



2025 SEMI-ANNUAL REPORT

INDEXPLUS INCOME FUND

 MIDDLEFIELD
MUTUAL FUNDS

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.

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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.



2025 MID-YEAR REVIEW AND OUTLOOK

By the end of June, equity markets had returned to levels prior to April's tariff fluctuations. The S&P 500, TSX Composite, and MSCI World Index all reached new highs at the close of the first half of 2025. Year-to-date, the TSX Composite led with a total return of 10.2%, compared to returns of 6.2% for the S&P 500 and 9.8% for the MSCI World.

The outlook for the U.S. economy shifted positively toward the quarter's end. According to Polymarket, the probability of a U.S. recession this year decreased from 65% in May to 22% in July. Labour market indicators, steady economic growth forecasts, and improved consumer sentiment contributed to these outlooks. However, stronger data may delay Federal Reserve rate cuts and could result in higher long-term bond yields. Rate cuts are not expected until September, and there is ongoing monitoring of the impact of U.S. Treasury fiscal imbalances on bond yields.

Global capital markets activity increased, as evidenced by a nearly 20% year-over-year rise in M&A deal value to \$1.8 trillion during the first half of 2025. Noteworthy IPOs included Circle, CoreWeave, and Chime, which together now represent \$130 billion in public market capitalization. In Canada, net equity issuance by both private and public corporations totaled \$85 billion in Q1, reversing a trend of more retirements than issuances for twelve consecutive quarters. This resurgence in capital markets activity is anticipated to persist. Financial sector performance is closely linked to these trends, particularly for firms with capital markets and trading divisions.

In real estate, Canadian REITs achieved a 7.6% total return for the TSX Capped REIT Index in the first half of the year, outperforming U.S. REITs, which returned 3.5%. Overweight positions in Canadian REITs contributed to a 7.0% total return for the **Middlefield Real Estate Dividend Class (MID 600 / MID 601)** for the six months ending June 30, 2025. Despite recent narrowing in valuation differences, Canadian REITs are still considered to have greater upside potential, so current geographic allocations are expected to be maintained through the remainder of the year.

The healthcare sector experienced mixed results: it outperformed the S&P 500 by more than 10% in Q1 but underperformed by 18% in Q2 due to policy-related uncertainty and changes in risk tolerance. Healthcare's year-to-date return is -1.1%, and it currently trades at a forward P/E multiple 5.9x lower than the S&P 500, which is among the widest discounts observed over the past thirty years.

Canada is accelerating its infrastructure development, including major energy and trade projects, as outlined in Bill C-5 ("One Canadian Economy Act"). The legislation, passed in late June, seeks to eliminate interprovincial barriers and streamline project approvals. This change is particularly significant for energy and midstream companies with projects awaiting regulatory clearance.

The Middlefield Family of mutual funds, which are listed at the end of this report, currently includes nine different funds within the multi-class structure and three mutual fund trusts. The multi-class structure of Middlefield Mutual Funds enables investors to benefit from superior tax efficiencies unavailable to other forms of investment funds. In addition, almost all classes are offered in F-Series.

The technology sector saw a significant rally, surpassing pre-Liberation Day highs, and is shifting focus from valuation recovery to earnings growth. The Nasdaq 100 reflected strong gains, with forward P/E ratios above the 5- and 10-year averages. Information Technology is projected to contribute the highest year-over-year revenue and earnings growth in the S&P 500 for Q2 and the full year of 2025. Capital investment in AI infrastructure, such as OpenAI's Stargate project, is driving demand across the supply chain, benefiting semiconductor manufacturers, custom chip designers, memory providers, data center REITs, and related industrial sectors.

In the resources sector, Canada's LNG Canada facility shipped its inaugural cargo to Asia on June 30th, marking a new phase in Canadian energy exports. LNG Canada is expected to drive an increase in natural gas exports over the next decade. Oil prices demonstrated volatility in June due to geopolitical events including Israeli strikes on Iranian targets and subsequent ceasefire negotiations. Markets also tracked OPEC+ plans for output adjustments. Following de-escalation, oil prices stabilized in the mid-\$60 range.

Gold equities outperformed gold itself in June, with the S&P/TSX Gold Index returning 3.3%, while gold's price increased by 0.4%. Gold remained within a narrow price band despite recent economic and political factors influencing demand. Some analysts forecast further increases in gold prices based on trends such as central bank accumulation and global shifts in reserves. China has notably expanded its gold reserves over the past seven months, though its holdings remain below the global average, suggesting potential for additional purchases. Both BRICS+ countries and others are participating in increasing gold acquisitions.

Outlook

Although equities have been on a remarkable run since their April 8th lows, we continue to see a clear path higher for stocks, supported by the ongoing expansion in market leadership. While the Magnificent Seven drove returns for much of the last two years, their earnings growth is expected to moderate. On the other hand, profits are expected to accelerate in other areas through 2025 and into 2026. This broadening of earnings growth across multiple sectors and companies provides a much healthier and more durable foundation for the market to build upon, suggesting the current bull market has further to run. We believe active management is crucial in this environment and remain focused on companies with clear catalysts, reasonable valuations, and strong underlying business fundamentals to drive earnings growth.



