

News Release

ROLLOVER OF MRF 2003 LIMITED PARTNERSHIP

Middlefield Mutual Funds Limited (“MMF”) is pleased to announce that it has completed the distribution of its Growth Class shares that resulted from the transfer of all of the assets of MRF 2003 Limited Partnership (the “Partnership”) to MMF on March 7, 2005. The Partnership was dissolved on April 15, 2005. **For the purposes of the exchange, the net asset value of the Partnership was \$28.08 per unit. This translates into an after-tax total return on money at risk of approximately 65% for an Ontario investor subject to the highest marginal tax rate.**

The transfer is a tax free exchange which means that no disposition occurs and therefore no capital gains tax is payable as a result of the rollover. **The capital gains tax liability that would arise upon disposition can be deferred by retaining the shares of the mutual fund rather than redeeming them.** In the event of redemption, the capital gains will be included in the shareholder’s tax return for that year when the shares are redeemed. Investors have the opportunity to switch into other classes of mutual funds and still be able to defer capital gains taxes until they actually redeem their mutual fund shares for cash. To provide investors with optimal flexibility in maintaining a diversified portfolio, in addition to the Growth Class, other funds currently offered are Income Plus Class, Equity Index Class, Index Income Class, Canadian Balanced Class, U.S. Equity Class, Resource Class, Short-Term Income Class and Income and Growth Class. All the funds that are offered under this multi-class structure are fully eligible as Canadian content in RRSPs and other registered plans.

New MMF - Growth Class shareholders can determine their holdings by multiplying the number of units they held in the Partnership by 2.785566. Shares of MMF – Growth Class have been credited to the beneficial holders. There are no fees charged on the transfer of units into MMF, nor on any redemption of the transferred assets. The adjusted cost base of shares in MMF – Growth Class is 3.265807 per share. **To provide investors with time to determine which fund classes best suit their investment profile, MMF will waive the \$30 switch fee for all switch requests received prior to May 31, 2005.**

For further information visit our website at www.middlefield.com or contact the undersigned:

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April 18, 2005