

## Portfolio Managers' Commentary

Equity markets finally took a breather in April after generating positive returns for five consecutive months. The Fund's NAV generated a total return of -3.7% which compares to the benchmark return of -2.8%. We think a partial retracement of the recent rally from the October 2023 lows represents a healthy correction within a longer-term bull market and we maintain our positive outlook on Canadian equities.

In British Pounds, the TSX Composite returned -2.5% in April and outperformed most global indices. Energy and materials outperformed once again as investors navigated rising geopolitical tensions. Israel's attack on a military base in Syria, which killed eight officers of Iran's IRGC, resulted in Iran firing over 300 missiles and drones directly at Israel for the first time in history. Although direct conflicts between the two nations are unlikely in the near term, the risk of further clashes between Israel and affiliated proxy groups in the region remains extremely high. Canadian equities typically outperform when geopolitical risks are elevated due to Canada's exposure to commodities and resource sectors. Considering U.S. Congress just passed a \$95 billion foreign aid package that is likely to prolong the ongoing conflicts in Ukraine and the Middle East, we expect geopolitical tensions to remain elevated for the foreseeable future.

The reasons to own Canadian equities go beyond hedging against geopolitical risk. Canada has seen a resurgence in foreign investment recently, with several major announcements in the past few months. Honda announced a \$15 billion EV manufacturing plant in Ontario that will add over 1,000 new manufacturing jobs and secures the current employment of 4,200 workers at its two existing sites. The announcement comes on the heels of IBM announcing plans to invest over \$730 million in its Canadian semiconductor packaging and testing plant in Quebec. More foreign investment may be on the horizon since Warren Buffet stated that Berkshire Hathaway is evaluating a major investment in Canada at its recent annual shareholder meeting in Omaha. Many of the companies in MCT's portfolio possess the quality/value characteristics that Buffet typically looks for and could be potential investment candidates.

Enbridge, the largest energy infrastructure company in North America, fits this description. Enbridge has a diverse asset base that generates significant free cash flow. The company reported Q1'24 adjusted EBITDA of \$4.95 billion, beating street estimates by nearly \$500 million. The company also sees a variety of organic growth opportunities in the near future thanks to the immense energy needs of artificial intelligence and data centers. After a decade of relatively flat power growth in the U.S., electricity demand is expected to grow by as much as 20% by 2030 according to Wells Fargo. Enbridge is well-positioned to capitalize on this opportunity with its established network. The company is also a major factor in U.S. LNG, currently supplying 15% of the natural gas to U.S. LNG export facilities with a goal of growing to 30% by 2030.

The U.S. economy has been remarkably resilient in recent months. This has caused markets to recalibrate their future interest rate assumptions and it is becoming increasingly likely that monetary policy will be more restrictive in the U.S. than Canada. Fed rate cuts have been pushed out to the end of the year with markets now pricing less than two total rate cuts in 2024. In contrast, the Bank of Canada is now expected to start cutting rates this summer with nearly three total cuts expected in 2024. Rate cuts from the Bank of Canada should act as a positive catalyst for MCT's portfolio and its core positions in REITs, utilities, financials and pipelines.

Click [here](#) for the May 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.