Dean Orrico
President and CEO
Middlefield Limited



Robert F. Lauzon
Managing Director and Chief Investment Officer
Middlefield Limited

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

This interim management report of fund performance contains financial highlights but does not contain the annual statements of the investment fund. This report should be read in conjunction with the complete interim financial statements of the investment fund that follow this report. The interim financial report has not been reviewed by 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

INDEXPLUS Income Fund (the "Fund") is a mutual fund trust. The Fund is authorized to issue series of units designated as Series A and F. The investment objectives of the Fund are to: (i) pay monthly distributions to unitholders; (ii) outperform the S&P/TSX Composite High Dividend Index (the "Index"); and (iii) return at least the original issue price of the Units (being \$10.00 per Unit) to Unitholders upon termination of the Fund. The Fund invests in a diversified portfolio of securities which may consist of securities of issuers that are constituents of the Index and a diversified portfolio of securities that is actively managed to enhance returns and reduce the risks associated with indexing.

Results of Operations

Investment Performance

The net assets of the Fund decreased from \$43.6 million at December 31, 2024 to \$43.4 million at June 30, 2025. Net assets on a per unit basis for Series A increased from \$12.14 at December 31, 2024 to \$12.23 at June 30, 2025. Net assets on a per unit basis for Series F increased from \$13.43 at December 31, 2024 to \$13.64 at June 30, 2025. The Fund recorded a \$0.7 million net gain on its investment portfolio during the six months ended June 30, 2025.

Revenue and Expenses

Revenue for the six months ended June 30, 2025, amounted to \$1.8 million, unchanged from the prior year period. Operating expenses for the period ended June 30, 2025 also remained unchanged from the prior year period at \$0.2 million. The management expense ratio ("MER") in 2025 was 2.09% for Series A and 1.00% for Series F. Distributions for the period ended June 30, 2025 amounted to \$0.30 per unit for both Series A and Series F.

Trends

Global capital markets activity increased, as evidenced by a nearly 20% year-over-year rise in M&A deal value to \$1.8 trillion during the first half of 2025. Noteworthy IPOs included Circle, CoreWeave, and Chime, which together now represent \$130 billion in public market capitalization. In Canada, net equity issuance by both private and public corporations totaled \$85 billion in Q1, reversing a trend of more retirements than issuances for twelve consecutive quarters. This resurgence in capital markets activity is anticipated to persist. Financial sector performance is closely linked to these trends, particularly for firms with capital markets and trading divisions.

Related Party Transactions

Pursuant to a management agreement, Middlefield Limited (the "Manager" and the "Advisor") receives a management fee. For further details please see the "Management Fees" section of this report. Middlefield Limited also acts as the advisor to the Fund who receives advisory fees out of the management fee from the Fund. As at June 30, 2025, the Fund held investments in other investment funds managed by the Manager. All management fees charged by the underlying investment fund held by the Fund were rebated to the Fund. For further details please see the notes to the financial statements.

Management Fees

Management fees are calculated at 1.5% per annum for the Series A units and 0.5% per annum for the Series F units, of the net asset value of the Fund and are split between the Manager, the Advisor and investment dealers who receive trailing commissions. 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 for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund. During the period ended June 30, 2025, approximately 20.7% of total management fees were used to pay for trailing commissions.

Recent Developments

Effective April 1, 2025, Middlefield Limited replaced Middlefield Capital Corporation ("MCC") as the advisor to the Fund. As the Manager and MCC are affiliates which are both owned by the same parent company, the same personnel are responsible for the day-to-day advisory services to the Fund.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

Financial Highlights

Net Assets Attributable to Holders of Redeemable Units is calculated in accordance with IFRS Accounting Standards.

“Net Asset Value” is calculated in accordance with section 14.2 of National Instrument 81-106 “Investment Fund Continuous Disclosure” (“NI 81-106”) and is used for transactional pricing purposes.

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for the indicated periods. Ratios and Supplemental Data are derived from the Fund’s Net Asset Value.

The Fund’s Net Assets Per Unit ⁽¹⁾ – Series A	June 30 2025 ⁽⁴⁾	December 31 2024	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	\$ 12.14	\$ 10.33	\$ 10.59	\$ 11.75	\$ 9.94	\$ 11.03
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.30	0.46	0.49	0.53	0.39	0.45
Total Expenses (excluding distributions)	(0.12)	(0.22)	(0.20)	(0.25)	(0.22)	(0.20)
Realized Gains (Losses) for the Period	0.65	0.30	0.04	0.44	0.37	0.16
Unrealized Gains (Losses) for the Period	(0.44)	1.84	0.04	(1.26)	1.89	(0.93)
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	0.39	2.41	0.34	(0.56)	2.41	(0.49)
DISTRIBUTIONS:						
From Net Investment Income	0.19	0.25	0.28	0.28	0.17	0.25
From Capital Gains	0.11	0.30	0.04	0.32	0.36	0.16
Return of Capital	-	0.05	0.28	-	0.07	0.19
TOTAL DISTRIBUTIONS ⁽³⁾	0.30	0.60	0.60	0.60	0.60	0.60
Net Assets Attributable to Holders of Redeemable Units, End of Period	\$ 12.23	\$ 12.14	\$ 10.33	\$ 10.59	\$ 11.75	\$ 9.94

