



2021 SEMI - ANNUAL REPORT

MIDDLEFIELD GLOBAL REAL ASSET FUND

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	2021 Mid-Year Review and Outlook
4	Interim Management Report of Fund Performance
9	Interim Financial Statements
14	Notes to Financial Statements
24	Middlefield Funds Family Corporate Information

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.



Middlefield Funds

YOUR PARTNER IN INCOME & GROWTH

For more information
toll-free 1.888.890.1868

www.middlefield.com



**Actively Managed Portfolios of Public and Private Companies that
are Driving a Smarter, Healthier and More Sustainable Future**

 **Global
Innovation**
DIVIDEND FUND
TSX: BL.UN

International
Clean Power
Dividend Fund
TSX: CLP.UN

 **Global Real Estate
& E-Commerce**
DIVIDEND FUND
TSX: GEC.UN

 **Sustainable
Innovation & Health**
Dividend Fund
TSX: SIH.UN

 **Sustainable Infrastructure**
DIVIDEND FUND
TSX: INF.UN

 **Middlefield
GLOBAL REAL ASSET**
Fund
TSX: RA.UN

 **Sustainable
Agriculture & Wellness**
Dividend Fund
TSX: AGR.UN

TORONTO
First Canadian Place
58th Floor, P.O. Box 192
Toronto, Ontario M5X 1A6

CALGARY
812 Memorial Drive NW
Calgary, Alberta T2N 3C8

LONDON
288 Bishopsgate
London, England
EC2M 4QP

SAN FRANCISCO
50 California Street, Suite 1500,
San Francisco, California
USA 94111



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 Mint Income Fund generated a total return of 22.7%. The Fund provides unitholders with stable income in the form of monthly distributions in addition to capital appreciation potential, underpinned by an actively managed portfolio primarily comprised of equity income securities. The positive year-to-date performance builds upon the Fund's longstanding track record of generating attractive risk-adjusted returns to unitholders. Since the Fund's inception in 1997, the Fund has generated an annualized total return of 8.8%, outperforming the S&P/TSX Composite's annualized total return of 7.6% over the same period.

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.

Middlefield REIT IndexPlus generated a total return of 17.2% during the first half of 2021, adding to its 10+ year track record of generating attractive returns for unitholders. Since inception in April 2011, the Fund has generated an annualized total return of 9.3%, outperforming the S&P/TSX Capped REIT's annualized total return of 8.2% over the same period. Leveraging Middlefield's expertise in managing real estate portfolios, Real Estate & E-Commerce Split Corp. was launched November 19, 2020. Since inception to June 30th, 2021, the corporation's Class A shares generated a total return of 30.7%.

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 Healthcare & Life Sciences ETF and the Middlefield Health & Wellness ETF have generated annualized total returns of 9.3% and 10.6% since inception on July 21st, 2017 and October 20th, 2016, respectively. Both Funds invest in diversified portfolios primarily comprised of dividend-paying companies that operate in the global healthcare sector, an area underrepresented in the Canadian market. The two ETFs share select core holdings but offer distinct strategies that have created value over the long term. Middlefield Healthcare & Life Sciences ETF has a sleeve dedicated to the life sciences sector, mostly comprised of biotechnology companies identified in collaboration with our exclusive industry advisor, SSR Health. Middlefield Health & Wellness ETF has an actively managed allocation to health & wellness comprised of high-conviction issuers at the forefront of the global movement focused on healthier lifestyles.

MIDDLEFIELD TSX-LISTED FUNDS |

The Middlefield family of exchange-listed funds is currently comprised of 19 funds, 18 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.

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.

Middlefield Sustainable Innovation & Health Dividend Fund has generated a total return of 10.2% year-to-date. The Fund's actively managed portfolio of leading global innovative technology and healthcare companies is complemented by an allocation to private healthcare royalty investments and utilizes a strategy that incorporates ESG principles to identify sustainable investments. Middlefield Digital Consumer Dividend Fund and Middlefield Global Innovation Dividend Fund provide exposure to the structural growth in technology-enabled trends while delivering stable income in the form of monthly distributions. Launched June 27th, 2019, Middlefield Digital Consumer Dividend Fund has generated an annualized return of 23.5% and Middlefield Global Innovation Dividend Fund has generated an annualized total return of 19.9% since inception on March 23rd, 2018.

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.

