



2021 SEMI - ANNUAL REPORT

**MIDDLEFIELD
GLOBAL
AGRICULTURE
CLASS**

M | M | F

MIDDLEFIELD MUTUAL FUNDS

MIDDLEFIELD CORPORATE PROFILE

The Middlefield Group was established in 1979 and is a Specialty Investment Manager which creates investment products designed to balance risk and return to meet the demanding requirements of Financial Advisors and their clients. These financial products include Exchange-Traded Funds, Mutual Funds, Private and Public Resource Funds, Split Share Corporations, Venture Capital Assets, TSX Publicly Traded Funds and Real Estate Investment Funds and Partnerships.

Middlefield's investment team comprises portfolio managers, analysts and traders. While all of our investment products are designed and managed by Middlefield professionals, some involve strategic partnerships with other "best-in-class" firms that bring unique value to our product offerings. In 2014, we entered into an exclusive arrangement with SSR, LLC, based in Stamford, Connecticut. They provide specialized research into sectors of the economy such as Healthcare and Innovation Technology. SSR is an independent investment firm whose analysts have been highly ranked and are recognized as leaders in their respective fields. Their fundamental company level research is often non-consensus and provides guidance on overall portfolio construction and security selection.

Looking ahead, Middlefield remains committed to managing and developing new and unique investment products to assist Financial Advisors in helping clients achieve their investment objectives.

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A NOTE ON FORWARD LOOKING STATEMENTS

This document may contain forward looking statements, including statements regarding: the Fund, its strategies, goals and objectives; prospects; future performance or condition; possible future actions to be taken by the Fund; and the performance of investments, securities, issuers or industries in which the Fund may from time to time invest. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future results, events, circumstances, expectations and performance, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and other similar wording. Forward looking statements are not historical facts, but reflect the Fund's current beliefs as of the date of this document regarding future results, events, circumstances, expectations or performance and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Forward looking statements are not guarantees of future performance, and actual results, events, circumstances, expectations or performance could differ materially from those expressed or implied in any forward looking statements contained in this document. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward looking statements include, but are not limited to: general economic, political, market and business factors and conditions; commodity price fluctuations; interest and foreign exchange rate fluctuations; global equity and capital markets; the financial condition of each issuer in which the Fund invests; the effects of competition in the industries or geographic areas in which the Fund may invest; statutory and regulatory developments; unexpected judicial or regulatory proceedings; and catastrophic events. Readers are cautioned that the foregoing list of factors is not exhaustive and to avoid placing undue reliance on forward looking statements due to the inherent uncertainty of such statements. The Fund does not undertake, and specifically disclaims, any obligation to update or revise any forward looking statements, whether as a result of new information, future developments, or otherwise.



*Actively Managed Portfolios that are Driving a Smarter, Healthier
and More Sustainable Future*



Middlefield Funds

YOUR PARTNER IN INCOME & GROWTH



MIDDLEFIELD
**Global
Real Estate Class**

MID 600/649/650/601



**REFINITIV LIPPER
FUND AWARDS**

2020 WINNER
CANADA

GLOBAL HEALTHCARE
DIVIDEND FUND

MID 325/327/330/326



MIDDLEFIELD
**Global Dividend Growers
Class**

MID 181/183/186/182



MIDDLEFIELD
Income Plus Class

MID 800/849/850/801



MIDDLEFIELD
Global Infrastructure Fund

MID 510/519/520/501



MIDDLEFIELD
Global Agriculture Class

MID 161/163/166/162

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2021 MID-YEAR REVIEW AND OUTLOOK

Global equities performed exceptionally well during the first half of 2021, with most major indices closing at all-time highs. The S&P 500, TSX Composite and Euro Stoxx 50 generated total returns of 15.2%, 17.3% and 16.6%, respectively. Inflows into global equity funds during the first half of the year totaled \$580 billion, the largest on record by a significant margin. It's expected that if the current pace of inflows continues throughout the second half of the year, equity funds will take in more money in 2021 than the previous twenty years combined.

Markets have been supported by the economic reopening, led by cyclical and value sectors. This began in November 2020 when initial positive vaccine data from Pfizer, Moderna and AstraZeneca provided a pathway to ending the pandemic. Vaccine rollouts progressed swiftly once they were approved, allowing restrictions to be lifted at a gradual pace throughout the world. As of July 2021, over 78.5% of Canadians aged 12 years or older had received at least one dose of a COVID-19 vaccine -- the highest adoption rate in the world. We believe economic momentum will continue in North America as second doses are administered and remaining restrictions are lifted, including the reopening of the U.S.-Canada border.

Economic reopening has contributed to rising inflation, with Core CPI, PPI and PCE inflation statistics spiking during the second quarter of 2021. As a result, global central banks, including the Bank of Canada and the Federal Reserve, are now adopting a more hawkish tone when guiding future monetary policy. A certain amount of tightening is now being priced in but this should not have a major impact on equities as long as it happens gradually and is appropriately signaled. This is reflected in equities reaching new highs in conjunction with U.S. 10-Year Treasury yields and Canadian Government 10-Year Bond yields increasing by 55 bps and 71 bps during the first half, respectively.

In the six months ended June 30, 2021, the Middlefield Income Plus Class and Middlefield IndexPlus Income Fund generated returns of 16.5% and 16.7%, respectively. Both funds provide unitholders with stable income in the form of monthly distributions in addition to capital appreciation potential underpinned by actively managed portfolios of dividend paying and dividend growing equities.

The real estate sector has outperformed this year in both Canada and the US, generating total returns of 21.7% and 23.3%, respectively. Cyclical asset classes that are positively correlated with the economic reopening, such as retail and office, were the biggest contributors to performance. Looking ahead to the second half of 2021, we remain bullish on industrial REITs, which have lagged the sector by more than 4% in Canada. E-Commerce activity increased as a result of the pandemic and continues to drive increasing demand for industrial properties. Availability rates in Vancouver, Toronto and Montreal are at 1.1%, 1.2% and 1.4%, respectively as new supply is unable to keep pace with the rate of absorption, thereby leading to rapid growth in rents. In 2021, more than 26 million square feet of industrial space has been absorbed in Canada relative to a more modest 8.8 million square feet of completions. Demand is also at record highs in the U.S. with net absorption of 85.6 million square feet during the first quarter – the second highest on record.

Since inception in November 2011, the Middlefield Global Real Estate Class has generated an annualized total return of 11.4% (Series F) relative to the benchmark return of 8.5%. The Fund is overweight industrial REITs which have been a detractor to performance year-to-date but whose positive fundamentals should drive performance in the second half of 2021 and beyond. In addition, the Fund is overweight specialized REITs such as data centers and towers which provide critical infrastructure and should benefit from the ongoing digitization of economic activity.

