



2022 SEMI-ANNUAL REPORT

MIDDLEFIELD
U.S. EQUITY
DIVIDEND ETF

MMIDDLEFIELD
ETFs

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.

TABLE OF CONTENTS

	Corporate Profile
2	2022 Review and Outlook
4	Interim Management Report of Fund Performance
11	Interim Financial Report
16	Notes to Financial Statements Middlefield Funds Family

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.



2022 MID-YEAR REVIEW AND OUTLOOK

Market conditions were extremely challenging for equity investors during the first half of 2022 (H1). Both the MSCI World and the S&P 500 finished the period in a bear market, down more than 20%, making it the worst start to a year since 1970. The Canadian stock market outperformed most global indices with the S&P/TSX Composite generating a total return of -9.9%.

Market volatility was driven by persistent inflation, which has reached multi-decade highs in most countries throughout the world. One of the biggest contributors to inflation has been the sudden increase in global demand. After nearly two years of pandemic-related lockdowns and restrictions, consumers started spending again. This made it challenging for providers of goods and services to ramp up capacity fast enough to meet demand and placed additional strain on global supply chains. Russia's unexpected invasion of Ukraine in late February further exacerbated inflationary forces. The attack spurred a swift response from the global community in the form of unprecedented economic sanctions in an effort to isolate Russia from the global economy. This effectively removed Russian supplies of a number of critical commodities from global markets, including oil, wheat, base metals and fertilizers. WTI crude oil and NYMEX natural gas prices both increased by nearly 50% in H1.

In response to higher-than-expected inflation, global central banks quickly pivoted to hawkish monetary policies which have led to a rapid increase in interest rates and bond yields. Both the US Federal Reserve and the Bank of Canada raised short-term borrowing rates three times in H1 by a total of 1.5% and 1.25%, respectively. US 10-year Treasury Yields rose from 1.5% at the start of the year to over 3% at the end of June while Canadian 10-Year Bond yields went from 1.4% to 3.2%. The impacts of these moves have been pervasive, including a 9.4% increase in the DXY US Dollar Index and a -14% return in Investment-Grade Credit.

Increasing interest rates have had an outsized impact on growth stocks. The Russell 1000 Value index returned -13%, significantly outperforming the Russell 1000 Growth index return of -28%. The Nasdaq Composite returned -29%, marking its worst H1 return since its inception in 1971. Defensive sectors such as utilities, consumer staples and healthcare significantly outperformed the broader market while communication services, information technology and consumer discretionary lagged. Energy, which returned 31.6%, was the only sector in the S&P 500 to post a positive return. While the market environment continues to be challenging for technology stocks, we remain highly optimistic on the long-term potential of the sector and view the current setup as attractive for patient investors. We are confident in the durability of various investment themes such as online advertising and e-commerce which are supported by structural changes in spending patterns. We are also bullish on enterprise software though we are choosing our exposures carefully. Our tech exposures are anchored by high quality industry leaders with sustainable competitive advantages.

Canadian equities performed well in H1 on a relative basis. The energy sector generated a total return of 26.3% and was the biggest positive contributor to performance. Generating unprecedented levels of cash flow, Canadian energy companies have been returning substantial amounts of excess cash to shareholders in the form of dividends and share buybacks. Utilities were the only other sector in the TSX to generate a positive return, adding 1.3%. Although the global economic outlook is uncertain, we believe Canadian equities are uniquely positioned to continue outperforming as it is a net exporter of oil and electricity.

Mint Income Fund (TSX:MID.UN) generated a total return of 2.0% in H1. The Fund invests in an actively managed portfolio primarily comprised of North American equity income securities. As at June 30th, approximately 25% of the fund's investments were allocated to the Canadian energy sector. The Fund's positive year-to-date performance builds upon its longstanding track record of generating attractive risk-adjusted returns for unit holders. Since the Fund's inception in 1997, the Fund has generated an annualized total return of 8.4%, outperforming the S&P/TSX Composite's annualized total return of 7.1% over the same period.

The S&P 500 healthcare sector generated a total return of -8.3%, outperforming the S&P 500 by 11.7% and finishing as the fourth best performing sector in the index. Defensive sub-industries such as pharmaceuticals and managed care led to the upside while more cyclical industries such as medical equipment & life science tools lagged significantly. Biopharma companies sell needs-based products which benefit from inelastic demand, and are therefore more insulated from market downturns. Middlefield Healthcare Dividend ETF (TSX:MHCD) and Middlefield Health & Wellness ETF (TSX:HWF) returned -9.3% and -10.6% in H1, respectively – in line with their benchmark, the MSCI World Healthcare Index, which returned -10.1%.

The Middlefield Family of exchange-listed funds is currently comprised of 17 funds, 16 of which trade on the Toronto Stock Exchange and one of which is based in Jersey, Channel Islands and trades on the London Stock Exchange. The fund mandates differ by asset mix including both Canadian and International equity securities.