In March 2021, Middlefield completed its initial public offering of Middlefield International Clean Power Fund for gross proceeds of \$200 million. We are excited about the long-term outlook for the Fund due to the increasing demand for renewable power stemming from growing political, corporate and societal support for clean green energy as well as continued reductions in costs. We believe these factors will drive ongoing and increasing levels of investor interest in renewable power and related sectors for decades to come. The launch of Middlefield International Clean Power Dividend Fund follows on the successful launch of Middlefield Sustainable Infrastructure Dividend Fund on March 25th, 2020, which has generated an annualized total return of 21.4% since its inception.

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.

Class A shares of E-Split generated a total return of 47.3% during the first half of the year. This compares to the 26.4% total return generated by Enbridge Inc., the Fund's sole underlying asset. E-Splits' 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 \$0.13125 and the Corporation's Preferred Shares pay quarterly distributions of \$0.13. E-Split completed two successful overnight offerings during the first half of the year on March 2nd and April 27th, raising gross proceeds of \$82 million in aggregate.

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

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.

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 Global Real Asset Fund (the "Fund") are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in dividend-paying securities of global issuers focused on, involved in, or that derive a significant portion of their revenue from physical real estate or infrastructure assets, which the advisor believes will generate attractive risk-adjusted returns for the Fund due to tangible, difficult to replicate, long-term nature of such assets and their ability to shape and support global economic activity.

Results of Operations

Investment Performance

During the first half of 2021, the total equity of the Fund decreased from \$94.9 million at December 31, 2020 to \$90.9 million at June 30, 2021. Total equity on a per unit basis decreased from \$9.73 at December 31, 2020 to \$9.57 at June 30, 2021. This decrease was primarily attributable to the net realized loss on the investment portfolio. During the first half of 2021, the Fund recorded a net gain of \$0.4 million on its investment portfolio or \$0.04 per unit.

Revenue and Expenses

In the first half of 2021, the Fund recorded revenue before expenses of \$1.7 million, down from \$2.9 million in the prior year period. Operating expenses during the period ended June 30, 2021 were \$0.8 million, down from \$1.0 million in the prior year period. The operating expenses contributed to the management expense ratio ("MER") of 1.83% in the first half of 2021, down from 2.27% in 2020. Excluding issuance and borrowing costs, the MER was 1.67% in the first half of 2021. Profit for the period ended June 30, 2021 amounted to \$0.7 million or \$0.07 per unit. Distributions for the period ended June 30, 2021 amounted to \$0.25 per unit.

Trends

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.

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. In addition, MCC received an agency fee from the Fund in respect of units sold in 2019. For further details, please see the notes to the financial statements.

Management Fees

Management fees are calculated at 1.25% per annum of the net asset value of the Fund's publicly listed portfolio and are split between the Manager and the Advisor. Allocation fees are calculated at 0.10% of the net asset value of the Fund to compensate the Advisor for its efforts in making decisions regarding the allocation of Fund's portfolio between publicly listed issuers and unlisted real asset issuers. 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.

Credit Facility

The Fund has a revolving demand credit facility that enables the Fund to borrow up to an amount not exceeding 25% of total assets. As at June 30, 2021, the Fund had a loan payable in the amount of \$15 million, representing approximately 14.1% of total assets and 16.5% of total equity. The minimum and maximum amounts borrowed during 2021 were \$9 and \$15 million, respectively. The loan proceeds were used primarily to purchase securities for the investment portfolio. The credit facility provides the lender with a security interest over the assets of the Fund.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Financial Highlights

Total Equity is 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 period. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

The Fund's Total Equity per Unit⁽¹⁾

	June 30, 2021 ⁽⁴⁾	December 31, 2020	December 31, 2019 ⁽³⁾
Total Equity, Beginning of Period	\$ 9.73	\$ 9.46	\$ 9.50*
INCREASE (DECREASE) FROM OPERATIONS:			
Total Revenue	0.13	0.23	0.02
Total Expenses (excluding distributions)	(0.10)	(0.21)	(0.03)
Realized Loss for the Period	(0.14)	(0.39)	(0.01)
Unrealized Gain for the Period	0.18	1.01	0.01
Transaction Costs on Purchase and Sale of Investments	-	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	0.09	0.69	(0.04)
DISTRIBUTIONS:			
From Net Investment Income	0.04	0.02	-
Return of Capital	0.21	0.40	-
TOTAL DISTRIBUTIONS⁽⁵⁾	0.25	0.42	-
Total Equity, End of Period	\$ 9.57	\$ 9.73	\$ 9.46

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

⁽²⁾ Total Equity 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 Total Equity since it does not reflect unitholder transactions as shown on the Statement of Changes in Equity and accordingly columns may not add.