The S&P 500 healthcare sector generated a total return of 11.9% during the first half of the year, trailing the broader market by over 3%. Pharmaceuticals and biotechnology, both large industry weights within the sector, underperformed and were negative contributors to performance. The S&P 500 pharmaceuticals industry ended Q2 trading at a forward price to earnings ratio of just 14.7x compared to the sector multiple of 17.2x and the broader market multiple of 21.6x. We have a positive long-term outlook on the healthcare sector and see potential for increasing returns in the second half of the year given its combination of quality and defense at attractive valuations. Healthcare consumption is normalizing with physician visits returning and restrictions on elective surgeries being lifted. Recent employment data in the U.S. has also been encouraging, which supports a healthy reimbursement environment for healthcare providers.

The Middlefield Family of mutual funds, which are listed at the end of this report, currently includes eight different funds within the multi-class structure and three mutual fund trusts. The multi-class structure of Middlefield Mutual Funds enables investors to benefit from superior tax efficiencies unavailable to other forms of investment funds. In addition, almost all classes are offered in F-Series.

The Middlefield Global Healthcare Dividend Fund has generated an annualized total return of 11.2% (Series F) since inception in October 2014. The Fund invests in a diversified portfolio primarily comprised of dividend-paying companies that operate in the global healthcare sector, an area underrepresented in the Canadian market. It is positioned to capitalize on the positive long-term outlook for healthcare which is underpinned by aging demographics and growing demand for needs-based products.

Information Technology demonstrated market leadership in 2020 but lagged during most of 2021 as the economic reopening primarily benefited cyclically-oriented companies. This trend reversed in June with the NASDAQ rising 5.6%, supported by general strength across tech-focused industries. The pandemic has accelerated certain secular trends including E-commerce and working from home, thereby driving demand for data-reliant services such as streaming, cloud storage and virtual communication. As a result, we maintain a very optimistic long-term outlook on the technology sector.

The backdrop for sustainable infrastructure, specifically renewables, strengthened during the first half of the year. We are witnessing a seismic shift in the way society consumes and produces energy. In April 2021, the U.S. pledged to slash its greenhouse gas emissions by at least 50% by 2030 and to achieve net-zero emissions by 2050, joining the world's largest economies in setting aggressive long-term climate targets. The private sector generally, and the world's largest companies in particular, are also providing major support for net zero investments. For example, Apple has committed to being 100% carbon neutral from its supply chain and products by 2030 and Microsoft has pledged by 2050 to remove all the carbon it has emitted since it was founded in 1975. An interest rate-driven selloff in renewable focused companies during the first half has led to attractive valuations and compelling entry points with major clean energy supermajors pricing in near-zero value for future growth.

The Middlefield Global Infrastructure Fund returned 8.9% during the first half of the year as compared to the benchmark return of 5.4%. The Fund's biggest weighting is in renewable-focused utilities, complemented by exposure to construction, real estate, energy infrastructure, concessions and water companies. Portfolio companies are considered and analyzed on various metrics, including their sustainability strategies, placing a large emphasis on their long-term ESG compliance.

Commodity prices increased significantly during the first half. WTI crude oil prices have risen more than 50% this year while North American natural gas prices are at their highest levels in seven years. Against this backdrop, we anticipate significant free cash flow generation from the Canadian energy sector which can be used for strategic investments in renewables, carbon capture and storage, hydrogen infrastructure and other initiatives aligned with ESG principles. Enbridge continues to stand out as an ESG leader among its peers, with the company recently publishing another comprehensive Sustainability Report as well as a framework for issuing sustainability-linked bonds that link corporate costs to ESG performance, further aligning the interests of shareholders and company management.

The outlook for equity income remains attractive. Despite the recent increases in longer duration bond yields, interest rates are near historical lows and support current market multiples. While corporate earnings have been very strong in the first half of 2021, we expect this momentum to continue well into 2022. Over the long-term, we believe an actively managed diversified portfolio of dividend paying and dividend growing equities should generate attractive risk-adjusted returns. We remain focused on companies with predictable cash flows and sustainable business models to mitigate volatility.



Dean Orrico
President, CEO and Chief Investment Officer
Middlefield Capital Corporation



Robert F. Lauzon
Managing Director and Deputy Chief Investment Officer
Middlefield Capital Corporation

An Award-Winning Family of Mutual Funds

TRUST FUNDS

GLOBAL HEALTHCARE DIVIDEND FUND

[MID 325/327/330] Series F [MID 326]

The Fund's objectives are to provide stable cash distributions and long-term total returns. The Fund invests primarily in dividend paying securities of global issuers operating in, or deriving a significant portion of their revenue or earnings from, the healthcare industry.

INDEXPLUS INCOME FUND

[MID 435/437/440] Series F [MID 436]

The Fund's objectives are to pay monthly distributions and outperform the S&P/TSX Composite High Dividend Index. The Fund invests in a diversified portfolio of equity income securities of which a portion tracks the Index. The remainder of the portfolio is actively managed to enhance returns and reduce the risks associated with indexing, while maintaining low-cost exposure to the underlying equity income market.



4-STAR RATING (MORNINGSTAR)

MIDDLEFIELD GLOBAL INFRASTRUCTURE FUND

[MID 510/519/520] Series F [MID 501]

The Fund's objective is to maximize long-term total return by investing in a diversified portfolio of companies that own, develop, maintain or are involved in the global infrastructure sector.



4-STAR RATING (MORNINGSTAR)

CORPORATE CLASS FUNDS

MIDDLEFIELD INCOME PLUS CLASS

[MID 800/849/850] Series F [MID 801]

The objective of this Fund is to provide a stable level of income while emphasizing capital preservation by investing in a diversified portfolio of equity and fixed income securities. Income Plus Class received Fundata's FUNDGRADE® "A" Award for outstanding performance in the 2013 calendar year.



WINNER OF THE 2017
THOMSON REUTERS
LIPPER FUND AWARDS
CANADA



MIDDLEFIELD U.S. DIVIDEND GROWERS CLASS

[MID 710/719/720] Series F [MID 701]

The objective of this Fund is to maximize long-term total return by investing primarily in dividend paying equity and fixed income securities of U.S. issuers.

MIDDLEFIELD GLOBAL DIVIDEND GROWERS CLASS

[MID 181/183/186] Series F [MID 182]

The objective of this Fund is to maximize long-term total return by investing primarily in dividend paying equity and fixed income securities of global issuers.



4-STAR RATING (MORNINGSTAR)

MIDDLEFIELD GLOBAL REAL ESTATE CLASS

[MID 600/ 649/ 650] Series F [MID 601]

The Fund's objectives are to provide a stable level of income and maximize long-term total return. The Fund invests primarily in equities, including real estate investment trusts and common stocks, as well as equity-related and fixed income securities of issuers operating in the real estate sector.



5-STAR RATING (MORNINGSTAR)



REFINITIV LIPPER
FUND AWARDS

2020 WINNER
CANADA

MIDDLEFIELD CANADIAN DIVIDEND GROWERS CLASS

[MID 148/449/450] Series F [MID 149]

The objective of this Fund is to provide long-term growth of capital through investment in equity and some debt securities. Investments are primarily in dividend paying equity and fixed income securities of Canadian issuers.