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Fund's Net Assets Per Unit ⁽¹⁾ – Series F	June 30 2025 ⁽⁴⁾	December 31 2024	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	\$ 13.43	\$ 11.25	\$ 11.36	\$ 12.42	\$ 10.37	\$ 11.36
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.33	0.51	0.54	0.56	0.41	0.46
Total Expenses (excluding distributions)	(0.06)	(0.11)	(0.10)	(0.12)	(0.11)	(0.10)
Realized Gains (Losses) for the Period	0.72	0.33	0.04	0.47	0.39	0.14
Unrealized Gains (Losses) for the Period	(0.50)	1.99	0.03	(1.35)	2.00	(0.62)
Transaction Costs on Purchase and Sale of Investments	-	(0.01)	(0.01)	-	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	0.51	2.78	0.49	(0.46)	2.65	(0.39)
DISTRIBUTIONS:						
From Net Investment Income	0.28	0.40	0.43	0.44	0.31	0.37
From Capital Gains	0.02	0.20	0.04	0.16	0.29	0.14
Return of Capital	-	-	0.13	-	-	0.09
TOTAL DISTRIBUTIONS ⁽³⁾	0.30	0.60	0.60	0.60	0.60	0.60
Net Assets Attributable to Holders of Redeemable Units, End of Period	\$ 13.64	\$ 13.43	\$ 11.25	\$ 11.36	\$ 12.42	\$ 10.37

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

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

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

⁽⁴⁾ For the six-month period ended June 30, 2025.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

Ratios and Supplemental Data – Series A	June 30 2025 ⁽⁴⁾	December 31 2024	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Total Net Asset Value (000s)	\$ 8,272	\$ 8,306	\$ 7,345	\$ 8,027	\$ 9,029	\$ 7,887
Number of Units Outstanding	676,113	684,065	710,860	757,972	768,453	793,568
Management Expense Ratio ("MER") ⁽¹⁾	2.09%	2.09%	2.10%	2.22%	2.18%	2.21%
Trading Expense Ratio ⁽²⁾	0.06%	0.06%	0.10%	0.04%	0.06%	0.17%
Portfolio Turnover Rate ⁽³⁾	8.80%	6.88%	26.88%	13.52%	11.65%	56.12%
Net Asset Value Per Unit	\$ 12.23	\$ 12.14	\$ 10.33	\$ 10.59	\$ 11.75	\$ 9.94

Ratios and Supplemental Data – Series F	June 30 2025 ⁽⁴⁾	December 31 2024	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Total Net Asset Value (000s)	\$ 35,159	\$ 35,311	\$ 33,879	\$ 37,113	\$ 43,234	\$ 40,623
Number of Units Outstanding	2,576,905	2,628,477	3,010,637	3,267,255	3,480,354	3,918,397
Management Expense Ratio ("MER") ⁽¹⁾	1.00%	1.00%	1.01%	1.09%	1.09%	1.13%
Trading Expense Ratio ⁽²⁾	0.06%	0.06%	0.10%	0.04%	0.06%	0.17%
Portfolio Turnover Rate ⁽³⁾	8.80%	6.88%	26.88%	13.52%	11.65%	56.12%
Net Asset Value Per Unit	\$ 13.64	\$ 13.43	\$ 11.25	\$ 11.36	\$ 12.42	\$ 10.37

⁽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. Where a fund invests in securities of another investment fund managed by the Manager, the total expenses include the pro-rata share of the expenses of the underlying fund. All management fees charged by the underlying investment fund held by the Fund are rebated to the Fund.

⁽²⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period. Where a Fund invests in securities of another investment fund managed by the Manager, the total commission and other portfolio transaction costs includes the pro-rata share of those costs from the underlying fund.

⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio investments are managed. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁽⁴⁾ As at June 30, 2025 or for the six-month period ended June 30, 2025, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

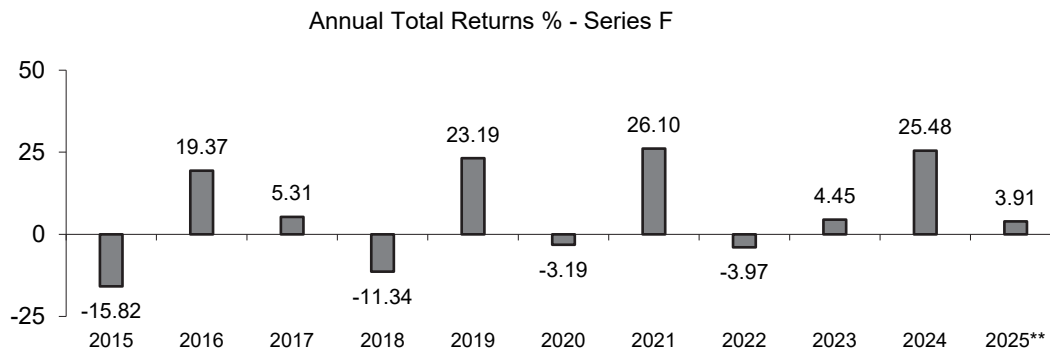
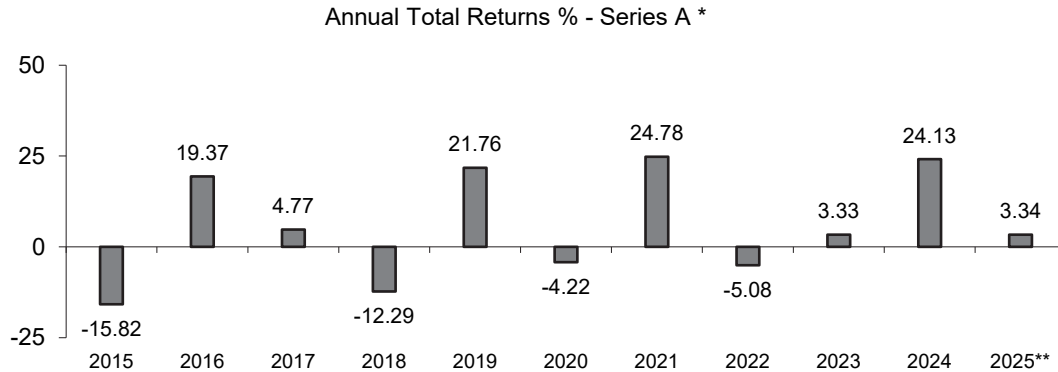
FOR THE SIX MONTHS ENDED JUNE 30, 2025

Past Performance

The performance information shown, which is based on Net Asset Value, assumes that all distributions paid by the Fund in the years 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 charts show how the Fund's performance has varied from year to year for each of the years shown. The charts indicate, in percentage terms, how much an investment made the first day of each financial period would have grown or decreased by the last day of the financial period.



*The Fund was converted into an open-end mutual fund trust on June 5, 2017. Prior to the conversion, the units of the Fund were not considered to be separated into different series. Series A units were first distributed on June 23, 2017. Until then, Series A units shared the same value as Series F units. The management fee of Series A Units is 1.5%. The management of Series F units was changed from 0.60% to 0.50% on June 5, 2017.

**For the six-month period ended June 30, 2025.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

Summary of Investment Portfolio

AS AT JUNE 30, 2025

Top Twenty-Five Holdings*

DESCRIPTION	% OF NET ASSET VALUE
1 Middlefield Real Estate Dividend ETF	9.2
2 Topaz Energy Corp.	5.3
3 Sun Life Financial Inc.	5.2
4 Bank of Montreal	5.2
5 Secure Waste Infrastructure Corp.	5.2
6 AltaGas Ltd.	5.0
7 Royal Bank of Canada	5.0
8 Keyera Corp.	4.6
9 The Toronto-Dominion Bank	4.6
10 Tourmaline Oil Corp.	4.5
11 Nutrien Ltd.	4.4
12 Cineplex Inc.	4.3
13 Enbridge Inc.	4.3
14 Capital Power Corp.	3.8
15 TransAlta Corp.	3.4
16 National Bank of Canada	3.2
17 Killam Apartment Real Estate Investment Trust	3.2
18 AGF Management Ltd.	3.0
19 Gibson Energy Inc.	3.0
20 Pembina Pipeline Corp.	2.9
21 Brookfield Renewable Partners LP	2.8
22 Canadian Apartment Properties Real Estate Investment Trust	2.6
23 Brookfield Infrastructure Partners LP	2.4

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

*The Fund has only 23 holdings.

ASSET CLASS	% OF NET ASSET VALUE
Financials	26.3
Utilities	17.3
Energy	15.0
Real Estate	14.9
Pipelines	14.9
Materials	4.4
Consumer Discretionary	4.3
Cash and Short-Term Investments	2.7
Other Assets (Liabilities)	0.2
	100.0

TOTAL NET ASSET VALUE \$ 43,430,730

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

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 INDEXPLUS Income Fund for the period ended June 30, 2025 have been prepared by management and have not been reviewed by the external auditors of the Fund.