⁽³⁾ For the period November 26, 2019 (date of commencement of operations) to December 31, 2019.

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

⁽⁵⁾ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

*Initial issue price, net of agents' fees and initial issue costs.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Ratios and Supplemental Data

	June 30, 2021 ⁽⁵⁾	December 31, 2020	December 31, 2019 ⁽⁴⁾
Total Assets (000s)	\$ 106,644	\$ 104,811	\$ 104,713
Total Net Asset Value (000s)	\$ 90,948	\$ 94,870	\$ 104,498
Number of Units Outstanding	9,501,854	9,749,154	11,050,354
Management Expense Ratio ("MER") ⁽¹⁾	1.83%	2.27%	8.60%
MER (excluding interest expense and issuance costs) ⁽¹⁾	1.67%	1.86%	3.08%
Trading Expense Ratio ⁽²⁾	0.05%	0.12%	1.56%
Portfolio Turnover Rate ⁽³⁾	9.09%	39.90%	62.98%
Net Asset Value per Unit	\$ 9.57	\$ 9.73	\$ 9.46

⁽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. 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.

⁽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 December 31, 2019 or for the period November 26, 2019 (date of commencement of operations) to December 31, 2019.

⁽⁵⁾ As at June 30, 2021 or for the six-month period ended June 30, 2021, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

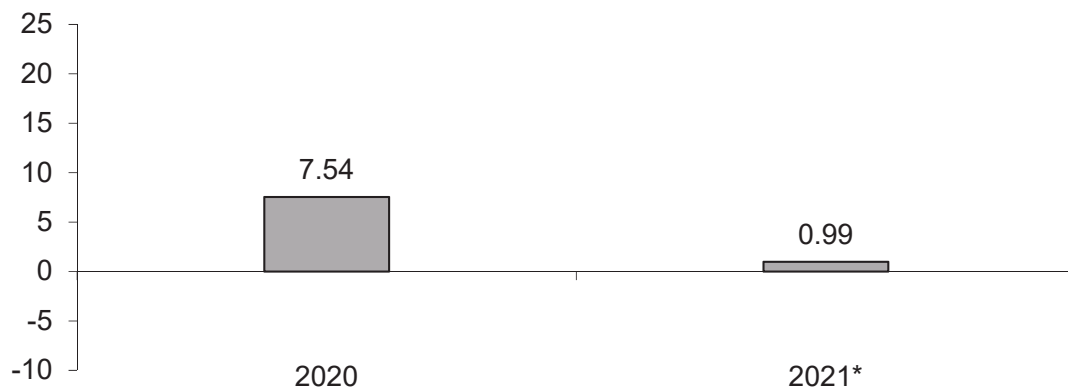
FOR THE SIX MONTHS ENDED JUNE 30, 2021

Past Performance

The performance information shown, which is based on Net Asset Value, assumes that all distributions paid by the Fund in the year 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 the Fund's performance in 2020. The return for 2019 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 the financial year would have grown or decreased by the last day of the financial year.



*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 Blackstone Core+ Real Estate LP, Private Placement	9.8
2 Amazon.com Inc.	4.7
3 Equinix Inc.	4.4
4 Brookfield Asset Management Inc.	3.8
5 Orsted A/S	3.8
6 Enphase Energy Inc.	3.8
7 Iberdrola S.A.	3.7
8 Northland Power Inc.	3.7
9 Microsoft Corp.	3.7
10 Vinci SA	3.6
11 Enel SpA	3.5
12 Prologis Inc.	3.3
13 EDP - Energias de Portugal SA	3.2
14 Ferrovial SA	3.2
15 Crown Castle International Corp.	3.2
16 Granite Real Estate Investment Trust	3.2
17 Brookfield Renewable Partners LP	3.2
18 Cyrusone Inc.	3.1
19 Atlantica Sustainable Infrastructure plc	3.0
20 SBA Communications Corp.	3.0
21 Cellnex Telecom SA	3.0
22 Alexandria Real Estate Equities Inc.	3.0
23 NextEra Energy Inc.	2.8
24 Plug Power Inc.	2.8
25 Eiffage S.A.	2.8