MIDDLEFIELD GLOBAL SUSTAINABLE ENERGY CLASS

[MID 125/127/130] Series F [MID 126]

This Fund seeks to maximize long-term total return by investing in a portfolio of issuers that operate in or have exposure to the sustainable energy sector.

MIDDLEFIELD GLOBAL AGRICULTURE CLASS

[MID 161/163/166] Series F [MID 162]

The objective of this Fund is to provide long-term growth of capital by investing in equity securities of issuers operating in the agricultural sector.

MIDDLEFIELD HIGH INTEREST INCOME CLASS

[MID 400/424/425]

The objective of this Fund is to provide a high level of interest income by investing in high quality fixed income securities, while emphasizing capital preservation and liquidity.

All mutual funds are RRSP, RRIF, DPSP, RESP, RDSP and TFSA eligible. The Fund codes are listed in brackets after each fund name.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

This interim management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. This report should be read in conjunction with the complete interim financial report of the investment fund that follows this report. The interim financial report has not been reviewed by the investment fund's external auditors.

Securityholders may contact us by calling 1-888-890-1868, by writing to us at Middlefield Group at one of the addresses on the back cover or by visiting our website at www.middlefield.com to request a copy of the investment fund's annual financial statements, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management's Discussion of Fund Performance

Investment Objective and Strategies

Middlefield Global Agriculture Class (the "Fund") is a mutual fund class of Middlefield Mutual Funds Limited. The Fund is authorized to issue series of shares designated as Series A and F. The Fund's objective is to provide long-term growth of capital. The Fund invests in equity securities of issuers with high growth potential operating in the agricultural sector.

Results of Operations

Investment Performance

The net assets of the Fund increased from \$ 9.5 million at December 31, 2020 to \$13.1 million at June 30, 2021. Net assets on a per share basis for Series A increased from \$22.77 at December 31, 2020 to \$24.45 at June 30, 2021. Net assets on a per share basis for Series F increased from \$25.19 at December 31, 2020 to \$27.21 at June 30, 2021. The Fund recorded a \$0.7 million net gain on its investment portfolio during the six months ended June 30, 2021.

Revenue and Expenses

Revenue for the six months ended June 30, 2021, amounted to \$0.8 million, up from a loss of \$ 1.1 million in 2020. The increase was primarily due to the net gain on the Fund's investments. Operating expenses for the period ended June 30, 2021, remained unchanged from the prior year period at \$0.1 million. The management expense ratio ("MER") in 2021 was 2.52% for Series A and 1.44% for Series F.

Trends

Global equities performed exceptionally well during the first half of 2021 with most major indices at all-time highs. The S&P 500, TSX Composite and Euro Stoxx 50 generated total returns of 15.2%, 17.3% and 16.6%, respectively. Inflows into global equity funds during the first half of the year totaled \$580 billion, the largest on record by a significant margin.

Related Party Transactions

Pursuant to a management agreement, Middlefield Limited (the "Manager") receives a management fee. For further details please see the "Management Fees" section of this report. Middlefield Capital Corporation ("MCC" or the "Advisor"), the advisor to the Fund and a company under common control with the Manager, receives advisory fees from the Manager out of the management fee. MCC also receives brokerage commissions from the Fund in connection with securities transactions. All brokerage commissions paid by the Fund to MCC were at or below market rates. For further details please see the notes to the financial statements.

Management Fees

Management fees are calculated at 2.0% per annum for the Series A shares and 1.0% per annum for the Series F shares, of the net asset value of each Series and are split between the Manager, the Advisor and investment dealers who receive trailing commissions. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund.

Financial Highlights

Net Assets Attributable to Holders of Redeemable Shares are calculated in accordance with International Financial Reporting Standards ("IFRS").

"Net Asset Value" is calculated in accordance with section 14.2 of National Instrument 81-106 "Investment Fund Continuous Disclosure" ("NI 81-106") and is used for transactional pricing purposes.

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the indicated periods. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

The Fund's Net Assets Per Share ⁽¹⁾ – Series A	June 30 2021 ⁽⁴⁾	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39	\$ 19.32	\$ 18.38
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.21	0.31	0.37	0.38	0.36	0.31
Total Expenses ⁽³⁾	(0.30)	(0.51)	(0.52)	(0.54)	(0.49)	(0.44)
Realized Gains (Losses) for the Period	0.59	0.25	(0.16)	1.04	0.03	0.90
Unrealized Gains (Losses) for the Period	0.63	1.09	2.63	(3.25)	2.18	0.07
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	1.68	1.49	2.30	(2.41)	2.07	0.94
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 24.45	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39	\$ 19.32

The Fund's Net Assets Per Share ⁽¹⁾ – Series F	June 30 2021 ⁽⁴⁾	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90	\$ 20.46	\$ 19.25
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.22	0.34	0.40	0.41	0.39	0.33
Total Expenses ⁽³⁾	(0.19)	(0.32)	(0.32)	(0.33)	(0.29)	(0.26)
Realized Gains (Losses) for the Period	0.88	0.22	(0.17)	1.02	0.02	0.94
Unrealized Gains (Losses) for the Period	1.04	1.78	2.62	(3.64)	2.34	0.32
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.01)	-	(0.01)	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	2.02	1.90	2.74	(2.35)	2.44	1.21
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 27.21	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90	\$ 20.46

⁽¹⁾ This information is derived from the Fund's audited annual financial statements and unaudited interim financial report.

⁽²⁾ Net Assets Attributable to Holders of Redeemable Shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. This schedule is not a reconciliation of Net Asset Value since it does not reflect shareholder transactions as shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and accordingly columns may not add.

⁽³⁾ There were no distributions paid by the Fund.

⁽⁴⁾ For the six month period ended June 30, 2021.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Ratios and Supplemental Data – Series A	June 30 2021⁽⁴⁾	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total Net Asset Value (000s)	\$ 7,730	\$ 4,420	\$ 4,851	\$ 4,579	\$ 5,507	\$ 5,634
Number of Shares Outstanding	316,121	194,134	227,989	241,273	257,426	291,538
Management Expense Ratio ("MER") ⁽¹⁾	2.52%	2.58%	2.53%	2.58%	2.45%	2.40%
Trading Expense Ratio ⁽²⁾	0.10%	0.08%	0.03%	0.10%	0.04%	0.10%
Portfolio Turnover Rate ⁽³⁾	6.20%	32.47%	4.83%	27.63%	6.57%	31.77%
Net Asset Value Per Share	\$ 24.45	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39	\$ 19.32