The Canadian real estate sector generated a total return of -21.7% in H1. US REITs performed marginally better, finishing H1 with a total return of -20.1%. After the recent pullback, Canadian REITs are trading at more than a 20% discount to their net asset values on average – trough valuations that compare to the depths of 2008 and 2020. While we are mindful of the macro economic challenges facing the sector today, we believe REITs are oversold and we encourage investors to opportunistically add exposure. Middlefield manages several real estate funds as well as diversified equity income strategies anchored by real estate securities. Middlefield Real Estate Dividend ETF (TSX:MREL) generated a total return of -21.4% during H1, in line with the S&P/TSX Composite real estate sector return of -21.7%. In February 2022, Middlefield Can-Global REIT Income Fund merged into MREL, adding to the fund's scale and liquidity.

We continue to believe that infrastructure will remain a highly sought-after and defensive asset class. Companies in this space provide highly visible, long-term cash flows and have business models that are inherently resilient against inflation. We are finding great risk / reward opportunities in the renewables space, following a period of sustained underperformance during the recent commodity bull market. With energy security top of mind, we expect that renewable additions will continue to accelerate as countries further distance themselves from Russia and aim to become more self-sufficient. International Clean Power Fund (TSX:CLP.UN) provides exposure to secular trends in renewables and clean power technologies. Its portfolio is comprised of primarily dividend-paying securities of global issuers typically difficult to access by Canadian retail investors. The Fund generated a total return of -15.1% in H1.

Enbridge (ENB) has long been bullish on the outlook for natural gas, starting with its acquisition of Spectra back in 2016. The outlook is more positive today now that the Russia/Ukraine conflict has placed a greater emphasis on energy security as part of the energy transition equation. ENB is well positioned to capitalize on the natural gas renaissance from expansion projects on the US Gulf Coast as well as its gas pipelines in British Columbia to support new West Coast LNG opportunities (Woodfibre LNG, Cedar LNG). This LNG buildout will benefit ENB as its footprint expands in both regions. Class A shares of E Split Corp. (TSX:ENS) generated a total return of 19.7% in H1. This compares to the 13.5% total return generated by Enbridge Inc., the Fund's sole underlying asset. E-Split's positive year-to-date performance demonstrates the significant capital gain potential embedded in the Corporation's split share structure. In addition, E-Split shares provide robust levels of income to investors. The Class A shares pay monthly distributions of \$0.13 and the Corporation's Preferred Shares pay quarterly distributions of \$0.13125.

Outlook

We believe we are in a cyclical bear market which is a function of rising rates and inflation combined with lower profit expectations. Given the impacts that inflation and higher interest rates will have on demand, we expect a mild slowdown in economic activity this year. Much of this is already being priced in to markets today, reflected in the S&P 500 forward earnings multiple declining from 21x to below 16x. As a result, we believe downside in broad market indices should be limited from current levels and are seeing an increasingly attractive setup for equities in the latter part of the year.

Although it may not show up in near-term inflation reports given the lagging nature of data, we believe we are at peak inflation and should start to get some data points that are incrementally less hawkish throughout H2. Sell-side earnings estimates have started to come down and we do expect a deceleration in growth over the coming quarters; however, household and corporate balance sheets remain strong which backstops our view of only a mild slowdown. Against this backdrop, we are focused on companies with high margins, strong balance sheets and stable dividends.



Dean Orrico
President and CEO
Middlefield Capital Corporation



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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

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.

Unitholders 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 Objectives and Strategies

The investment objectives of Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF) (the "Fund") are to provide holders with: (i) stable monthly cash distributions; and (ii) long-term total return through capital appreciation of the Fund's investment portfolio. The Fund invests in a diversified, actively managed portfolio comprised primarily of dividend-paying securities with a focus on the U.S. consumer, financials, industrials and information technology sectors that are expected by Middlefield Capital Corporation ("MCC" or the "Advisor") to benefit from growth in the U.S. economy.

Results of Operations

Investment Performance

During the first half of 2022, the net assets of the Fund decreased to \$11.0 million at June 30, 2022 from \$15.3 million at December 31, 2021. On a per unit basis, the net assets of the Fund decreased from \$17.76 at December 31, 2021 to \$12.77 at June 30, 2022. The Fund recorded a net loss on its investment portfolio of approximately \$4.0 million or \$4.68 per unit during the period.

Revenue and Expenses

Loss before expenses for the period ended June 30, 2022 amounted to \$3.9 million, down from revenue of \$1.2 million in the first half of 2021, primarily as a result of unrealized losses recorded on the Fund's portfolio investments. Operating expenses totaled \$0.1 million in the first half of 2022, similar to the prior year period. The operating expenses contributed to the management expense ratio ("MER") of 1.98% in the first six months of 2022, down from 2.02% in 2021. As a result, loss after tax amounted to \$4.1 million or \$4.72 per unit from a profit of \$1.0 million or \$1.25 per unit in the prior year period. Distributions for the six months ended June 30, 2022 amounted to \$0.28 per unit.