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

ASSET CLASS	% OF NET ASSET VALUE
Real Estate	43.9
Utilities	29.5
Industrials	15.0
Technology	7.4
Consumer Discretionary	4.7
Financials	3.8
Materials	2.8
Pipelines	2.5
Cash and Short-Term Investments	7.5
Other Net Liabilities	(17.1)
	100.0
TOTAL NET ASSET VALUE	\$ 90,947,738
TOTAL ASSETS	\$ 106,643,977

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 Real Asset Fund 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	\$	99,702,407	\$	97,607,275
Cash		6,815,848		7,084,368
Income and Interest Receivable		104,881		107,703
Accounts Receivable		13,004		10,131
Prepaid Interest		7,837		1,475
Total Assets		106,643,977		104,810,952

LIABILITIES

Current Liabilities

Loan Payable (Note 13)		15,000,000		9,000,000
Distribution Payable		396,696		408,847
Accounts Payable and Accrued Liabilities		299,543		531,649
Total Liabilities		15,696,239		9,940,496
Net Assets	\$	90,947,738	\$	94,870,456

EQUITY

Unitholders' Capital (Note 9)	\$	95,018,540	\$	97,491,540
Deficit		(4,070,802)		(2,621,084)
Total Equity	\$	90,947,738	\$	94,870,456
Units Issued and Outstanding		9,501,854		9,749,154
Total Equity per Unit	\$	9.57	\$	9.73

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)

	2021	2020
REVENUE (LOSS)		
Income from Investments	\$ 1,287,834	\$ 1,364,770
Interest Income for Distribution Purposes	11,228	178,634
Securities Lending Income (Note 11)	-	116
Foreign Exchange (Loss) Gain on Cash	(459)	40,624
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss		
Net Realized (Loss) Gain from Investment Transactions	(1,323,626)	828,540
Change in Net Unrealized Gain on Investments	1,732,822	591,532
Change in Net Unrealized Loss on Foreign Currency Transactions	(8,264)	(152,162)
Total Revenue	1,699,535	2,852,054
OPERATING EXPENSES (Note 7)		
Audit Fees	23,086	27,268
Custodial Fees	5,335	5,940
Fund Administration Costs	81,243	67,614
Independent Review Committee Fees and Expenses	-	50,580
Management Fee	613,696	672,255
Transaction Costs (Note 10)	21,780	30,123
Unitholder Reporting Costs	34,620	113,302
Total Operating Expenses	779,760	967,082
Operating Profit	919,775	1,884,972
Finance Costs (Note 13)	73,391	97,567
Profit before Tax	846,384	1,787,405
Withholding Taxes	135,988	148,073
Profit after Tax	\$ 710,396	\$ 1,639,332
Profit after Tax per Unit (Note 9)	\$ 0.07	\$ 0.15

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Changes in Equity

FOR THE SIX MONTHS ENDED JUNE 30 (In Canadian Dollars)	Unitholders'		Total
	Capital	Deficit	
Balance at January 1, 2020	\$ 110,503,540	\$ (6,005,154)	\$ 104,498,386
Profit after Tax	-	1,639,332	1,639,332
Distributions to Unitholders	-	(1,740,344)	(1,740,344)
Repurchase of Trust Units	(8,534,000)	953,390	(7,580,610)
Payment of Issue Costs	-	(227,134)	(227,134)
Balance at June 30, 2020	\$ 101,969,540	\$ (5,379,910)	\$ 96,589,630
Balance at January 1, 2021	\$ 97,491,540	\$ (2,621,084)	\$ 94,870,456
Profit after Tax	-	710,396	710,396
Distributions to Unitholders	-	(2,400,924)	(2,400,924)
Repurchase of Trust Units	(2,473,000)	242,877	(2,230,123)
Payment on Redemption of Units	(13,500)	1,026	(12,474)
Proceeds from Issue of Units	13,500	(1,026)	12,474
Payment of Issue Costs	-	(2,067)	(2,067)
Balance at June 30, 2021	\$ 95,018,540	\$ (4,070,802)	\$ 90,947,738