Ratios and Supplemental Data – Series F	June 30 2021⁽⁴⁾	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total Net Asset Value (000s)	\$ 5,407	\$ 5,054	\$ 5,336	\$ 3,028	\$ 2,481	\$ 2,552
Number of Shares Outstanding	198,718	200,617	229,081	147,394	108,320	124,730
Management Expense Ratio ("MER") ⁽¹⁾	1.44%	1.49%	1.44%	1.49%	1.34%	1.33%
Trading Expense Ratio ⁽²⁾	0.10%	0.08%	0.03%	0.10%	0.04%	0.10%
Portfolio Turnover Rate ⁽³⁾	6.20%	32.47%	4.83%	27.63%	6.57%	31.77%
Net Asset Value Per Share	\$ 27.21	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90	\$ 20.46

⁽¹⁾ The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽²⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio investments are managed. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁽⁴⁾ As at June 30, 2021 or for the six month period ended June 30, 2021, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

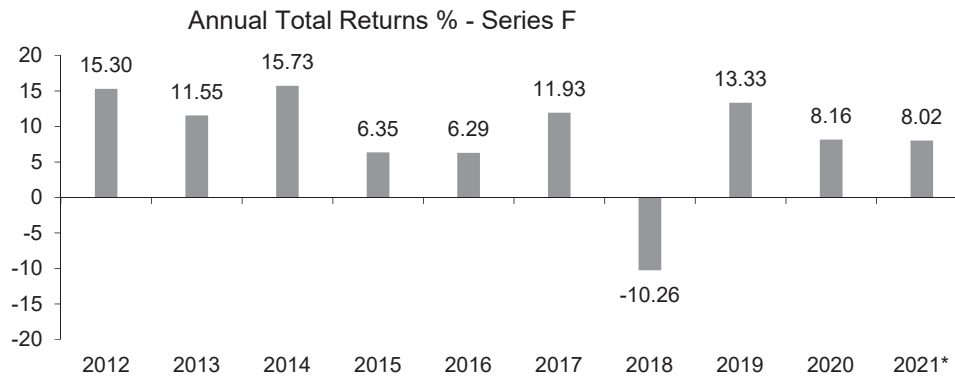
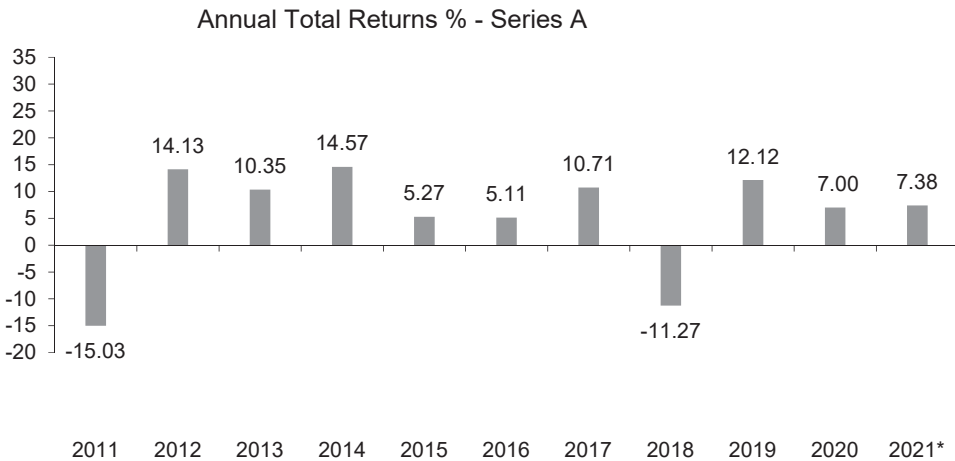
FOR THE SIX MONTHS ENDED JUNE 30, 2021

Past Performance

The performance information shown, which is based on Net Asset Value, does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar charts show how the Fund's performance has varied from year-to-year for each of the years shown. The return for Series F for 2011 is not presented since it relates to a partial period. The charts indicate, in percentage terms, how much an investment made the first day of each financial period would have grown or decreased by the last day of the financial period.



* For the six month period ended June 30, 2021.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Summary of Investment Portfolio

AS AT JUNE 30, 2021

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 Deere & Company	4.1
2 Nutrien Ltd.	3.7
3 Beyond Meat Inc.	3.7
4 AGCO Corporation	3.7
5 IDEXX Laboratories Inc.	3.6
6 Zoetis Inc.	3.5
7 Tractor Supply Company	3.5
8 Darling Ingredients Inc.	3.5
9 Archer-Daniels-Midland Company	3.1
10 Tyson Foods Inc.	3.1
11 The Mosaic Company	3.0
12 CNH Industrial NV	3.0
13 BASF SE	3.0
14 Bunge Limited.	2.9
15 Mondelez International Inc.	2.9
16 Maple Leaf Foods Inc.	2.9
17 CF Industries Holdings Inc.	2.9
18 PepsiCo Inc.	2.8
19 Scotts Miracle-Gro Company	2.7
20 Caterpillar Inc.	2.7
21 Koninklijke DSM NV	2.6
22 The Toro Company	2.6
23 FMC Corporation	2.5
24 The Procter & Gamble Company	2.5
25 Corteva Inc.	2.5

"Top Twenty-Five Holdings" excludes any temporary cash investments.

ASSET CLASS	% OF NET ASSET VALUE
Consumer Staples	34.3
Industrials	28.8
Materials	24.6
Healthcare	7.1
Technology	3.5
Cash and Short-Term Investments	4.3
Other Assets (Liabilities)	(2.6)
	100.0
TOTAL NET ASSET VALUE	\$ 13,137,303

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions. Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.



INTERIM FINANCIAL REPORT

NOTICE

The accompanying unaudited financial statements of Middlefield Global Agriculture Class for the period ended June 30, 2021 have been prepared by management and have not been reviewed by the external auditors of the Fund.



Jeremy Brasseur
Director
Middlefield Limited



Craig Rogers
Director
Middlefield Limited

August 23, 2021

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Financial Position

AS AT

(In Canadian Dollars)

June 30, 2021

December 31, 2020

ASSETS

Current Assets

Investments at Fair Value Through Profit or Loss	\$	12,905,246	\$	8,909,851
Cash		568,425		581,902
Income and Interest Receivable		10,751		9,961
Subscriptions Receivable		1,033		1,257
Prepaid Expenses		651		-
Total Assets		13,486,106		9,502,971

LIABILITIES

Current Liabilities

Redemptions Payable	\$	309,768	\$	-
Management Fee Payable (Note 10)		21,552		22,781
Accounts Payable and Accrued Liabilities		17,483		6,228
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Shares)		348,803		29,009

Net Assets Attributable to Holders of Redeemable Shares	\$	13,137,303	\$	9,473,962
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Net Assets Attributable to Holders of Redeemable Shares - Series A	\$	7,730,372	\$	4,419,576
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Net Assets Attributable to Holders of Redeemable Shares - Series F	\$	5,406,931	\$	5,054,386
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Mutual Fund Shares Issued and Outstanding - Series A (Note 6)	\$	316,121	\$	194,134
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Mutual Fund Shares Issued and Outstanding - Series F (Note 6)	\$	198,718	\$	200,617
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Net Assets Attributable to Holders of Redeemable Shares per Share – Series A	\$	24.45	\$	22.77
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Net Assets Attributable to Holders of Redeemable Shares per Share – Series F	\$	27.21	\$	25.19
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The accompanying notes to financial statements are an integral part of these financial statements.