Trends

Market conditions were extremely challenging for equity investors during the first half of 2022. Both the MSCI World and the S&P 500 finished the period in a bear market, down more than 20%, making it the worst start to a year since 1970. Increasing interest rates have had an outsized impact on growth stocks. Defensive sectors such as utilities, consumer staples and healthcare significantly outperformed the broader market while communication services, information technology and consumer discretionary lagged.

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. MCC, 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. As at June 30, 2022, the Fund held investment in other investment fund managed by the Manager. As at June 30, 2022, the Fund held investment in other investment fund managed by the Manager. All management fees charged by the underlying investment fund held by the Fund were rebated to the Fund. For further details, please see the notes to the financial statements.

Management Fees

Management fees are calculated at 0.75% per annum of the net asset value of the Fund and are split between the Manager and the Advisor. 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.

Recent Developments

On March 15, 2022, the name of the Fund was changed to Middlefield U.S. Equity Dividend ETF.

Financial Highlights

Net Assets 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, 2022

The Fund's Net Assets per Unit⁽¹⁾

	June 30, 2022⁽⁴⁾	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Net Assets, Beginning of Period	\$ 17.76	\$ 14.66	\$ 13.16	\$ 11.48	\$ 12.02	\$ 11.13
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.13	0.17	0.18	0.27	0.25	0.28
Total Expenses (excluding distributions)	(0.17)	(0.34)	(0.28)	(0.26)	(0.27)	(0.27)
Realized Gains for the Period	0.39	1.58	3.39	0.94	1.62	0.22
Unrealized (Losses) Gains for the Period	(5.07)	2.25	(1.73)	1.37	(1.25)	0.95
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)
TOTAL (DECREASE) INCREASE FROM OPERATIONS⁽²⁾	(4.71)	3.65	2.05	2.23	0.01	1.44
DISTRIBUTIONS:						
From Net Investment Income	-	-	-	0.01	-	0.01
From Capital Gains	0.28	0.55	0.55	0.54	0.55	0.22
Return of Capital	-	-	-	-	-	0.32
TOTAL DISTRIBUTIONS⁽³⁾	0.28	0.55	0.55	0.55	0.55	0.55
Net Assets, End of Period	\$ 12.77	\$ 17.76	\$ 14.66	\$ 13.16	\$ 11.48	\$ 12.02

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

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

⁽³⁾ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

⁽⁴⁾ For the six-month period ended June 30, 2022.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

Ratios and Supplemental Data

	June 30, 2022 ⁽⁴⁾	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total Assets (000s)	\$ 11,131	\$ 15,439	\$ 12,001	\$ 16,393	\$ 11,789	\$ 20,143
Total Net Asset Value (000s)	\$ 11,008	\$ 15,318	\$ 11,911	\$ 16,285	\$ 11,673	\$ 16,002
Number of Units Outstanding	862,302	862,302	812,302	1,237,302	1,016,585	1,331,150
Management Expense Ratio ("MER") ⁽¹⁾	1.98%	2.02%	1.95%	1.78%	2.20%	2.13%
MER (excluding interest expense and issuance costs) ⁽¹⁾	1.98%	2.02%	1.95%	1.78%	1.99%	1.82%
Trading Expense Ratio ⁽²⁾	0.08%	0.04%	0.18%	0.09%	0.16%	0.12%
Portfolio Turnover Rate ⁽³⁾	45.25%	45.18%	75.59%	40.87%	35.06%	32.81%
Net Asset Value per Unit	\$ 12.77	\$ 17.76	\$ 14.66	\$ 13.16	\$ 11.48	\$ 12.02

- ⁽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. The MER excluding interest expense and issuance costs has been presented separately as it expresses only the ongoing management and administrative expenses of the Fund as a percentage of average Net Asset Value. Issuance costs are one-time costs incurred at inception, and the inclusion of interest expense does not consider the additional revenues that have been generated from the investment of the leverage in income-generating assets. Where a Fund invests in securities of another investment fund managed by the Manager, the total expenses include the pro-rata share of the expenses of the underlying Fund.
- ⁽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. Where a Fund invests in securities of another investment fund managed by the Manager, the total commissions and other portfolio transaction costs include the pro-rata share of these costs from the underlying Fund.
- ⁽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, 2022 or for the six-month period ended June 30, 2022, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