Jeremy Brasseur
Director
Middlefield Limited



Craig Rogers
Director
Middlefield Limited

August 22, 2025

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Financial Position

AS AT (In Canadian Dollars)	June 30 2025	December 31 2024
ASSETS		
Current Assets		
Investments at Fair Value Through Profit or Loss	\$ 42,176,690	\$ 42,885,940
Cash	1,181,238	681,952
Income and Interest Receivable	125,660	146,831
Prepaid Expenses	12,003	6,441
Subscriptions Receivable	1,420	2,103
Total Assets	43,497,011	43,723,267
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	52,930	62,412
Management Fee Payable (Note 7)	12,651	17,677
Redemptions Payable	700	26,723
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Units)	66,281	106,812
Net Assets Attributable to Holders of Redeemable Units	\$ 43,430,730	\$ 43,616,455
Net Assets Attributable to Holders of Redeemable Units – Series A	\$ 8,271,821	\$ 8,305,893
Net Assets Attributable to Holders of Redeemable Units – Series F	\$ 35,158,909	\$ 35,310,562
Mutual Fund Units Issued and Outstanding – Series A (Note 6)	676,113	684,065
Mutual Fund Units Issued and Outstanding – Series F (Note 6)	2,576,905	2,628,477
Net Assets Attributable to Holders of Redeemable Units per Unit – Series A	\$ 12.23	\$ 12.14
Net Assets Attributable to Holders of Redeemable Units per Unit – Series F	\$ 13.64	\$ 13.43

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)

	2025	2024
REVENUE (LOSS)		
Income from Investments	\$ 1,061,044	\$ 909,665
Interest Income for Distribution Purposes	12,681	19,361
Foreign Exchange Gain (Loss) on Cash	(3,336)	(446)
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss		
Net Realized Gain (Loss) from Investment Transactions	2,299,353	728,987
Change in Net Unrealized Gain (Loss) on Investments	(1,585,679)	107,776
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	(122)	(10)
Total Revenue (Loss)	1,783,941	1,765,333
OPERATING EXPENSES (Note 7)		
Audit Fees	11,202	12,574
Custodial Fees	2,247	2,160
Fund Administration Costs	52,756	55,425
Independent Review Committee Fees	6,581	3,315
Legal Fees	2,270	2,691
Management Fee (Note 7)	140,485	131,712
Transaction Costs (Note 7)	10,550	8,560
Unitholder Reporting Costs	13,741	12,887
Total Operating Expenses	239,832	229,324
Profit (Loss) before Tax	1,544,109	1,536,009
Withholding Taxes	33	(15)
Profit (Loss) after Tax	1,544,076	1,536,024
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 1,544,076	\$ 1,536,024
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Series A	\$ 261,499	\$ 239,529
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Series F	\$ 1,282,577	\$ 1,296,495
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit – Series A (Note 6)	\$ 0.38	\$ 0.34
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit – Series F (Note 6)	\$ 0.49	\$ 0.45

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

INTERIM FINANCIAL REPORT

UNAUDITED

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	\$ 8,305,893	\$ 35,310,562	\$ 43,616,455
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	261,499	1,282,577	1,544,076
DISTRIBUTIONS TO UNITHOLDERS:			
From Net Investment Income	(126,643)	(717,766)	(844,409)
From Capital Gains	(76,757)	(58,003)	(134,760)
	(203,400)	(775,769)	(979,169)
REDEEMABLE UNIT TRANSACTIONS:			
Proceeds from Issue of Units	56,809	52,163	108,972
Reinvested Distributions	149,960	641,026	790,986
Payment on Redemption of Units	(298,940)	(1,351,650)	(1,650,590)
	(92,171)	(658,461)	(750,632)
Net Assets Attributable to Holders of Redeemable Units at End of Period	\$ 8,271,821	\$ 35,158,909	\$ 43,430,730

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

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	\$ 7,344,841	\$ 33,879,002	\$ 41,223,843
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	239,529	1,296,495	1,536,024
DISTRIBUTIONS TO UNITHOLDERS:			
From Net Investment Income	(96,715)	(611,561)	(708,276)
From Capital Gains	(111,109)	(251,920)	(363,029)
	(207,824)	(863,481)	(1,071,305)
REDEEMABLE UNIT TRANSACTIONS:			
Proceeds from Issue of Units	49,859	5,653	55,512
Reinvested Distributions	148,440	713,657	862,097
Payment on Redemption of Units	(522,622)	(4,078,793)	(4,601,415)
	(324,323)	(3,359,483)	(3,683,806)
Net Assets Attributable to Holders of Redeemable Units at End of Period	\$ 7,052,223	\$ 30,952,533	\$ 38,004,756

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

2025

2024

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Increase (Decrease) in Net Assets Attributable to Holders
of Redeemable Units

\$ 1,544,076 \$ 1,536,024

Adjustments:

Proceeds from Sale of Investments

5,027,817 4,801,112

Purchases of Investments

(3,604,893) (342,360)

Foreign Exchange (Gain) Loss on Cash

3,458 456

Net Realized (Gain) Loss from Investment Transactions

(2,299,353) (728,987)

Change in Net Unrealized (Gain) Loss on Investments

1,585,679 (107,776)

2,256,784 5,158,469

Net Change in Non-Cash Working Capital

1,101 (1,570)

