The current discount to NAV represents significant upside potential
- Unique investment trust focused on Canadian equity income sector

Stable, reliable source of income

- 5.2p payout per annum – increased in January 2023
- 5%+ covered dividend yield
- **Portfolio dividend growth of 8.9% p.a. over past five years with 88% of portfolio companies increasing their dividend over this period**

Sources: Middlefield,. As at 30 September 2023

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