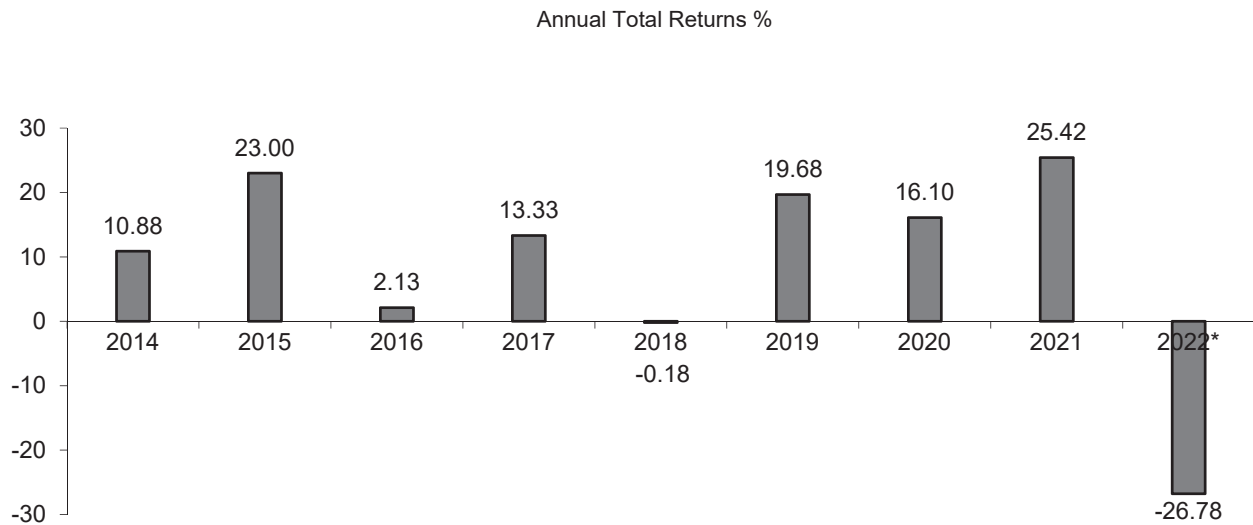
FOR THE SIX MONTHS ENDED JUNE 30, 2022

Past Performance

The performance information shown, which is based on Net Asset Value, assumes that all distributions paid by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information 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 chart shows how the Fund's performance has varied from year to year for each of the years shown. The return for 2013 is not presented since it relates to a partial period. The chart indicates, 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, 2022.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

Summary of Investment Portfolio

AS AT JUNE 30, 2022

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 Middlefield Healthcare Dividend ETF	10.1
2 Microsoft Corp.	4.5
3 Costco Wholesale Corp	4.5
4 Abbvie Inc.	4.4
5 Blackstone Inc.	4.2
6 Apple Inc.	4.2
7 Broadcom Inc.	4.0
8 ASML Holding NV	3.9
9 Salesforce Inc.	3.9
10 Alphabet Inc.	3.8
11 Amazon.com Inc.	3.7
12 Visa Inc.	3.7
13 NVIDIA Corp.	3.6
14 Merck & Co. Inc.	3.2
15 Deere & Co.	3.2
16 JPMorgan Chase & Co.	2.9
17 NIKE Inc.	2.9
18 Exxon Mobil Corp.	2.8
19 Prologis Inc.	2.8
20 NextEra Energy Inc.	2.7
21 Applied Materials Inc.	2.3
22 Deutsche Telekom AG	2.1
23 Eaton Corp PLC	2.1
24 McDonald's Corp.	2.0
25 Sony Group Corp.	1.9

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

ASSET CLASS	% OF NET ASSET VALUE
Technology	30.0
Healthcare	17.9
Consumer Discretionary	10.5
Financials	8.4
Communication Services	7.6
Industrials	7.0
Consumer Staples	4.5
Energy	2.8
Real Estate	2.8
Utilities	2.7
Materials	2.5
Pipelines	1.7
Cash and Short-Term Investments	2.2
Other Net Liabilities	(0.6)
	100.0
TOTAL NET ASSET VALUE	\$ 11,007,917
TOTAL ASSETS	\$ 11,130,901

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions. The Prospectus of any investment funds owned by the Fund can be found online at www.sedar.com.

Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.

**FINANCIAL
STATEMENTS**





INTERIM FINANCIAL REPORT

NOTICE

The accompanying unaudited financial statements of Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF) for the period ended June 30, 2022 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 22, 2022

INTERIM FINANCIAL REPORT
UNAUDITED

Statements of Financial Position

AS AT

(In Canadian Dollars)

June 30, 2022

December 31, 2021

ASSETS

Current Assets

Investments at Fair Value through Profit or Loss	\$	10,829,422	\$	15,026,460
Cash		247,778		367,514
Income and Interest Receivable		39,871		35,013
Accounts Receivable from Broker		13,830		9,533
Total Assets		11,130,901		15,438,520