Net Cash from (used in) Operating Activities

2,257,885 5,156,899

CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES

Proceeds from Issue of Units

109,655 55,494

Payment on Redemption of Units

(1,676,613) (4,625,340)

Distributions Paid

(188,183) (209,207)

Net Cash from (used in) Financing Activities

(1,755,141) (4,779,053)

Net Increase (Decrease) in Cash

502,744 377,846

Net Foreign Exchange Gain (Loss) on Cash

(3,458) (456)

Cash at Beginning of Period

681,952 789,397

Cash at End of Period

\$ 1,181,238 \$ 1,166,787

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, 2025
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
AGF Management Ltd.	100,000	\$ 1,048,615	\$ 1,322,000
Bank of Montreal	15,000	937,041	2,263,650
National Bank of Canada	10,000	420,008	1,405,200
Royal Bank of Canada	12,000	886,277	2,153,640
Sun Life Financial Inc.	25,000	1,186,040	2,265,250
The Toronto-Dominion Bank	20,000	944,651	2,003,200
FINANCIALS: 26.3%		5,422,632	11,412,940
AltaGas Ltd.	55,000	866,617	2,174,150
Brookfield Infrastructure Partners LP	22,500	684,792	1,026,450
Brookfield Renewable Partners LP	35,000	655,330	1,215,200
Capital Power Corp.	30,000	776,789	1,644,000
TransAlta Corp.	100,000	764,843	1,469,000
UTILITIES: 17.3%		3,748,371	7,528,800
Secure Waste Infrastructure Corp.	145,000	893,749	2,257,650
Topaz Energy Corp.	90,000	1,479,577	2,309,400
Tourmaline Oil Corp.	30,000	1,819,530	1,971,000
ENERGY: 15.1%		4,192,856	6,538,050
Canadian Apartment Properties Real Estate Investment Trust	25,000	1,011,035	1,110,250
Killam Apartment Real Estate Investment Trust	70,000	1,208,304	1,372,700
Middlefield Real Estate Dividend ETF	325,000	4,017,241	4,004,000
REAL ESTATE: 15.0%		6,236,580	6,486,950
Enbridge Inc.	30,000	1,346,331	1,852,500
Gibson Energy Inc.	55,000	1,015,088	1,314,500
Keyera Corp.	45,000	1,079,717	2,004,300
Pembina Pipeline Corp.	25,000	490,796	1,278,250
PIPELINES: 14.9%		3,931,932	6,449,550
Nutrien Ltd.	24,000	1,394,120	1,904,400
MATERIALS: 4.4%		1,394,120	1,904,400
Cineplex Inc.	160,000	1,505,275	1,856,000
CONSUMER DISCRETIONARY: 4.3%		1,505,275	1,856,000
TRANSACTION COSTS (NOTE 7)		(32,003)	-
TOTAL INVESTMENTS: 97.3%		26,399,763	42,176,690
CASH: 2.7%		1,181,238	1,181,238
Total Investment Portfolio, including Cash		\$ 27,581,001	\$ 43,357,928

*The Fund held 2.8% of the net assets of Middlefield Real Estate Dividend ETF (the Underlying Fund). Middlefield Limited is the trustee and the manager for both the Fund and the Underlying Fund.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

1. INDEXPLUS Income Fund

INDEXPLUS Income Fund (the "Fund") is an unincorporated open-ended investment trust established by Middlefield Limited, a corporation existing under the laws of the Province of Alberta, pursuant to a supplemental declaration of trust dated June 5, 2017. From August 15, 2003 to June 4, 2017, the Fund operated as a closed-end investment trust established under the laws of the Province of Alberta. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on August 15, 2003, when it first issued units through an initial public offering. As part of the process of converting to an open-ended unit trust, the Fund was delisted from the Toronto Stock Exchange on June 2, 2017. The Fund is authorized to issue series of units designated as Series A and F. Each series has a different management fee rate. Middlefield Limited, a company incorporated in Alberta, is the manager, advisor and trustee of the Fund (the "Manager" and the "Advisor"). Effective April 1, 2025, Middlefield Limited became the Advisor of the Fund. Prior to April 1, 2025, Middlefield Capital Corporation was the Advisor of the Fund. The address of the Fund's registered office is The Well, 8 Spadina Ave., Suite 3100, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on August 22, 2025.

2. Basis of Presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards and in accordance with International Accounting 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.

3. Summary of Material Accounting Policies

A. Basis of Accounting

IFRS 9 *Financial Instruments* ("IFRS 9")

The Fund classifies and measures financial instruments in accordance with IFRS 9, which requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Fund's financial assets and liabilities are classified at fair value through profit or loss ("FVTPL") and amortized cost.

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18")

IFRS 18 replaces IAS 1, Presentation of Financial Statements ("IAS 1"), carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements, including specified categories and defined subtotals in the statement of comprehensive income. IFRS 18 is required to be applied retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Fund is currently assessing the impact of adoption of this standard.

