

Update on Proposed Rollover into UCITS ETF

On 2 May 2025, Middlefield Canadian Income PCC (the "Company") and Middlefield Canadian Income " GBP PC (the "Fund") announced their intention to propose a voluntary winding up of the Company and the Fund, together with the option for shareholders of the Fund (the "Shareholders") to receive shares in a newly established, actively managed, listed and London Stock Exchange traded fund in the form of an authorised UCITS (Undertakings for Collective Investment in Transferable Securities) (the "ETF") in exchange for their shareholding in the Fund (the "Transaction").

The ETF will be managed by Middlefield Limited, the Company's investment manager (the "Middlefield"), and will offer Shareholders continued exposure to the Company's existing investment objective and policy. Shareholders who do not wish to continue their exposure via the ETF (whether with respect to their entire shareholding, or part thereof) will be able to participate in an uncapped cash exit at close to the Company's net asset value per share or elect to receive a combination of both shares in the ETF and cash.

As previously announced, Middlefield has appointed HANetf, a leading white-label provider of exchange traded products, to advise on the structuring and establishment of the ETF. In addition to managing the initial set-up, HANetf will provide ongoing operational, administrative and marketing support to Middlefield in its role as manager of the ETF. The ETF will be domiciled in Ireland.

By way of update, the Company and Fund are pleased to report that, following the conclusion of a customary ten-week application process, HANetf has secured the approval of the Central Bank of Ireland (the "Central Bank") for the establishment of the ETF. Following Central Bank approval, HANetf submitted an application to the Financial Conduct Authority (the "FCA") for the ETF's formal recognition by the FCA under the Overseas Fund Regime (the "Listing Approval"). It is expected that admission to trading of the ETF's shares on Euronext Dublin, Ireland's main stock exchange, and the London Stock Exchange plc will occur in Q4 2025.

Once Listing Approval has been granted, the Fund intends to publish a circular to Shareholders giving details of the Transaction and convening a separate class meeting and general meeting of Shareholders at which resolutions will be put forward for approval of the Transaction (the "Circular"). The Circular is expected to be published in September 2025.

In anticipation of the Transaction being implemented, and in order to minimise costs, the Fund has not taken out new borrowings as existing loans under its credit facility with Royal Bank of Canada have fallen due. These loans have now been fully repaid, leaving the Fund ungeared. The Fund intends to remain fully invested going forward.

Clearance has been received from HM Revenue & Customs under Section 138 of the Taxation of Chargeable Gains Act 1992 to the effect that the exchange of shares in the Fund for shares in the ETF should constitute a scheme of reconstruction for the purposes of UK taxation of chargeable gains. Accordingly, Shareholders who are subject to UK capital gains tax or corporation tax on chargeable gains should, in general, be able to roll over their investment into the ETF without triggering an immediate liability to UK capital gains tax or corporation tax on chargeable gains.

For further information, please contact:

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