

Portfolio Managers' Commentary

MCT's momentum continued in September with the Fund's NAV appreciating 2.9% in British Pounds. Year-to-date, MCT's NAV has generated a total return of 12.1%, outperforming the Benchmark and the TSX Composite Index returns of 6.9% and 9.2%, respectively.

There were several important developments in global markets this month but the most impactful came from policy easing. The Bank of Canada announced its third consecutive 25 basis point rate cut in early September, bringing the Overnight Policy rate to 4.25%. In the U.S., the FOMC reduced the fed funds target rate by 50 basis points, above the 25 basis point cut anticipated by consensus. Meanwhile, the Bank of England kept rates unchanged at 5% as it awaits further signs that inflationary pressures have subsided.

Another form of policy easing came from China this month in what is being referred to as its "stimulus bazooka." The Chinese government announced bold measures in both monetary and fiscal policy to stem deflation and meet the country's annual growth target of 5%. Monetary measures include cutting the reserve requirement ratio by 0.5%, reducing short-term interest rates, and lowering mortgage rates for existing loans. On the fiscal front, the Ministry of Finance is planning to issue special sovereign bonds to stimulate consumption and could inject \$140 billion into the country's largest state banks. The announcements are aimed at accelerating lending and bolstering a declining property market – outcomes that could have broad implications for the global economy.

Canada is positioned to benefit from China's stimulus bazooka. The TSX Composite returned 3.2% in September (local currency) and closed at an all-time high on October 1st. Canadian stocks, particularly in the resource sectors, responded positively to the announcements from China in late September, before tensions between Iran and Israel caused oil prices to spike even further in early October. China is a major consumer of other Canadian exports as well, including lumber, precious metals and agricultural products. Canadian exporters should be beneficiaries of renewed demand tailwinds if the Chinese government's stimulus program has its desired effects. The TSX is trading at just 15x forward earnings and Canadian equities currently offer compelling growth at a reasonable price.

MCT's overweight exposure to Canadian REITs continued to contribute positively to performance this month. The TSX real estate sector returned 5.6% in September and is now up nearly 25% since late June. Despite the impressive rally, we maintain the view that REIT fundamentals are on solid footing and there is additional upside embedded in current unit prices. Against a backdrop of rising interest rates, many companies and analysts lowered their net asset value (NAV) estimates over the past two years. This was a prudent decision to reflect higher capitalization rates across the real estate sector. With interest rates now declining, a trend we expect to continue for several more quarters, we believe there is a high likelihood that NAVs will start to increase over the next twelve months. On paper, REITs are still trading at a c.10% discount to NAV on average, before making any significant adjustments to current NAV estimates. In addition to the price-to-NAV discount narrowing further, we expect NAV growth to act as an additional tailwind for the sector going forward.

Click [here](#) for the October 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.

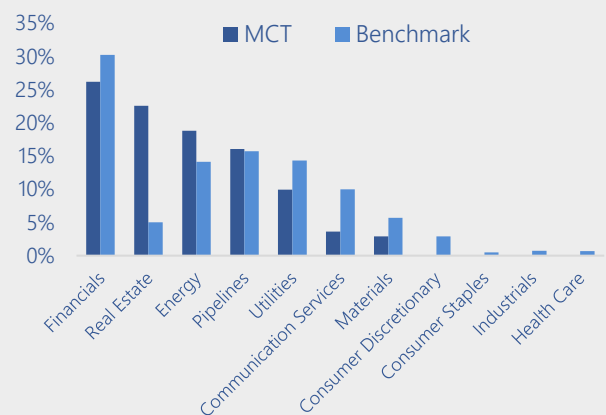
Portfolio Summary

Top 10 Holdings

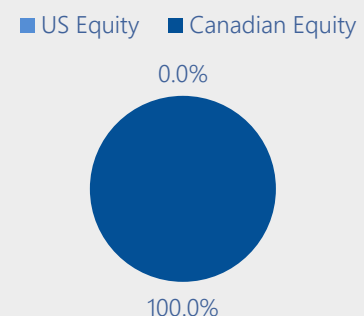
Name	Sector	% of Equities
Enbridge	Pipelines	4.3%
Tourmaline	Energy	4.3%
Royal Bank of Canada	Financials	4.1%
Canadian Natural Resources	Energy	4.0%
BCE Inc.	Comm. Svcs.	3.6%
TC Energy	Pipelines	3.4%
Pembina Pipeline	Pipelines	3.4%
Capital Power	Utilities	3.3%
Bank of Montreal	Financials	3.3%
CIBC	Financials	3.2%

Cumulative Weighting 36.8%

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

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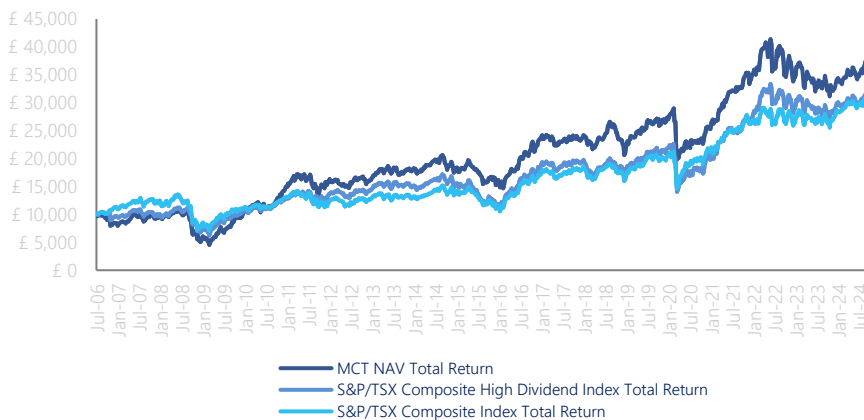
Investment Objective

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	4.9%	11.3%	14.2%	16.4%	15.9%
NAV	2.9%	10.0%	7.1%	12.1%	15.7%
Benchmark	1.3%	6.6%	3.9%	6.9%	12.5%
S&P/TSX Composite Index	0.9%	5.6%	3.8%	9.2%	15.8%

Long-Term Performance	3 Year annualised	5 year annualised	7 year annualised	10 year annualised	Since inception annualised
Share Price	5.8%	7.5%	6.6%	5.5%	6.7%
NAV	5.0%	6.5%	6.6%	6.5%	7.2%
Benchmark	7.8%	7.8%	7.6%	7.0%	6.7%
S&P/TSX Composite Index	7.5%	8.6%	8.4%	8.2%	6.5%

Sources: Middlefield, Bloomberg. As at 30 September, 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.

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

²Borrowings 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 ¹	S&P/TSX Composite High Dividend Index
Dividend Payable	Quarterly (Jan, Apr, Jul, Oct)
Management Fee	0.70% p.a.
Net Assets	£140,398,880
Voting Shares	106,487,250
Share Price	113.25p
Net Asset Value	131.90p
Premium/Discount	-14.1%
Dividend p.a.	5.30p
Current Yield	4.7%
Gearing (Gross) ³	15.1%
Gearing (Net) ⁴	18.0%

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