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") has not been taken. 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, 2025 | UNAUDITED

3. Summary of Material 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, management fee 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. The Fund's Net Assets Attributable to Holders of Redeemable Units 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. Redeemable Units and Net Assets Attributable to Holders of Redeemable Units

The Fund has two series of redeemable units in issue: Series A and Series F. Both rank pari passu in all material respects and have the same terms and conditions other than the management fee rate, which is 1.5% for Series A and 0.5% for Series F.

Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV attributable to the unit class. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Redeemable units are issued and redeemed based on the Fund's NAV per unit, calculated by dividing the net assets of the Fund, calculated in accordance with the Fund's Simplified Prospectus, by the number of redeemable units in issue. The Fund's Simplified Prospectus requires that investment positions are valued on the basis of the last traded market price for the purpose of determining the trading NAV per unit for subscriptions and redemptions.

The financial assets and liabilities at fair value through profit or loss in the Statements of Financial Position are based on closing prices in accordance with IFRS Accounting Standards.

Distributions are declared at the discretion of the Trustee and are distributed by the Fund. The Trustee has adopted a policy of declaring distributions monthly. The Trustee intends to distribute any excess income and capital gains annually in December such that the Fund will not have any liability for taxes (other than those that are immediately refundable). Distribution payments may be adjusted without notice at any time as market conditions change. If the Fund does not earn enough income and capital gains to meet the distributions, it may return capital to make up the difference. Distributions to holders of redeemable units are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

Net assets are calculated for each series of units of the Fund. The net assets of a particular series of units are computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series. Management fees directly attributable to a series are charged to that series. Other expenses, investment income and realized and unrealized gains and losses on investments are allocated proportionately to each series based upon the relative net assets of each series.

D. 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

D. Fair Value Measurement (continued)

Futures contracts are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

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.

E. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any realized gains or losses from such transactions are calculated on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. The change in the difference between fair value and average cost of the investments is recorded as unrealized gain (loss) on investments. Income from investments is recognized on the ex-dividend or ex-distribution date. Interest income for distribution purposes shown on the Statements of Comprehensive Income represents interest from bank deposits received by the Fund, and, if the Fund holds fixed income investments, coupon interest accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax. Income distributions received are treated consistently with dividends and interest and recorded in income in the Statements of Comprehensive Income.

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

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

G. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) and accordingly, is subject to tax on its income, including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Accordingly, no provision for income taxes is required.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

Distributions received from investments in trust units that are treated as a return of capital for tax purposes are used to reduce the average cost of the underlying investments on the Schedule of Investment Portfolio.

H. 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.

I. 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:

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

I. Critical Accounting Estimates and Judgments (continued)

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Fund's investments and transactions are denominated in Canadian dollars. Investor subscriptions and redemptions are also received and paid in Canadian dollars. Accordingly, management has determined that the functional currency of the Fund is Canadian dollars.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 4 for further information about the fair value measurement of the Fund's financial instruments.

4. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The fair values of the Fund's financial instruments are classified into levels, using the following fair value hierarchy:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The Fund's investments at fair value as at June 30, 2025 and December 31, 2024 trade in active markets and are therefore classified as Level 1.

All fair value measurements are recurring. The carrying values of cash, income and interest receivable, prepaid expenses, subscriptions receivable, accounts payable and accrued liabilities, management fee payable, redemptions payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

Fair values of the Fund's investments are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. No transfers between levels have occurred during the period ended June 30, 2025 or the year ended December 31, 2024.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

5. Financial Risk Management

In the normal course of business the Fund is exposed to a variety of financial risks: price 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, 2025	December 31, 2024
Investments at FVTPL	\$ 42,176,690	\$ 42,885,940

Based on the above exposure at June 30, 2025, a 10% increase or decrease in the prices of the Fund's investments would result in a \$4,217,669 (December 31, 2024 – \$4,288,594) increase or decrease in net assets of the Fund, with all other factors held constant.

B. 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 cash in U.S. dollars. The Fund has not hedged its exposure to currency fluctuations; however, it closely monitors relevant foreign exchange currency movements. The Fund is exposed to foreign exchange rate risk through the following financial instruments:

	June 30, 2025	December 31, 2024
Cash	\$ 31,893	\$ 32,486
Income and Interest Receivable	17,848	18,639
Total Exposure	\$ 49,741	\$ 51,125

Based on the above exposure at June 30, 2025, a 10% increase or decrease in the Canadian dollar against the U.S. Dollar would result in a \$4,974 (December 31, 2024 – \$5,113) decrease or increase in net assets 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 daily cash redemptions of its units. The units of the Fund are issued and redeemed on demand at the NAV per unit. All other obligations of the Fund are due within one year. 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.

