

PRESS RELEASE - JANUARY 10, 2024

MIDDLEFIELD ANNOUNCES REAL ESTATE FUND MERGER

Middlefield is pleased to announce that Sustainable Real Estate Dividend Fund ("Real Estate Closed-End Fund") will merge into the Middlefield Real Estate *Dividend ETF* ("Real Estate ETF") (TSX:MREL) ("the Merger"), which will result in unitholders of both funds benefiting from a larger fund with expected assets of over \$120 million (based on current valuations), better liquidity and the opportunity to continue participating in the real estate sector via the Real Estate ETF managed by Middlefield Limited (the "Manager"). The Merger is expected to be completed on or about May 16, 2024 (the "Effective Date"), with the Real Estate ETF being the continuing entity following the Merger.

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

By owning the ETF Units resulting from the Merger, unitholders of Real Estate Closed-End Fund will continue to be invested in a fund with similar investment strategies and objectives, while also benefitting from the structural advantages of ETFs, which trade more efficiently and closer to their net asset value. Additionally, the larger asset base is expected to improve liquidity and lower overall cost. Lastly, unitholders of the Real Estate Closed-End Fund will see a management fee reduction from 1.25% to 0.75%.

The Merger will be effected at an exchange ratio calculated as the net asset value per unit of the Real Estate Closed-End Fund divided by the net asset value per unit of the Real Estate ETF in each case determined as at the close of trading on the TSX on the business day immediately prior to the Effective Date. Pursuant to the Merger, the Real Estate ETF will assume the liabilities of the Real Estate Closed-End Fund and will issue units of the Real Estate ETF in satisfaction of the purchase price for all the assets of the Real Estate Closed-End Fund.

The unitholders of Real Estate Closed-End Fund who do not wish to participate in the Merger can sell their units in the market or tender them for redemption prior to the Effective Date. In order to provide unitholders of Real Estate Closed-End Fund with more time to consider their options, the Manager is hereby extending the redemption notice period to Thursday, February 8, 2024. Unitholders of Real Estate Closed-End Fund should be aware that by tendering units for redemption they will be exposed to pricing risk for the period between the deadline to tender units and the effective date of the redemption, being March 28, 2024, and

that redemption proceeds equal to the net asset value per unit of Real Estate Closed-End Fund as of such redemption date, less any costs associated with the redemption, will be paid sometime in April 2024. The redemption of Real Estate Closed-End Fund units may be considered a disposition for purposes of calculating taxable income. For further information on the redemption options available, please refer to the Real Estate Closed-End Fund's prospectus, available at www.middlefield.com.

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

About Middlefield

Founded in 1979, Middlefield is a specialist equity income asset manager headquartered in Toronto, Canada. Our investment team utilizes active management to select high-quality, global companies across a variety of sectors and themes. Our product offerings include proven dividend-focused strategies that span real estate, healthcare, innovation, infrastructure, energy, diversified income and more. We offer these solutions in a variety of product types including ETFs, Mutual Funds, Closed-End Funds, Split-Share Funds and Flow-through LPs.

For further information, please visit our website at www.middlefield.com or contact Nancy Tham in our Sales and Marketing Department at 1.888.890.1868.

Commissions, trailing commissions, management fees and expenses all may be associated with owning units of an investment fund or ETF investments. Please read the prospectus and publicly filed documents before investing. You will usually pay brokerage fees to your dealer if you purchase or sell units of an investment fund on the Toronto Stock Exchange or alternative Canadian trading platform (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of an investment fund and may receive less than the current net asset value when selling them. There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in the public filings available at www.sedar.com. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account: certain fees such as sales fees, redemption fees, distributions or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

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