

PRESS RELEASE

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## JOINT PRESS RELEASE

### Pathfinder *Income Fund* Announces Merger into INDEXPLUS Income Fund

Middlefield Limited (the “Manager”), the manager of Pathfinder *Income Fund* (“Pathfinder”) (TSX: PCD.UN) and INDEXPLUS *Income Fund* (MID436) (“Indexplus”), is pleased to announce that Pathfinder will merge into Indexplus (“the Merger”) on or about July 8, 2020 (the date of completion being the “Effective Date”), with Indexplus being the continuing entity following the Merger.

The Manager believes that Pathfinder unitholders will benefit from the Merger for the following reasons:

- **Increased liquidity:** Pathfinder unitholders will hold Series F units of Indexplus, a low cost open-end mutual fund that offers daily purchases and redemptions at net asset value.
- **Reduced management fee:** Pathfinder unitholders will see a **management fee reduction from 0.85% to 0.50%.**
- **Larger asset base:** The Merger is expected to result in a fund with a larger asset base and lower operating costs on a per unit basis. This is expected to be amplified, as continuous distribution provides ongoing growth opportunities and the potential to further reduce expenses as a growing asset base gains efficiencies through greater scale.

INDEXPLUS *Income Fund* invests in a diversified portfolio of equity income securities of which a portion tracks the S&P/TSX Composite High Dividend 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.

**The Merger will be effected on a tax-deferred roll-over basis and accordingly, Pathfinder unitholders will not realize capital gains or losses as a result of the Merger. The Manager has determined that the Merger would be in the best interests of the unitholders of Pathfinder. All costs and expenses directly associated with the Merger will be borne by the Manager and not the Funds.**

The Merger will be effected at an exchange ratio calculated as the net asset value per unit of Pathfinder divided by the net asset value per unit of Indexplus, determined as at the close of trading on the TSX on the business day immediately prior to the Effective Date. Pursuant to the Merger, Indexplus will assume the liabilities of Pathfinder and will issue units of Indexplus in satisfaction of the purchase price for all of the property of Pathfinder.

After the Merger, Pathfinder unitholders will have the ability to redeem daily at net asset value with no costs. Securities regulations require Pathfinder to also provide unitholders with an election to redeem their units prior to the Merger. Accordingly, the tender deadline of Pathfinder’s upcoming annual redemption has been extended from April 15, 2020 to May 8, 2020. Surrendered units will be redeemed effective as of May 29, 2020 at a price equal to the net asset value per unit as of that date. However, unitholders should be aware that by tendering to this election they will be exposed to pricing risk for the 21 days between the deadline to tender units and the effective date of the redemption, and that the redemption proceeds will be paid sometime in June. The redemption may be considered a disposition for purposes of calculating taxable income.

**In addition, Pathfinder is pleased to announce the remaining distributions for the second quarter of 2020 will be payable to unitholders as follows:**

<i>Record Date</i>	<i>Payable Date</i>	<i>Distribution Per Trust Unit</i>
<i>May 31, 2020</i>	<i>June 15, 2020</i>	<i>\$0.05</i>
<i>June 22, 2020</i>	<i>June 29, 2020</i>	<i>\$0.05</i>

**After the Merger, Pathfinder unitholders will receive Indexplus' monthly distribution, currently targeted at \$0.05 per unit.**

**The Merger remains subject to the satisfaction of all regulatory requirements and customary closing conditions.**

Units of Pathfinder trade under the symbol PCD.UN on the TSX.

**For further information on either of Pathfinder or Indexplus, including their respective annual reports and annual information forms, which outline their investment strategies and other features and attributes, please visit our website at [www.middlefield.com](http://www.middlefield.com) or contact Nancy Tham or Michael Bury in our Sales and Marketing Department at 1.888.890.1868.**

*Certain statements in this press release may be viewed as forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, intentions, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "estimates" or "intends" (or negative or grammatical variations thereof), or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Statements which may constitute forward-looking statements relate to: the proposed timing of the Merger and expected completion thereof; the expected benefits of the Merger; and the funds that are proposed to be merged. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including as a result of changes in the general economic and political environment, changes in applicable legislation and the performance of each fund. There are no assurances the funds can fulfill such forward-looking statements and the funds do not undertake any obligation to update such statements. Such forward-looking statements are only predictions; actual events or results may differ materially as a result of risks facing one or more of the funds, some of which are beyond the control of the funds.*