

## Middlefield Proposes Fund Amendments

**PRESS RELEASE**

April 4, 2014

Middlefield Group, on behalf of Middlefield Mutual Funds Limited (the “Corporation”), is pleased to invite you to attend a special meeting of the shareholders of the Corporation to be held on Wednesday, May 9, 2014 commencing at 11:00 a.m. MST (Calgary time) at the offices of McCarthy Tetrault LLP located at 4000, 421 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 4K9.

One of the primary purposes of the meeting is to seek shareholder approval to enable the Corporation to increase the number of funds in which its shareholders may invest. The Corporation currently offers shareholders the opportunity to switch on a tax-deferred basis between nine mutual funds with different investment strategies, which is the maximum number of classes currently permitted under the Articles of the Corporation. The Corporation is seeking approval to issue up to 1,000 additional classes of shares in order to provide shareholders with additional investment options. While it is not envisioned that the Corporation would issue such a large number of mutual fund classes at any given time, the authority to do so is common among similar mutual fund corporations and is intended to avoid the need for, and costs associated with, a future shareholder meeting in respect of this matter. Furthermore, the board and the manager of the Corporation, Middlefield Limited (the “Manager”), believe that the ability to issue additional mutual fund classes will potentially attract investors, which would result in a reduction in the Corporation’s fixed operating costs per share.

In addition and as more fully described in the Management Proxy Circular dated April 4, 2014 (the “Proxy Circular”), the shareholders of Middlefield Canadian High Yield Class, ActiveIndex REIT Class and Middlefield Canadian Dividend Growth Class will be asked to consider various amendments to their investment objectives. With respect to Middlefield Canadian High Yield Class and ActiveIndex REIT Class, the proposed changes include broadening the investment mandates of these funds by increasing their permitted allocations to the securities of foreign issuers and, in the case of ActiveIndex REIT Class, adopting, at no incremental cost to investors, an actively managed investment strategy in place of the fund’s current combined active plus passive strategy. Concerning Middlefield Canadian Dividend Growth Class, the Corporation is seeking approval to increase the fund’s current ability to invest in equity and fixed income securities of issuers outside of the Canadian resource sector.

Middlefield manages several funds which invest in both global and Canadian equity income and debt securities, including Can-Global REIT Income Fund, Global Dividend Growers Income Fund and MINT Income Fund, each of which have generated strong annualized returns since inception. It is expected that broadening the investment mandates of these funds will benefit shareholders by allowing them to leverage Middlefield’s expertise in managing equity and fixed income securities. In addition, replacing the passive management component of ActiveIndex REIT Class will result in a savings to investors through the elimination of the annual index licensing fee, which S&P currently charges the fund for tracking its Capped REIT Index.

In light of the proposed changes, the names of Middlefield Canadian High Yield Class and ActiveIndex REIT Class will be changed to Middlefield High Yield Class and Middlefield Real Estate Class, respectively, to better reflect their investment mandates.

After considering the Proxy Circular and related meeting materials, shareholders are encouraged to complete and return their proxy forms in order that their shares can be voted at the special meeting. Both the board of directors and the Manager have determined that the approval of the proposed amendments is in the best interests of shareholders and recommend they vote FOR each of the resolutions described in the Proxy Circular.

For further information, please visit our website at [www.middlefield.com](http://www.middlefield.com) or contact Nancy Tham, Managing Director, Sales and Marketing, at 416.847.5349 or 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. 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 mutual fund performance. Actual events or results may differ materially from such forward-looking statements as a result of risks facing the Corporation or specific mutual fund classes, most of which are beyond the control of the Corporation. There are no assurances that the Corporation can fulfill such forward-looking statements and the Corporation does not undertake any obligation to update such statements.*