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Liabilities		83,465		80,995
Distributions Payable		39,519		39,519
Total Liabilities (excluding Net Assets Attributable to Holders of Redeemable Units)		122,984		120,514
Net Assets Attributable to Holders of Redeemable Units	\$	11,007,917	\$	15,318,006
Redeemable Units Outstanding (Note 7)		862,302		862,302
Net Assets Attributable to Holders of Redeemable Units per Unit	\$	12.77	\$	17.76

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

Approved by the Board of Directors of Middlefield Limited, as Manager:



Director: Jeremy Brasseur



Director: Craig Rogers

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2022	2021
REVENUE (LOSS)		
Income from Investments	\$ 110,029	\$ 68,777
Interest Income for Distribution Purposes	520	606
Foreign Exchange Loss on Cash	(948)	(4,051)
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss		
Net Realized Gain from Investment Transactions	335,773	504,278
Change in Net Unrealized (Loss) Gain on Investments	(4,360,150)	594,942
Change in Net Unrealized Gain on Foreign Currency Transactions	71	1,208
Total (Loss) Revenue	(3,914,705)	1,165,760
OPERATING EXPENSES (Note 8)		
Audit Fees	7,048	7,246
Custodial Fees	704	958
Fund Administration Costs	43,858	55,688
Legal Fees	24,215	13,972
Management Fee	49,045	48,152
Transaction Costs (Note 9)	4,825	2,855
Unitholder Reporting Costs	8,147	9,500
Total Operating Expenses	137,842	138,371
Withholding Taxes	10,511	9,095
Increase in Net Assets Attributable to Holders of Redeemable Units	\$ (4,063,058)	\$ 1,018,294
Increase in Net Assets Attributable to Holders of Redeemable Units per Unit (Note 7)	\$ (4.72)	\$ 1.25

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2022	2021
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	\$ 15,318,006	\$ 11,911,271
(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Units	(4,063,058)	1,018,294
Distributions to Unitholders	(237,116)	(223,367)
Payment on Redemption of Trust Units	(406,601)	-
Proceeds from Issue of Trust Units	396,686	-
Net Assets Attributable to Holders of Redeemable Units at End of Period	\$ 11,007,917	\$ 12,706,198

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Units	\$ (4,063,058)	\$ 1,018,294
Adjustments:		
Purchases of Investments	(5,822,070)	(2,751,787)
Proceeds from Sale of Investments	5,990,434	2,971,286
Foreign Exchange Loss	877	2,843
Net Realized Gain from Investment Transactions	(335,773)	(504,278)
Change in Net Unrealized Loss (Gain) on Investments	4,360,150	(594,942)
	130,560	141,416
Net Change in Non-Cash Working Capital	(2,388)	14,406
Net Cash from Operating Activities	128,172	155,822
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Payment on Redemption of Trust Units	(406,601)	-
Proceeds from Issue of Trust Units	396,686	-
Distributions Paid to Unitholders	(237,116)	(223,367)
Net Cash used in Financing Activities	(247,031)	(223,367)
Net Decrease in Cash	(118,859)	(67,545)
Foreign Exchange Loss	(877)	(2,843)
Cash at Beginning of Period	367,514	449,916
Cash at End of Period	\$ 247,778	\$ 379,528

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, 2022

(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Apple Inc.	2,600	\$ 112,676	\$ 458,542
Applied Materials Inc.	2,200	359,647	258,193
ASML Holding NV	700	347,417	429,705
Broadcom Inc.	700	328,814	438,672
Microsoft Corp.	1,500	286,317	496,949
NVIDIA Corp.	2,000	223,216	391,089
Salesforce Inc.	2,000	371,574	425,789
Visa Inc.	1,600	425,966	406,367
TECHNOLOGY: 29.9%		2,455,627	3,305,306
Abbvie Inc.	2,500	473,152	493,924
Merck & Co. Inc.	3,000	353,512	352,816
Middlefield Healthcare Dividend ETF	105,000	1,076,542	1,119,300
HEALTHCARE: 17.7%		1,903,206	1,966,040
McDonald's Corp.	700	196,425	222,925
Amazon.com Inc.	3,000	473,835	411,019
NIKE Inc.	2,400	291,822	316,401
Sony Group Corp.	2,000	194,488	210,959
CONSUMER DISCRETIONARY: 10.6%		1,156,570	1,161,304
Blackstone Inc.	3,900	241,250	458,963
JPMorgan Chase & Co.	2,200	414,359	319,576
Virtu Financial Inc.	5,000	160,501	150,989
FINANCIALS: 8.4%		816,110	929,528
Alphabet Inc.	150	239,372	421,673
Deutsche Telekom AG	9,000	229,236	229,952
Netflix Inc.	800	353,561	180,460
COMMUNICATION SERVICES: 7.5%		822,169	832,085
Deere & Co.	900	390,435	347,673
Eaton Corp. PLC	1,400	277,386	227,530
Johnson Controls International PLC	3,100	268,491	191,466
INDUSTRIALS: 6.9%		936,312	766,669
Costco Wholesale Corp.	800	353,023	494,600
CONSUMER STAPLES: 4.5%		353,023	494,600
Exxon Mobil Corp.	2,800	298,686	309,321
ENERGY: 2.8%		298,686	309,321
Prologis Inc.	2,000	385,443	303,527
REAL ESTATE: 2.7%		385,443	303,527
NextEra Energy Inc.	3,000	254,031	299,760
UTILITIES: 2.7%		254,031	299,760
Nutrien Ltd.	1,600	198,550	164,016
Crown Holdings Inc.	900	120,740	107,006
MATERIALS: 2.4%		319,290	271,022
Enbridge Inc.	3,500	198,241	190,260
PIPELINES: 1.7%		198,241	190,260
TRANSACTION COSTS (Note 9)		(4,152)	
TOTAL INVESTMENTS: 97.8%		9,894,556	10,829,422
CASH: 2.2%		247,778	247,778
Total Investment Portfolio, Including Cash		\$ 10,142,334	\$ 11,077,200