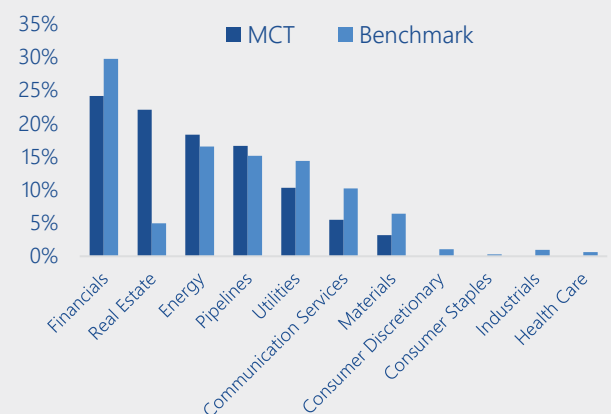
## Portfolio Summary

### Top 10 Holdings

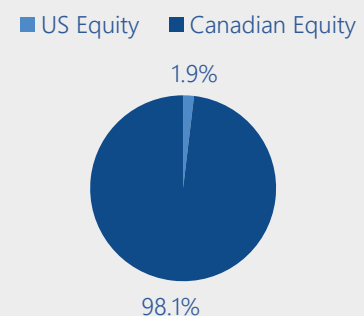
Name	Sector	% of Equities
Canadian Natural Resources	Energy	4.8%
Royal Bank of Canada	Financials	4.6%
Enbridge	Pipelines	4.6%
Manulife Financial	Financials	4.5%
Bank of Montreal	Financials	4.4%
Suncor Energy	Energy	4.0%
AltaGas	Utilities	3.7%
Pembina Pipeline	Pipelines	3.7%
BCE Inc.	Comm. Svcs.	3.6%
Tourmaline	Energy	3.3%

**Cumulative Weighting** **41.2%**

### 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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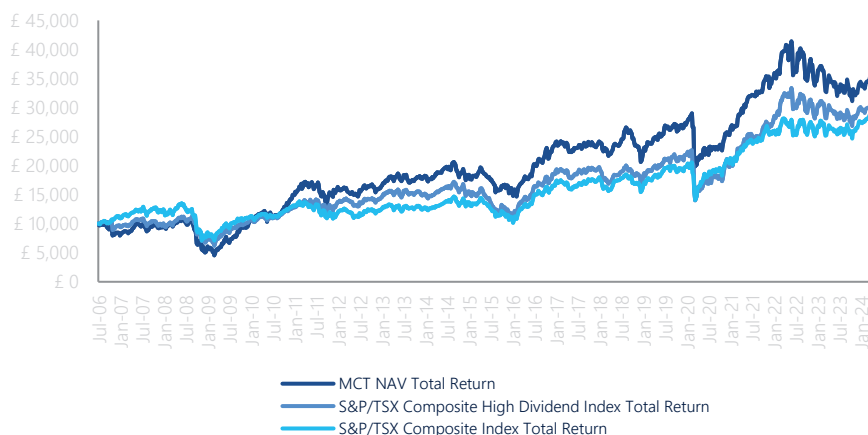
### Investment Objective

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	-0.4%	0.6%	8.1%	1.5%	-6.8%
NAV	-3.7%	2.2%	9.8%	0.9%	-1.2%
Benchmark	-2.8%	1.1%	10.7%	0.1%	0.8%
S&P/TSX Composite Index	-2.5%	3.1%	14.6%	2.6%	7.8%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	3.3%	5.5%	4.4%	4.8%	6.1%
NAV	3.8%	6.2%	5.7%	5.7%	6.7%
Benchmark	7.9%	8.7%	7.6%	6.8%	6.5%
S&P/TSX Composite Index	7.2%	9.3%	8.6%	8.0%	6.3%

Sources: Middlefield, Bloomberg. As at 30 April, 2024

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. Total returns including the reinvestment of dividends for all returns. Fund returns are net of fees. Composite of monthly total returns for the S&P/TSX Income Trust Index from inception to 31 December 2010 and the S&P/TSX Composite High Dividend Index (formerly named the S&P/TSX Equity Income Index) thereafter. Currency adjusted to reflect CAD\$ returns from inception of MCI to Oct 2011 and GBP returns thereafter since MCI was CAD\$ hedged from inception to Oct 2011.

<sup>1</sup>Borrowings as a percentage of total assets – the Fund has the power to borrow up to 25% of total assets

<sup>2</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	£127,717,437
Voting Shares	106,487,250
Share Price	100.00p
Net Asset Value	119.94p
Premium/Discount	-16.6%
Dividend p.a.	5.30p
Current Yield	5.3%
Gearing (Gross) <sup>1</sup>	16.1%
Gearing (Net) <sup>2</sup>	19.6%

### 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