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit after Tax	\$ 710,396	\$ 1,639,332
Adjustments:		
Purchases of Investments	(17,184,914)	(147,781,952)
Proceeds from Sale of Investments	15,498,978	152,389,687
Foreign Exchange Loss	8,723	111,538
Change in Net Realized Loss (Gain) from Investment Transactions	1,323,626	(828,540)
Change in Net Unrealized Gain on Investments	(1,732,822)	(591,532)
	(1,376,013)	4,938,533
Net Change in Non-Cash Working Capital	(162,288)	202,757
Net Cash (used in) from Operating Activities	(1,538,301)	5,141,290
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from Issue of Units	12,474	-
Payment of Issue Costs	(2,067)	(227,134)
Repurchase of Trust Units	(2,230,123)	(7,580,610)
Payment on Redemption of Units	(12,474)	-
Proceeds from Loans	26,923,769	14,861,494
Repayment of Loans	(21,000,000)	(5,000,000)
Distributions Paid to Unitholders	(2,413,075)	(1,313,016)
Net Cash from Financing Activities	1,278,504	740,734
Net (Decrease) Increase in Cash	(259,797)	5,882,024
Foreign Exchange Loss	(8,723)	(111,538)
Cash at Beginning of Period	7,084,368	12,501,458
Cash at End of Period	\$ 6,815,848	\$ 18,271,944

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	Cost	Fair Value
Alexandria Real Estate Equities Inc.	12,000	\$ 2,577,279	\$ 2,703,551
Blackstone Core+ Real Estate LP	5,653	9,835,014	9,037,998
Canadian Apartment Properties Real Estate Investment Trust	40,000	2,034,617	2,324,800
Cellnex Telecom SA	35,000	2,006,065	2,761,061
Crown Castle International Corp.	12,000	2,119,429	2,899,103
Cyrusone Inc.	32,000	2,671,630	2,834,019
Equinix Inc.	4,000	2,966,909	3,975,432
Granite Real Estate Investment Trust	35,000	2,421,674	2,886,800
Prologis Inc.	20,000	2,388,125	2,960,275
SBA Communications Corp.	7,000	2,217,721	2,762,519
SmartCentres Real Estate Investment Trust	80,000	1,915,939	2,349,600
WPT Industrial Real Estate Investment Trust	110,000	1,953,662	2,469,538
REAL ESTATE: 37.4%		35,108,064	39,964,696
Atlantica Sustainable Infrastructure PLC	60,000	2,045,641	2,765,367
Boralex Inc.	60,000	2,084,422	2,265,000
Brookfield Renewable Partners L.P.	60,000	2,289,769	2,874,000
EDP - Energias de Portugal S.A.	450,000	2,468,987	2,953,875
Enel SpA	275,000	3,319,008	3,162,841
Iberdrola S.A.	225,000	3,568,193	3,396,625
NextEra Energy Inc.	28,000	2,168,654	2,540,790
Northland Power Inc.	80,000	2,230,058	3,383,200
Ørsted A/S	20,000	2,713,561	3,475,616
UTILITIES: 25.2%		22,888,293	26,817,314
Eiffage S.A.	20,000	2,476,802	2,519,935
Ferrovial SA	80,000	3,165,292	2,907,617
Plug Power Inc.	60,000	2,044,747	2,540,245
Transurban Group	180,000	2,474,422	2,381,214
Vinci SA	25,000	3,609,620	3,303,743
INDUSTRIALS: 12.8%		13,770,883	13,652,754
Enphase Energy Inc.	15,000	2,915,997	3,410,830
Microsoft Corp.	10,000	2,878,509	3,354,550
TECHNOLOGY: 6.4%		5,794,506	6,765,380
Amazon.com Inc.	1,000	2,718,464	4,259,944
CONSUMER DISCRETIONARY: 4.0%		2,718,464	4,259,944
Brookfield Asset Management Inc.	55,000	2,774,016	3,478,200
Brookfield Asset Management Reinsurance Partners Ltd.	379	20,674	24,825
FINANCIALS: 3.3%		2,794,690	3,503,025
Linde plc	7,000	2,067,789	2,505,944
MATERIALS: 2.4		2,067,789	2,505,944
Enbridge Inc.	45,000	2,283,645	2,233,350
PIPELINES: 2.1%		2,283,645	2,233,350
TRANSACTION COSTS (Note 10)		(102,154)	-
TOTAL INVESTMENTS: 93.6%		87,324,180	99,702,407
CASH: 6.4%		6,815,848	6,815,848
Total Investment Portfolio, Including Cash		\$ 94,140,028	\$ 106,518,255

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

1. Middlefield Global Real Asset Fund

Middlefield Global Real Asset Fund (the “Fund”) is a closed-ended investment trust established under the laws of the Province of Alberta on October 11, 2019. 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 November 26, 2019 when it first issued units through an initial public offering. 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 Manager on August 23, 2021.