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

1. Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF)

Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF) (the “Fund”) is an exchange-traded fund (“ETF”) established under the laws of the Province of Alberta on November 28, 2013. The Fund converted from a closed-end investment fund into an ETF on June 11, 2019. The Fund’s units were re-designated as units of the ETF on a 1:1 basis, and the Toronto Stock Exchange symbol changed from ACZ.UN to ACZ. The investment strategies of the Fund remain substantially similar before and after the conversion. On February 15, 2022, the name of the Fund was changed to Middlefield U.S. Equity Dividend ETF and the Toronto Stock Exchange Ticker symbol was changed from ACZ to MUSA.

Middlefield Limited, a company incorporated in Alberta is both the manager and trustee of the Fund (the “Manager”) and Middlefield Capital Corporation (“MCC”), a company under common control with the Manager, is the advisor to the Fund (the “Advisor”). The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on December 19, 2013, when it first issued units through an initial public offering. The address of the Fund’s registered office is 100 King Street West, Suite 5855, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on August 22, 2022.

2. Investment Objectives and Strategy

The Fund’s investment objectives are to: (i) provide unitholders with stable monthly cash distributions and (ii) enhance long-term total return through capital appreciation of the Fund’s investment portfolio. The Fund invests in a diversified, actively managed portfolio comprised primarily of dividend-paying securities with a focus on the U.S. consumer, financials, industrials and information technology sectors that are expected by the Advisor to benefit from growth in the U.S. economy.

3. 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.

4. Summary of Significant Accounting Policies

A. Basis of Accounting

IFRS 9 Financial Instruments (“IFRS 9”)

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 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

4. Summary of Significant Accounting Policies (continued)

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 interest, prepaid expenses, loan payable, accounts payable – portfolio securities purchased, accounts payable and accrued liabilities, redemptions payable and distributions payable. 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. 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 unitholders.

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. 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.

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 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.

D. Classification of Redeemable Units by the Fund

Under International Accounting Standard ("IAS") 32, *Financial Instruments: Presentation*, the Fund classifies its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders.

E. Derivative Transactions

The Fund may use derivatives, such as forward currency contracts to hedge against losses caused by changes in exchange rates. The value of forward currency contracts is the gain or loss that would be realized, if on the valuation date, the positions were to be closed out. The change in value of forward currency contracts is included in the Statements of Comprehensive Income – Net Unrealized Gain (Loss) on Investments. Realized gains and losses from derivative instruments that are specific economic hedges are accounted for in the same manner as the underlying investments being hedged and are included in the Statements of Comprehensive Income – Net Realized Gain (Loss) from Investment Transactions.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

4. Summary of Significant Accounting Policies (continued)

F. 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 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 interest from bank deposits received 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.

G. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets divided by the average units outstanding during the period.

H. Taxation

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada). Under the terms of the Declaration of Trust, any taxable income of the Fund is distributable monthly to unitholders of record date. The Fund is not subject to tax on the income distributed to unitholders. Accordingly, no provision for income taxes is required.

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.

I. 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.

J. 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:

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

4. Summary of Significant Accounting Policies (continued) J. Critical Accounting Estimates and Judgments (continued)

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 5 for further information about the fair value measurement of the Fund's financial instruments.

K. 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.

5. 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 values 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 judgment or estimation.

The Fund's investments at fair value as at June 30, 2022 and December 31, 2021 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, accounts receivable, prepaid interest, loan payable, distributions payable and accounts payable and accrued liabilities, approximate their fair values due to their short-term nature. Fair values of the Fund's investments 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.