Approved by the Board of Directors:



Director: Francisco Z. Ramirez



Director: Catherine E. Rebuldela

INTERM FINANCIAL REPORT

UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2021	2020
REVENUE (LOSS)		
Income from Investments	\$ 118,246	\$ 67,025
Interest Income for Distribution Purposes	810	2,571
Securities Lending Income (Note 11)	-	184
Foreign Exchange Gain (Loss) on Cash	(7,639)	21,444
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss		
Net Realized Gain (Loss) from Investment Transactions	345,730	112,959
Change in Net Unrealized Gain (Loss) on Investments	384,348	(1,286,636)
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	(163)	(125)
Total Revenue (Loss)	841,332	(1,082,578)
OPERATING EXPENSES (Note 10)		
Audit Fees	1,812	2,090
Custodial Fees	692	428
Fund Administration Costs	11,092	15,769
Legal Fees	429	330
Management Fee	102,521	65,394
Securityholder Reporting Costs	4,053	3,405
Transaction Costs (Note 8)	5,697	5,085
Total Operating Expenses	126,296	92,501
Profit (Loss) before Tax	715,036	(1,175,079)
Withholding Taxes	16,814	8,368
Profit (Loss) after Tax	\$ 698,222	\$ (1,183,447)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ 698,222	\$ (1,183,447)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series A	\$ 296,975	\$ (604,120)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ 401,247	\$ (579,327)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series A (Note 6)	\$ 1.12	\$ (3.00)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series F (Note 6)	\$ 1.94	\$ (2.92)

The accompanying notes to financial statements are an integral part of these financial statements.

INTERIM FINANCIAL REPORT

UNAUDITED

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 4,419,576	\$ 5,054,386	\$ 9,473,962
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	296,975	401,247	698,222
REDEEMABLE SHARE TRANSACTIONS:			
Proceeds from Issue of Shares	3,850,625	680,316	4,530,941
Payment on Redemption of Shares	(836,804)	(729,018)	(1,565,822)
	3,013,821	(48,702)	2,965,119
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 7,730,372	\$ 5,406,931	\$ 13,137,303

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

FOR THE SIX MONTHS ENDED JUNE 30, 2020

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 4,851,082	\$ 5,335,511	\$ 10,186,593
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(604,120)	(579,327)	(1,183,447)
REDEEMABLE SHARE TRANSACTIONS			
Proceeds from Issue of Shares	185,102	444,950	630,052
Payment on Redemption of Shares	(1,144,478)	(1,161,162)	(2,305,640)
	(959,376)	(716,212)	(1,675,588)
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 3,287,586	\$ 4,039,972	\$ 7,327,558

The accompanying notes to financial statements are an integral part of these financial statements.

INTERM FINANCIAL REPORT

UNAUDITED

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ 698,222	\$ (1,183,447)
Adjustments:		
Proceeds from Sale of Investments	687,475	2,600,630
Purchases of Investments	(3,952,792)	(1,398,443)
Foreign Exchange (Gain) Loss on Cash	7,802	(21,319)
Net Realized (Gain) Loss from Investment Transactions	(345,730)	(112,959)
Change in Net Unrealized (Gain) Loss on Investments	(384,348)	1,286,636
	(3,289,371)	1,171,098
Net Change in Non-Cash Working Capital	8,585	6,114
Net Cash from (used in) Operating Activities	(3,280,786)	1,177,212
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	4,531,165	644,200
Payment on Redemption of Shares	(1,256,054)	(2,310,641)
Net Cash from (used in) Financing Activities	3,275,111	(1,666,441)
Net Increase (Decrease) in Cash	(5,675)	(489,229)
Net Foreign Exchange Gain (Loss) on Cash	(7,802)	21,319
Cash at Beginning of Period	581,902	1,203,902
Cash at End of Period	\$ 568,425	\$ 735,992

The accompanying notes to financial statements are an integral part of these financial statements.

INTERIM FINANCIAL REPORT

UNAUDITED

Schedule of Investment Portfolio

AS AT JUNE 30, 2021
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Archer-Daniels-Midland Company	5,500	\$ 253,718	\$ 412,725
Beyond Meat Inc.	2,500	412,911	487,549
Bunge Limited	4,000	236,825	387,092
Conagra Brands Inc.	6,800	324,463	306,335
Constellation Brands Inc.	1,100	271,987	318,588
Darling Ingredients Inc.	5,500	112,633	459,718
Maple Leaf Foods Inc.	15,000	385,935	385,950
Mondelez International Inc.	5,000	313,598	386,597
PepsiCo Inc.	2,000	364,728	366,957
The Procter & Gamble Company	2,000	344,566	334,167
Tyson Foods Inc.	4,500	144,799	411,016
US Foods Holding Corp.	6,000	235,113	285,007
CONSUMER STAPLES: 33.7%		3,401,276	4,541,701
AG Growth International Inc.	8,000	333,042	308,160
AGCO Corporation	3,000	333,721	484,348
BASF SE	4,000	452,285	390,267
Caterpillar Inc.	1,300	259,192	350,338
Cervus Equipment Corp.	10,000	164,771	165,000
CNH Industrial NV	19,000	251,802	393,383
Deere & Company	1,200	93,570	524,113
Kubota Corporation	2,600	109,033	325,209
The Toro Company	2,500	334,521	340,160
Tractor Supply Company	2,000	285,126	460,795
INDUSTRIALS: 27.8%		2,617,063	3,741,773
Ball Corporation	3,000	324,071	300,981
CF Industries Holdings Inc.	6,000	187,653	382,263
Corteva Inc.	6,000	240,247	329,511
FMC Corporation	2,500	227,527	334,960
Koninklijke DSM NV	1,500	332,666	346,711
The Mosaic Company	10,000	363,858	395,141
Nutrien Ltd.	6,500	372,917	488,215
Scotts Miracle-Gro Company - Class A	1,500	314,344	356,481
Sociedad Quimica y Minera de Chile S.A.	5,000	335,217	293,043
MATERIALS: 24.0%		2,698,500	3,227,306
IDEXX Laboratories Inc.	600	154,208	469,228
Zoetis Inc.	2,000	127,919	461,538
HEALTHCARE: 6.9%		282,127	930,766
CubicFarm Systems Corp.	200,000	314,675	284,000
Farmers Edge Inc.	15,000	271,310	179,700
TECHNOLOGY: 3.4%		585,985	463,700
TRANSACTION COSTS (NOTE 8)		(10,581)	-
TOTAL INVESTMENTS: 95.8%		9,574,370	12,905,246
CASH: 4.2%		568,425	568,425
Total Investment Portfolio, including Cash		\$ 10,142,795	\$ 13,473,671