2. Investment Objectives and Strategy

The investment objectives of the Fund are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in dividend-paying securities of global issuers focused on, involved in, or that derive a significant portion of their revenue from physical real estate or infrastructure assets, which the advisor believes will generate attractive risk-adjusted returns for the Fund due to tangible, difficult to replicate, long-term nature of such assets and their ability to shape and support global economic activity.

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 the liabilities are classified at fair value through profit and 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, 2021 | 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 is 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. Investments in other investment fund are valued based on the number of units held and their closing NAV per unit as provided by the investment funds' manager or general partner.

D. Unitholders' Capital

The Fund's units are classified as equity as the Fund has full discretion with respect to the extent and timing of the repurchase of the units and in the determination of whether distributions will be made in cash or units. Incremental costs directly attributable to the issue or redemption of units are recognized directly in equity as a deduction from the proceeds or part of the acquisition cost. Where the Fund repurchases its own units, the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Fund's equity holders until the units are cancelled, re-issued or disposed of. Where such units are subsequently sold or reissued, any consideration received is included in equity attributable to the Fund's equity holders.

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, 2021 | 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 the 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. Profit or Loss after Tax per Unit

Profit or loss after tax per unit in the Statements of Comprehensive Income represents the profit or loss after tax 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 investment 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 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | 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 (continued)

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 value of the Fund's financial instruments is 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.

As at June 30, 2021

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 90,664,409	\$ -	\$ 9,037,998	\$ 99,702,407

As at December 31, 2020

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 88,560,154	\$ -	\$ 9,047,121	\$ 97,607,275

All fair value measurements are recurring. The carrying values of cash, income and interest receivable, subscriptions receivable, accounts receivable, prepaid interest, accounts receivable – portfolio securities sold, loan payable, distributions payable, and accounts payable and accrued liabilities, approximate their fair values due to their short-term nature. Fair values of Fund's investments in common shares 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 periods ended June 30, 2021 and December 31, 2020.

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at June 30, 2021, the Fund held \$9,037,998 of Level 3 securities (December 31, 2020 - \$9,047,121). The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the issuer, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuate similarly. The Fund's Level 3 investment in Blackstone Core+ Real Estate LP represents 9.1% of the Fund's investment portfolio and is measured at the NAV of Blackstone Core+ Real Estate LP as at June 30, 2021. The Blackstone Core+ Real Estate LP primarily holds level 2 and level 3 investments and the inputs to the NAV require significant management judgement or estimation.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | 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'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	\$ 99,702,407	\$ 97,607,275

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 \$9,970,241 (December 31, 2020 - \$9,760,728) increase or decrease in total equity 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 instruments:

	June 30, 2021	December 31, 2020
Cash	\$ 6,815,848	\$ 7,084,368
Loan Payable	(15,000,000)	(9,000,000)
Net Exposure	\$ (8,184,152)	\$ (1,915,632)

Based on the above exposure at June 30, 2021, a 1% per annum increase or decrease in interest rates would result in a 81,842 (December 31, 2020 - \$19,156) decrease or increase in total equity 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 liquidity risk through its annual and monthly redemptions. The Fund receives 45 business days notice prior to the redemption date and has up to 15 business days after the redemption date to settle the redemption. This enables the Manager to sell securities held by the Fund to generate cash to settle the redemption, if necessary. The Fund's obligations are due within one year. The Fund has a revolving demand credit facility in the amount of \$25 million which is secured by a general security agreement. Borrowed amounts under the credit facility are usually due within 30 to 90 days. 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

6. Financial Risk Management (continued)

C. Liquidity Risk (continued)

The Fund may invest in securities that are not traded on 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. The Fund's investment in Blackstone Core+ Real Estate LP is subject to a 24 month period redemption lock-up from the date of the initial capital contribution; however, the Fund has the ability to sell its units of Blackstone Core+ Real Estate LP to certain other purchasers prior to the expiration of the lock-up period. Subsequent to the redemption lock-up period, the Fund can redeem part or all of its investment on a quarterly basis.