No transfers between levels have occurred during the period ended June 30, 2022 and the year ended December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

6. Financial Risk Management

In the normal course of business, the Fund is exposed to a variety of financial risks: price risk, interest rate risk, liquidity risk, foreign exchange rate risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholder 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 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, 2022	December 31, 2021
Investments at FVTPL	\$ 10,829,422	\$ 15,026,460

Based on the above exposure at June 30, 2022, a 10% increase or decrease in the prices of the Fund's investments would result in a \$1,082,942 (December 31, 2021 - \$1,502,646) increase or decrease in net assets of the Fund, with all other factors held constant.

B. Interest Rate Risk

Interest rate risk describes the Fund's exposure to changes in the general level of interest rates. Interest rate risk arises when the Fund invests in interest-bearing financial assets such as cash and utilizes financial liabilities such as loan payable. In respect of cash balances and loan payable, the Fund's interest income and expense are positively correlated to interest rates in that rising interest rates increase both interest income and expense while the reverse is true in a declining interest rate environment. The Fund has not hedged its exposure to interest rate movements. The Fund seeks to mitigate this risk through active management, which involves analysis of economic indicators to forecast Canadian and global interest rates. The Fund is exposed to interest rate risk through the following financial instrument:

	June 30, 2022	December 31, 2021
Cash	\$ 247,778	\$ 367,514

Based on the above exposure at June 30, 2022, a 1% per annum increase or decrease in interest rates would result in a \$2,478 (December 31, 2021 - \$3,675) increase or decrease in net assets of the Fund, with all other factors held constant.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

6. Financial Risk Management (continued)

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 subject to the potential daily net redemptions of units. 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's other obligations are due within one period. 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 includes detailed analysis of such 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. At June 30, 2022 and December 31, 2021, the Fund did not hold any illiquid securities.

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, 2022

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	\$ 39,519	\$ -	\$ -	\$ 39,519
Accounts Payable and Accrued Liabilities	83,465	-	-	83,465
Total	\$ 122,984	\$ -	\$ -	\$ 122,984

As at December 31, 2021

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	\$ 39,519	\$ -	\$ -	\$ 39,519
Accounts Payable and Accrued Liabilities	80,995	-	-	80,995
Total	\$ 120,514	\$ -	\$ -	\$ 120,514

The Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

D. 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 reporting 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 rate risk relates primarily to its investment in securities, which are denominated in U.S. dollars. 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:

As at June 30, 2022

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 9,125,895	\$ 6,981	\$ 26,386	\$ 9,159,262
European Euro	229,952	25	-	229,977
Total	\$ 9,355,847	\$ 7,006	\$ 26,386	\$ 9,389,239

As at December 31, 2021

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 14,542,060	\$ 4,489	\$ 24,778	\$ 14,571,327
Total	\$ 14,542,060	\$ 4,489	\$ 24,778	\$ 14,571,327

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

6. Financial Risk Management (continued)

D. Foreign Exchange Rate Risk (continued)

Based on the above exposure at June 30, 2022, a 10% increase or decrease in the Canadian dollar against the U.S. dollars would result in a \$938,924 (December 31, 2021 - \$1,457,133) decrease or increase in net assets of the Fund, with all other factors held constant.

E. 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.

F. 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, 2022 and December 31, 2021, the percentages of the Fund's net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2022	December 31, 2021
Technology	30.0	38.2
Healthcare	17.9	6.7
Consumer Discretionary	10.5	15.7
Financials	8.4	8.7
Communication Services	7.6	8.7
Industrials	7.0	6.0
Consumer Staples	4.5	5.1
Energy	2.8	-
Real Estate	2.8	4.2
Utilities	2.7	4.8
Materials	2.5	-
Pipelines	1.7	-
Total	98.4	98.1

7. Redeemable Units

Authorized

The Fund is authorized to issue an unlimited number of transferable, redeemable units, each of which represents an equal, undivided interest in the net assets of the Fund. All units have equal rights and privileges. Unitholders may sell units on the TSX; in addition, unitholders may: (a) redeem units of the Fund for cash at a redemption price per unit equal to the lesser of: (i) 95% of the closing price for the applicable units on the TSX; and (ii) the net asset value per unit, on the effective day of redemption less any costs associated with the redemption; or (b) exchange a prescribed number of units (PNU) or a multiple PNU of the fund for Baskets of Securities and/or cash at an exchange price equal to the net asset value of that number of units less any costs associated with the redemption as determined by the Manager in its sole discretion. Unitholders of the Fund can acquire additional units by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables unitholders to reinvest their monthly distributions in additional units of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional units for cash.

The Fund issued 5 million units at \$10 per unit in 2013. During the six months ended June 30, 2022, the Fund redeemed 25,000 units (2021 – nil) and issued 25,000 units (2021 – nil). For the six months ended June 30, 2022, 719 units (2021 – 704) were distributed under the Plan.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

7. Redeemable Units (continued)

The average number of units outstanding during the six months ended June 30, 2022 was 859,954 (2021 – 812,302). This number was used to calculate the Net Assets Attributable to Holders of Redeemable Units per unit.