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

1. Middlefield Global Agriculture Class

Middlefield Global Agriculture Class (the "Fund") is one of eight classes of issued mutual fund shares of Middlefield Mutual Funds Limited (the "Corporation"), a mutual fund corporation continued under the laws of Alberta. Effective January 1, 2017, switches between classes of a mutual fund corporation are considered a disposition at fair market value for tax purposes, resulting in the recognition of capital gains or losses for investors. The changes have not affected switches between Series A and Series F securities of the same Mutual Fund class. The Fund is authorized to issue series of shares designated as Series A and F. Each series has a different management fee rate. The Fund first issued Series A shares on May 26, 2009 and Series F on June 17, 2011. The investment objective of the Fund is to provide long-term growth of capital by investing in equity securities of issuers with high growth potential operating in the agricultural sector. Middlefield Limited is the manager of the Fund (the "Manager"). The address of the Fund's registered office is 812 Memorial Drive N.W., Calgary, Alberta. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Fund on August 23, 2021.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

3. Summary of Significant Accounting Policies

A. Basis of Accounting

IFRS 9 *Financial Instruments* ("IFRS9")

The Fund classifies and measures financial instruments in accordance with IFRS 9, which requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Fund's financial assets and liabilities are classified at fair value through profit or loss ("FVTPL") and amortized cost.

Classification, Measurement, Impairment and Hedge Accounting

The Fund classifies its investments in debt and equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") was chosen upon adoption. Consequently, these financial assets are mandatorily measured at FVTPL.

Financial assets or financial liabilities held for trading are those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit taking. All derivatives and short positions are included in this category and mandatorily measured at FVTPL. The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 uses the expected credit loss model ("ECL"), as the new impairment model for financial assets carried at amortized cost. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime of ECLs. Due to the high quality and short-term nature of the trade receivables, there are no expected credit losses associated with them and they are not considered impaired at the reporting dates.

The Fund does not apply general hedge accounting to any of its derivatives positions.

B. Financial Instruments

The Fund's financial instruments may include: short-term investments, fixed income, equities, structured products including investment funds managed by the Manager, derivatives (collectively referred to as "investments"), cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, subscriptions receivable, prepaid expenses, management fee payable, accounts payable and accrued liabilities. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

3. Summary of Significant Accounting Policies (continued)

B. Financial Instruments (continued)

The Fund's Net Assets Attributable to Holders of Redeemable Shares are measured at fair value. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with shareholders.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

C. Redeemable Shares and Net Assets Attributable to Holders of Redeemable Shares

The Fund has two series of redeemable shares in issue: Series A and Series F. Both rank pari passu in all material respects and have the same terms and conditions other than the management fee rate, which is 2.0% for Series A and 1.0% for Series F.

Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV attributable to the share class. The redeemable shares are classified as financial liabilities and are measured at the redemption amounts.

Redeemable shares are issued and redeemed based on the Fund's NAV per share, calculated by dividing the net assets of the Fund, calculated in accordance with the Fund's Simplified Prospectus, by the number of redeemable shares in issue. The Fund's Simplified Prospectus requires that investment positions are valued on the basis of the last traded market price for the purpose of determining the trading NAV per share for subscriptions and redemptions.

The financial assets and liabilities at fair value through profit or loss in the Statements of Financial Position are based on closing prices in accordance with IFRS.

Distributions are declared at the discretion of the board of directors of the Corporation. The board of directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring distributions including, if applicable, capital gains dividends to refund tax which would otherwise be payable by the Corporation. Distributions to holders of redeemable shares are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. Income not distributed is included in Net Assets Attributable to Holders of Redeemable Shares. No distributions have been paid by the Fund.

Net assets are calculated for each series of shares of the Fund. The net assets of a particular series of shares is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series. Management fees directly attributable to a series are charged to that series. Other expenses, investment income and realized and unrealized gains and losses on investments are allocated proportionately to each series based upon the relative net assets of each series.

D. Fair Value Measurement

The Fund's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Investments and futures contracts are valued at fair value using the policies described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Futures contracts are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

3. Summary of Significant Accounting Policies (continued)

D. Fair Value Measurement (continued)

that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

E. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any realized gains or losses from such transactions are calculated on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. The change in the difference between fair value and average cost of the investments is recorded as an unrealized gain (loss) on investments. Income from investments is recognized on the ex-dividend or ex-distribution date. Interest income for distribution purposes shown on the Statements of Comprehensive Income represents the interest received on bank deposits by the Fund and, if the Fund holds fixed income investments, coupon interest accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax. Income distributions received are treated consistently with dividends and interest and recorded in income in the Statements of Comprehensive Income.

F. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares Per Share

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share in the Statements of Comprehensive Income represents the increase (decrease) in Net Assets Attributable to Holders of Redeemable Shares for each series divided by the average shares outstanding for each series during the period.

G. Income Taxes

The Corporation qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada) (the "Tax Act"). The Corporation is subject to tax at the full corporate rate on its taxable income. Dividends received from taxable Canadian corporations are generally not included in the taxable income of the Corporation but are subject to a special tax, refunded at a rate of 38 1/3 % of taxable dividends distributed by the Corporation to its shareholders. Capital gains realized in the year are included in the taxable income of the Fund at the applicable capital gains rate. The Corporation is eligible for a refund calculated on a formula basis when mutual fund shares are redeemed or when capital gains dividends are paid to shareholders. The Corporation endeavours to pay out sufficient Canadian dividends and net capital gains so that it will not be subject to refundable income taxes in respect of income from those sources. However, the Corporation will be liable for non-refundable income tax if its income from other sources exceeds its expenses for the year.

Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the investment portfolio and its adjusted cost base ("ACB") for income tax purposes. To the extent that the fair value of the portfolio exceeds its ACB, a future tax liability arises. Since capital gains taxes payable by the Corporation are refundable under the relevant provisions of the Tax Act, the future tax liability is fully offset by these future refundable taxes. Conversely, when the ACB exceeds the fair value of the portfolio, a future tax asset is generated. In such cases, a full valuation allowance is taken to offset this asset given the uncertainty that such future tax assets will ultimately be realized.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

Distributions received from investments in trust units that are treated as a return of capital for tax purposes are used to reduce the average cost of the underlying investments on the Schedule of Investment Portfolio.

H. Foreign Currency Translation

Foreign currency amounts are translated into Canadian dollars as follows: fair value of investments, forward currency contracts and other assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

I. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

3. Summary of Significant Accounting Policies (continued) I. Critical Accounting Estimates and Judgments (continued)

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The majority of the Fund's investments and transactions are denominated in Canadian dollars. Investor subscriptions and redemptions are also received and paid in Canadian dollars. Accordingly, management has determined that the functional currency of the Fund is Canadian dollars.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 4 for further information about the fair value measurement of the Fund's financial instruments.

J. Securities Lending

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and is included in the Statements of Comprehensive Income.

4. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The fair value of the Fund's financial instruments are classified into levels using the following fair value hierarchy:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3	Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgement or estimation.

The Fund's investments at fair value as at June 30, 2021 and December 31, 2020 trade in active markets and are therefore classified as Level 1.

All fair value measurements are recurring. The carrying values of cash, income and interest receivable, subscriptions receivable, prepaid expenses, redemptions payable, accounts payable and accrued liabilities, management fee payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

Fair values are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

4. Fair Value Disclosure (continued)

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. No transfers between levels occurred during the periods ended June 30, 2021 and December 31, 2020.

5. Financial Risk Management

In the normal course of business the Fund is exposed to a variety of financial risks: price risk, foreign exchange rate risk, liquidity risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Fund's risks and related exposures are consistent with its objectives and risk tolerance.

Most of the Fund's risks are derived from its investments. The value of the investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, commodity prices, the market and company news related to specific securities held by the Fund. The investments are made in accordance with the Fund's risk management policies. The policies establish investment objectives, strategies, criteria and restrictions. The objectives of these policies are to identify and mitigate investment risk through a disciplined investment process and the appropriate structuring of each transaction.

A. Price Risk

Price risk is the risk that changes in the prices of the Fund's investments will affect the Fund's income or the value of its financial instruments. The Fund's price risk is driven primarily by volatility in commodity and equity prices. Rising commodity and equity prices may increase the price of an investment while declining commodity and equity prices may have the opposite effect. The Fund mitigates price risk by making investing decisions based upon various factors, including comprehensive fundamental analysis prepared by industry experts to forecast future commodity and equity price movements. The Fund's market positions are monitored on a daily basis by the portfolio manager and regular financial reviews of publicly available information related to the Fund's investments are performed to ensure that any risks are within established levels of risk tolerance. The Fund is exposed to price risk through the following financial instrument:

	June 30, 2021	December 31, 2020
Investments at FVTPL	\$ 12,905,246	\$ 8,909,851

Based on the above exposure at June 30, 2021, a 10% increase or decrease in the prices of the Fund's investments would result in a \$1,290,525 (December 31, 2020 – \$890,985) increase or decrease in net assets of the Fund, with all other factors held constant.

B. Foreign Exchange Rate Risk

Foreign exchange rate risk describes the impact on the underlying value of financial instruments due to foreign exchange rate movements. The Canadian dollar is the Fund's functional and presentation currency. Foreign investments, commodities, cash, receivables and payables denominated in foreign currencies are affected by changes in the value of the Canadian dollar compared to foreign currencies. As a result, financial assets may depreciate/appreciate in the short-term due to the strengthening/weakening of the Canadian dollar against other currencies, and the reverse would be true for financial liabilities. The Fund's exposure to foreign exchange risk relates primarily to its investment in securities, which are denominated in various foreign currencies. The Fund has not hedged its exposure to currency fluctuations; however, it closely monitors relevant foreign exchange currency movements. The Fund is exposed to foreign exchange rate risk through the following financial instruments denominated in various foreign currencies:

As at June 30, 2021

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 10,357,243	\$ 9,086	\$ 8,451	\$ 10,374,780
Euro	736,978	-	-	736,978
Total	\$ 11,094,221	\$ 9,086	\$ 8,451	\$ 11,111,758

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

5. Financial Risk Management (continued)
 B. Foreign Exchange Rate Risk (continued)
 As at December 31, 2020

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 7,856,101	\$ 6,539	\$ 9,961	\$ 7,872,601
Euro	201,771	-	-	201,771
Total	\$ 8,057,872	\$ 6,539	\$ 9,961	\$ 8,074,372

Based on the above exposure at June 30, 2021, a 10% increase or decrease in the Canadian dollar against the respective currencies would result in a \$1,111,176 (December 31, 2020 – \$807,437) decrease or increase in net assets of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to daily cash redemptions of its shares. The shares of the Fund are issued and redeemed on demand at the NAV per share. All other obligations of the Fund are due within one year. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

The Fund may invest in securities that are not traded on a public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through active management, which involves detailed analysis of such private entities to ensure they are financially sound and would be attractive to potential investors if a sale is necessary. The Fund's investment policies and securities legislation limit the amount invested in illiquid securities and these limits are monitored. The Fund did not hold any illiquid securities as at June 30, 2021 and December 31, 2020.

The tables below present the Fund's financial liabilities based on the remaining period to the contractual maturity date. The amounts in the tables reflect the contractual undiscounted cash flows.

As at June 30, 2021

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 21,552	\$ -	\$ -	\$ 21,552
Accounts Payable and Accrued Liabilities	17,483	-	-	17,483
Redemptions Payable	309,768	-	-	309,768
Net Assets Attributable to Holders of Redeemable Units	13,137,303	-	-	13,137,303
Total	\$ 13,486,106	\$ -	\$ -	\$ 13,486,106

As at December 31, 2020

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 22,781	\$ -	\$ -	\$ 22,781
Accounts Payable and Accrued Liabilities	6,228	-	-	6,228
Net Assets Attributable to Holders of Redeemable Shares	9,473,962	-	-	9,473,962
Total	\$ 9,502,971	\$ -	\$ -	\$ 9,502,971

NOTES TO FINANCIAL STATEMENTS

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5. Financial Risk Management (continued)

D. Credit Risk

Credit risk represents the financial loss that the Fund would experience if a counterparty to a financial instrument failed to meet its obligations to the Fund. The Fund is exposed to credit risk on its debt instruments, derivative assets, cash and cash equivalents and other short term trade receivables. The Fund measures credit risk and lifetime ECLs related to the trade receivables using historical analysis and forward looking information in determining the ECL. The carrying amounts of financial assets represent the maximum credit exposure. All transactions executed by the Fund in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase only once the broker has received the securities. The trade will fail if either party fails to meet its obligations. There is no significant credit risk related to the Fund's receivables.

The Fund has established various internal controls to help mitigate credit risk, including prior approval of all investments by the advisor whose mandate includes conducting financial and other assessments of these investments on a regular basis. The Fund has also implemented policies which ensure that investments can only be made with counterparties that have a minimum acceptable credit rating.

E. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At June 30, 2021 and December 31, 2020, the percentages of the Fund's total net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2021	December 31, 2020
Consumer Staples	34.3	45.4
Industrials	28.8	22.7
Materials	24.6	16.8
Healthcare	7.1	9.2
Technology	3.5	-
Total	98.3	94.1

6. Share Capital

The mutual fund shares and five common shares of the Corporation have equal rights and privileges except that the common shares may not be redeemed. Changes in issued mutual fund shares of the Fund are summarized as follows

	Number of Shares – Series A	
	June 30, 2021	December 31, 2020
Shares Outstanding at Beginning of Period	194,134	227,989
Shares Issued	157,150	55,541
Shares Redeemed	(35,163)	(89,396)
Net Increase (Decrease)	121,987	(33,855)
Shares Outstanding at End of Period	316,121	194,134

	Number of Shares – Series F	
	June 30, 2021	December 31, 2020
Shares Outstanding at Beginning of Period	200,617	229,081
Shares Issued	25,348	39,310
Shares Redeemed	(27,247)	(67,774)
Net Increase (Decrease)	(1,899)	(28,464)
Shares Outstanding at End of Period	198,718	200,617

The average number of Series A and Series F shares outstanding during the period ended June 30, 2021 were 264,835 and 206,729 (2020 – 201,295 and 198,537), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share.