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
Loan Payable	\$ 11,000,000	\$ 4,000,000	\$ -	\$ 15,000,000
Distributions Payable	396,696	-	-	396,696
Accounts Payable and Accrued Liabilities	299,543	-	-	299,543
Total	\$ 11,696,239	\$ 4,000,000	\$ -	\$ 15,696,239

As at December 31, 2020

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Loan Payable	\$ 5,000,000	\$ 4,000,000	\$ -	\$ 9,000,000
Distributions Payable	408,847	-	-	408,847
Accounts Payable and Accrued Liabilities	531,649	-	-	531,649
Total	\$ 5,940,496	\$ 4,000,000	\$ -	\$ 9,940,496

The Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments, specifically Loan Payable, 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 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	\$ 51,020,104	\$ 1,744,907	\$ 39,946	\$ 52,804,957
European Euro	21,005,698	-	-	21,005,698
Australian Dollar	2,381,214	-	31,251	2,412,465
Danish Krone	3,475,616	-	-	3,475,616
Total	\$ 77,882,632	\$ 1,744,907	\$ 71,197	\$ 79,698,736

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

6. Financial Risk Management (continued) D. Foreign Exchange Rate Risk (continued)

As at December 31, 2020

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 45,444,978	\$ 2,198,008	\$ 40,708	\$ 47,683,694
European Euro	22,146,301	-	-	22,146,301
Australian Dollar	2,417,200	-	22,562	2,439,762
Danish Krone	5,208,246	-	-	5,208,246
Total	\$ 75,216,725	\$ 2,198,008	\$ 63,270	\$ 77,478,003

Based on the above exposure at June 30, 2021, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a \$7,969,874 (December 31, 2020 - \$7,747,800) decrease or increase in total equity 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 asset 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, 2021 and December 31, 2020, the percentages of the Fund's total equity invested in each investment sector were as follows:

Sector	As a % of Total Equity	
	June 30, 2021	December 31, 2020
Real Estate	43.9	41.0
Utilities	29.5	31.7
Industrials	15.0	15.5
Technology	7.4	3.0
Consumer Discretionary	4.7	3.5
Financials	3.8	-
Materials	2.8	2.5
Pipelines	2.5	3.7
Communication Services	-	2.0
Total	109.6	102.9

7. 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 1.25% per annum of the NAV of the Fund's publicly listed portfolio, as well as an allocation fee 0.10% of the Fund's overall 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

8. Capital Management

The Fund's capital is its total 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 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. Generally speaking, the Fund will reduce leverage when investments are likely to decrease in value and will increase leverage when investment appreciation is anticipated. In order to maintain or adjust its capital structure, the Fund may borrow or repay debt under its credit facility or undertake other activities deemed appropriate under the specific circumstances.

The Fund is not subject to externally imposed capital requirements; however, the Fund is subject to bank covenants in respect of leverage and is in compliance with these covenants in both 2021 and 2020.

9. Unitholders' Equity

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units, each of which represents an equal, undivided interest in the total equity of the Fund. All units have equal rights and privileges.

Commencing March 31, 2020, the 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.

In 2019, the Fund issued 11,050,354 units at \$10 per unit for proceeds, net of agents' fees and issue costs, of \$104.8 million. During the six months ended June 30, 2021, the Fund issued 1,350 units (2020 - nil), redeemed 1,350 units (2020 - nil) and purchased 202,300 units (2020 - 716,500) pursuant to a normal course issuer bid and 45,000 units (2020 - 136,900) in the market in accordance with the Declaration of Trust. For the period ended June 30, 2021, 1,333 units (2020 - 1,250) were distributed under the Plan, of which nil units (2020 - nil) were issued from treasury.

The average number of units outstanding during the period ended June 30, 2021 was 9,620,283 (2020 - 10,657,214). This number was used to calculate the Profit after Tax per Unit.

10. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2021 amounted to \$21,780 (2020 - 30,123). Included in this amount is \$6,101 (2020 - 7,753) in brokerage commissions that were paid to MCC. All 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. Agency fees paid to MCC amounted to \$227 in 2021.

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 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 2020, securities lending income was as follows:

	2021	2020
Gross Securities Lending Income	\$ -	\$ 146
Securities Lending Charges	-	(30)
Net Securities Lending Income Received by the Fund	\$ -	\$ 116

Securities lending charges represented nil% (June 30, 2020 - 21%) of the gross securities lending income, all of which was paid to the Fund's custodian.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 | UNAUDITED

12. Loss Carryforwards

At December 31, 2020, the Fund had capital losses of \$7,098,986 (2019 - \$122,158) and had non-capital losses of \$197,309 (2019 - \$197,309) available for carryforward for tax purposes. The capital losses can be carried forward indefinitely. The expiry date of the non-capital losses is as follows:

<u>Expiry Date</u>	<u>Amount</u>
December 31, 2039	\$ 197,309

13. Loan Payable

The Fund's revolving term credit facility in the maximum principal amount of \$25 million (December 31, 2020 – \$25 million) is secured by a general security agreement. As at June 30, 2021, loans outstanding included bankers' acceptances with a face value of \$15 million (December 31, 2020 – \$9 million). The minimum and maximum loans outstanding during the first half of 2021 were \$9 and \$15 million (December 31, 2020 – \$nil and \$10 million), respectively. Finance costs primarily relate to loan interest expenses.