8. Management Fee and Operating Expenses

The Manager provides investment and administrative services to the Fund. In consideration for such services, the Manager receives a management fee equal to 0.75% per annum of the NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. The Manager is reimbursed for reasonable costs related to maintaining the Fund and preparation and distribution of financial statements and other documents to unitholders. The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business. For the period ended June 30, 2022, management fees before the absorption of expenses amounted to \$0.05 million (2021 - \$0.05 million). The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business.

9. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2022 amounted to \$4,825 (2021 – \$2,855). Included in this amount is \$1,341 (2021 – \$1,025) in brokerage commissions that were paid to MCC. 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.

10. 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.

During the period ended June 30, 2022 and the year ended December 31, 2021, the Fund did not earn any securities lending income.

As at June 30, 2022 and December 31, 2021, the Fund had no outstanding securities loaned and hence no collateral held.

11. Capital Management

The Fund's capital is its net assets attributable to holders of redeemable units. 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 unitholders, maximize unitholder value and maintain financial strength. The Fund manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements.

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, 2021.

12. Loss Carryforwards

At December 31, 2021, the Fund had capital losses of \$687,853 (2020 – \$687,853) and non-capital losses of \$394,767 (2020 – \$608,843) available for carry forward for tax purposes. The capital losses can be carried forward indefinitely.

The expiry dates of the non-capital losses are as follows:

Expiry Date	Amount
December 31, 2037	\$ 394,767

13. Distributions

The Fund pays monthly distributions to unitholders in accordance with its investment objectives. Distributions of the Fund, at the discretion of the unitholder, are reinvested in additional units of the Fund under the Distribution Reinvestment Plan, without sales charge. For the six months ended June 30, 2022, distributions amounted to \$0.28 per unit (2021 – \$0.27).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

14. 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, 2022. 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.

MIDDLEFIELD FUNDS FAMILY |

EXCHANGE - TRADED FUNDS (ETFs)	TSX Stock Symbol
• Middlefield Healthcare Dividend ETF (formerly Healthcare & Life Sciences ETF)	MHCD
• Middlefield Health & Wellness ETF	HWF
• Middlefield Innovation Dividend ETF (formerly Global Innovation Dividend Fund)	MINN
• Middlefield Sustainable Global Dividend ETF (formerly Global Dividend Growers Income Fund)	MDIV
• Middlefield Sustainable Infrastructure Dividend ETF (formerly Sustainable Infrastructure Dividend Fund)	MINF
• Middlefield Real Estate Dividend ETF (formerly Middlefield REIT INDEXPLUS ETF)	MREL
• Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF)	MUSA
TSX-LISTED FUNDS	
• E Split Corp.	ENS ENS.PR.A
• International Clean Power Dividend Fund	CLP.UN
• Middlefield Global Real Asset Fund	RA.UN
• MINT Income Fund	MID.UN
• Real Estate Split Corp. (formerly Real Estate & E-Commerce Split Corp.)	RS RS.PR.A
• Sustainable Agriculture & Wellness Dividend Fund	AGR.UN
• Sustainable Innovation & Health Dividend Fund	SIH.UN
• Sustainable Real Estate Dividend Fund	MSRE.UN
• Workplace Technology Dividend Fund	WORK.UN
MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS	
Series A Units	Fund Code FE/LL/DSC
• Middlefield Healthcare Dividend Fund (formerly 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	
• Middlefield Healthcare Dividend Fund (formerly Global Healthcare Dividend Fund)	MID 326
• INDEXPLUS Income Fund	MID 436
• Middlefield Global Infrastructure Fund	MID 501
MIDDLEFIELD MUTUAL FUNDS CORPORATE CLASS FUNDS	
Series A Shares	Fund Code 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 Energy Transition Class (commenced May 31, 2022)	MID 265
• Middlefield Real Estate Dividend Class (formerly Middlefield Global Real Estate Class)	MID 600/649/650
• Middlefield High Interest Income Class	MID 400/424/425
• Middlefield Income Plus Class	MID 800/849/850
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 925
• Middlefield U.S. Equity Dividend Class (formerly 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 Energy Transition Class (commenced May 31, 2022)	MID 266
• Middlefield Real Estate Dividend Class (formerly Middlefield Global Real Estate Class)	MID 601
• Middlefield Income Plus Class	MID 801
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 926
• Middlefield U.S. Equity Dividend Class (formerly Middlefield U.S. Dividend Growers Class)	MID 701
RESOURCE FUNDS	
• Discovery 2021 Short Duration LP	
• MRF 2021 Resource Limited Partnership	
• MRF 2022 Resource Limited Partnership	
INTERNATIONAL FUNDS	
• Middlefield Canadian Income PCC	London UK Stock Exchange (LSE) Symbol:MCT

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