NOTES TO FINANCIAL STATEMENTS

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7. Capital Management

The Fund's capital is its Net Assets Attributable to Holders of Redeemable Shares, representing shareholders' equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, maximize shareholder value and maintain financial strength.

The Fund is not subject to any externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2020.

8. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2021 amounted to \$5,697 (2020 – \$5,085). Included in this amount is \$1,344 (2020 – \$2,079) in brokerage commissions that were paid to Middlefield Capital Corporation ("MCC"), a company under common control with the Manager. All brokerage commissions paid by the Fund to MCC were at or below market rates. Brokerage commissions and other transaction costs are expensed and recorded in the Statements of Comprehensive Income.

9. Loss Carryforward

At December 31, 2020, the Corporation had no non-capital losses (2019 – \$nil) and no capital losses (2019 – \$nil) available for carryforward for tax purposes.

10. Management Fee and Operating Expenses

The Manager provides investment and administrative services to the Fund. In consideration for such services the Manager receives a monthly fee in arrears based on each series of shares as a percentage of the average daily NAV of the series. The management fee for Series A is 2.0% per annum and for Series F is 1.0% per annum. Common expenses incurred by the Fund are allocated among the series on a pro-rata basis among all shares of all series. The Manager is reimbursed for reasonable costs related to maintaining the Fund and preparation and distribution of financial statements and other documents to shareholders. The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business.

11. Securities Lending

The Fund has entered into a securities lending program with its custodian, RBC Investor Services Trust, in order to earn additional revenue. The aggregate market value of all securities loaned by the Fund will not exceed 50% of the fair value of the assets of the Fund. The Fund will receive collateral of at least 105% of the fair value of the securities on loan. Collateral held is generally comprised of cash and securities of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its Agencies. Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

For the periods ended June 30, 2021 and June 30, 2020, securities lending income was as follows:

	2021	2020
Gross Securities Lending Income	\$ -	\$ 351
Securities Lending Charges	-	(123)
Net Securities Lending Income	-	228
Withholding taxes on Securities Lending Income	-	(44)
Net Securities Lending Income Received by the Fund	\$ -	\$ 184

There were no securities lending charges during the period ended June 30, 2021. Securities lending charges during the period ended June 30, 2020 represented 35% of the gross securities lending income, all of which was paid to the Fund's custodian.

There were no securities loaned and collateral held as at June 30, 2021 and December 31, 2020.

12. The outbreak of the novel coronavirus (COVID-19) has led to governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown. The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at June 30, 2021. The duration and full extent of impact of the COVID-19 pandemic are unknown at the reporting date and it is therefore not possible to reliably estimate the entire impact on the financial results and position of the Fund in future periods.

EXCHANGE - TRADED FUNDS (ETFs)	TSX Stock Symbol
• Middlefield American Core Dividend ETF	ACZ
• Middlefield Healthcare & Life Sciences ETF	LS
• Middlefield Health & Wellness ETF	HWF
• Middlefield REIT INDEXPLUS ETF	IDR

TSX-LISTED FUNDS

• Digital Consumer Dividend Fund	MDC.UN
• E Split Corp.	ENS ENS.PR.A
• Global Dividend Growers Income Fund	GDG.UN
• Global Innovation Dividend Fund	BL.UN
• Global Real Estate & E-Commerce Dividend Fund	GEC.UN
• International Clean Power Dividend Fund	CLP.UN
• MBN Corporation	MBN
• Middlefield Can-Global REIT Income Fund	RCO.UN
• Middlefield Global Real Asset Fund	RA.UN
• MINT Income Fund	MID.UN
• Real Estate & E-Commerce Split Corp.	RS RS.PR.A
• Sustainable Agriculture & Wellness Dividend Fund (commenced June 22, 2021)	AGR.UN
• Sustainable Infrastructure Dividend Fund	INF.UN
• Sustainable Innovation & Health Dividend Fund	SIH.UN

MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS

	Fund Code
Series A Units	FE/LL/DSC
• Global Healthcare Dividend Fund	MID 325/327/330
• INDEXPLUS Income Fund	MID 435/437/440
• Middlefield Global Infrastructure Fund	MID 510/519/520

Series F Units

• Global Healthcare Dividend Fund	MID 326
• INDEXPLUS Income Fund	MID 436
• Middlefield Global Infrastructure Fund	MID 501

MIDDLEFIELD MUTUAL FUNDS CORPORATE CLASS FUNDS

	Fund Code
Series A Shares	FE/LL/DSC
• Middlefield Canadian Dividend Growers Class	MID 148/449/450
• Middlefield Global Agriculture Class	MID 161/163/166
• Middlefield Global Dividend Growers Class	MID 181/183/186
• Middlefield Global Real Estate Class	MID 600/649/650
• Middlefield Global Sustainable Energy Class	MID 125/127/130
• Middlefield High Interest Income Class	MID 400/424/425
• Middlefield Income Plus Class	MID 800/849/850
• Middlefield U.S. Dividend Growers Class	MID 710/719/720

Series F Shares

• Middlefield Canadian Dividend Growers Class	MID 149
• Middlefield Global Agriculture Class	MID 162
• Middlefield Global Dividend Growers Class	MID 182
• Middlefield Global Real Estate Class	MID 601
• Middlefield Global Sustainable Energy Class	MID 126
• Middlefield Income Plus Class	MID 801
• Middlefield U.S. Dividend Growers Class	MID 701

RESOURCE FUNDS

• MRF 2021 Resource Limited Partnership

INTERNATIONAL FUNDS

• Middlefield Canadian Income PCC	London UK Stock Exchange (LSE) Symbol:MCT
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President and
Chief Executive Officer
Middlefield Capital Corporation

Jeremy T. Brasseur
President and
Chief Executive Officer
Middlefield Group Limited

Robert F. Lauzon, CFA
Managing Director and
Deputy Chief Investment Officer
Middlefield Capital Corporation

Dennis da Silva
Managing Director
Resource Group
Middlefield Capital Corporation

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Former Vice-Chairman
RBC Dominion Securities Limited

H. Roger Garland, CPA, CA
Former Vice-Chairman
Four Seasons Hotels Inc.

Bernard I. Ghert (Chairman)
Former Chairman
Mount Sinai Hospital

Edward V. Jackson
Former Managing Director
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Middlefield Capital Corporation
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Bank of Montreal
Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Bank of Nova Scotia
The Toronto-Dominion Bank

Custodian

RBC Investor Treasury Services

Affiliates

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