14. 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, 2021, distributions amounted to \$0.25 per unit (2020 - \$0.17).

15. 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

Series A Units	Fund Code 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

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 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
-----------------------------------	---

Directors

Dean Orrico
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

Independent Review Committee

George S. Dembroski
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
RBC Capital Markets

Advisors

Middlefield Capital Corporation
SSR, LLC

Officers

Polly Tse, CPA, CGA, CPA (IL)
Chief Financial Officer
Middlefield Capital Corporation

Francis Ramirez
Chief Executive Officer
Middlefield Limited

Catherine Rebuldela, CPA, CGA
Chief Financial Officer
Middlefield Limited

Henry Lee
President
Middlefield Realty Services Limited

Victor Ngai
President
MF Properties Limited

Nancy Tham
Managing Director, Sales and Marketing
Middlefield Capital Corporation

Vincenzo Greco
Managing Director, Trading
Middlefield Capital Corporation

Craig Rogers, CPA, CGA, CFA
Managing Director, Corporate Development
Middlefield Capital Corporation

Shane Obata, CFA, MFin
Executive Director, Investments
Middlefield Capital Corporation

Anthony Tavella, MBA, MFin
Executive Director, International
Middlefield Group

Vince Kraljevic, CFA
Executive Director, Corporate Development
Middlefield Capital Corporation

Robert Moffat
Director, Investments
Middlefield Capital Corporation

James Stack
Director, Sales and Marketing
Middlefield Capital Corporation

J. Dennis Dunlop
Senior Vice-President
Middlefield Group

Shiranee Gomez
Senior Vice-President
Middlefield Group

Gabriel Soler
Senior Vice-President
Middlefield Group

Nicole S. Brasseur
Vice-President
Middlefield Group

Stephen Chamberlain
Vice-President
Middlefield Realty Services Limited

Stacy J. Crestohl
Vice-President
Middlefield Group

Judy Marks
Vice-President
Middlefield Group

Sarah Roberts, CPA, CMA
Vice-President
Middlefield Group

Wendy Teo, CPA, CA, CPA (IL)
Vice-President, Accounting
Middlefield Capital Corporation

Jimmy Xu
Vice-President
Middlefield Group

Sylvia Casillano, CPA, CGA
Assistant Vice-President
Middlefield Group

Tess David, CPA
Assistant Vice-President
Middlefield Group

Rose Espinoza
Assistant Vice-President
Middlefield Group

Scott Hu
Associate
Middlefield Group

Ken Lai
Accountant
Middlefield Group

Auditor

Deloitte LLP, Chartered
Professional Accountants
RSM Canada LLP

Legal Counsel

Bennett Jones
DLA Piper (Canada) LLP
Fasken Martineau DuMoulin LLP
McCarthy Tétrault

Bankers

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

Middlefield Group Limited
Middlefield Capital Corporation
Middlefield Financial Services Limited
MFL Management Limited
MF Properties Limited
Middlefield International Limited
Middlefield Limited
Middlefield Realty Services Limited
Middlefield Resource Corporation

www.middlefield.com
invest@middlefield.com
(888) 890-1868



TORONTO, CANADA
Middlefield Capital Corporation
First Canadian Place
58th Floor, P.O. Box 192
Toronto, Ontario
Canada M5X 1A6
Telephone (416) 362-0714
Fax (416) 362-7925

CALGARY, CANADA
Middlefield Limited
812 Memorial Drive NW
Calgary, Alberta
Canada T2N 3C8
Telephone (403) 269-2100
Fax (403) 269-2911

LONDON, ENGLAND
Middlefield International Limited
288 Bishopsgate
London, England
EC2M 4QP
Telephone (0207) 814-6644
Fax (0207) 814-6611

SAN FRANCISCO, USA
Middlefield Financial Services Inc.
50 California Street, Suite 1500,
San Francisco, California
USA 94111
Telephone (415) 835-1308
Fax (415) 835-1350