The Fund may invest in securities that are not traded on a public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through active management, which involves detailed analysis of such private 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 did not hold any illiquid securities as at June 30, 2025 or December 31, 2024.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

5. Financial Risk Management (continued)

C. Liquidity Risk (continued)

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, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Accounts Payable and Accrued Liabilities	\$ 52,930	\$ -	\$ -	\$ 52,930
Management Fee Payable	12,651	-	-	12,651
Redemptions Payable	700	-	-	700
Net Assets Attributable to Holders of Redeemable Units	43,430,730	-	-	43,430,730
Total	\$ 43,497,011	\$ -	\$ -	\$ 43,497,011

As at December 31, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Accounts Payable and Accrued Liabilities	\$ 62,412	\$ -	\$ -	\$ 62,412
Management Fee Payable	17,677	-	-	17,677
Redemptions Payable	26,723	-	-	26,723
Net Assets Attributable to Holders of Redeemable Units	43,616,455	-	-	43,616,455
Total	\$ 43,723,267	\$ -	\$ -	\$ 43,723,267

D. Credit Risk

Credit risk represents the financial loss that the Fund would experience if a counterparty to a financial instrument failed to meet its obligations to the Fund. The Fund is exposed to credit risk on its debt instruments, derivative assets, cash and cash equivalents and other short term trade receivables. The Fund measures credit risk and lifetime ECLs related to the trade receivables using historical analysis and forward looking information in determining the ECL. The carrying amounts of financial assets represent the maximum credit exposure. All transactions executed by the Fund in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase only once the broker has received the securities. The trade will fail if either party fails to meet its obligations. There is no significant credit risk related to the Fund's receivables.

The Fund has established various internal controls to help mitigate credit risk, including prior approval of all investments by the Advisor whose mandate includes conducting financial and other assessments of these investments on a regular basis. The Fund has also implemented policies which ensure that investments can only be made with counterparties that have a minimum acceptable credit rating.

E. 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, 2025 and December 31, 2024, the percentages of the Fund's net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2025	December 31, 2024
Financials	26.3	26.6
Utilities	17.3	23.8
Energy	15.0	16.3
Real Estate	14.9	8.9
Pipelines	14.9	14.7
Materials	4.4	3.5
Consumer Discretionary	4.3	4.5
Total	97.1	98.3

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 | UNAUDITED

6. Unitholders' Equity

The capital of the Fund is divided into Series A and Series F with each series having an unlimited number of securities. Changes in issued mutual fund units of the Fund are summarized as follows:

	Number of Units – Series A	
	June 30, 2025	December 31, 2024
Units Outstanding at Beginning of Period	684,065	710,860
Units Issued	4,690	10,774
Reinvested Distributions	12,734	26,857
Total	17,424	37,631
Units Redeemed	(25,376)	(64,426)
Net Increase (Decrease)	(7,952)	(26,795)
Units Outstanding at End of Period	676,113	684,065

	Number of Units – Series F	
	June 30, 2025	December 31, 2024
Units Outstanding at Beginning of Period	2,628,477	3,010,637
Units Issued	3,881	4,012
Reinvested Distributions	48,978	114,364
Total	52,859	118,376
Units Redeemed	(104,431)	(500,536)
Net Increase (Decrease)	(51,572)	(382,160)
Units Outstanding at End of Period	2,576,905	2,628,477

The average number of Series A and Series F units outstanding during the period ended June 30, 2025 were 679,684 and 2,593,650 (June 30, 2024 – 697,366 and 2,909,149), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per unit.

7. Related Party Transactions

A. Management Fee

The Manager provides investment and administrative services to the Fund. In consideration for such services the Manager receives a monthly fee in arrears based on each series of units as a percentage of the average daily NAV of the series. The management fee for Series A is 1.5% per annum and for Series F is 0.5% per annum. For the period ended June 30, 2025, management fees before the absorption of expenses amounted to \$0.1 million (June 30, 2024 - \$0.1 million).

B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2025 amounted to \$10,550 (June 30, 2024 – \$8,560). Included in this amount is \$nil (June 30, 2024 – \$1,850) in brokerage commissions that were paid to MCC. All brokerage commissions paid by the Fund to MCC were at or below market rates. During the period ended June 30, 2025, \$4,975 (June 30, 2024 – \$nil) soft dollar commissions were allocated to brokers that provided or paid for, in addition to transaction execution, investment research or other investment-decision making services. Brokerage commissions and other transaction costs are expensed and recorded in the Statements of Comprehensive Income.

C. Other Expenses

The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business, including, among other things, audit, legal fees and expenses, custodian and transfer agency fees and costs relating to securityholder reporting. Certain services in the normal course of business may be provided by the Manager or an affiliate of the Manager in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*. Examples of these services include the preparation and filing of tax returns, the preparation and filing of financial statements and related reports and maintaining and updating the Fund's website. In aggregate, these fees amounted to approximately \$15,592 (June 30, 2024 - \$18,425) throughout the period. Included in this amount is \$10,258 (December 31, 2024 - \$11,535) payable as at June 30, 2025. In addition, the Fund would be responsible for reimbursing the Manager for any reasonable out of pocket expenses incurred on the Fund's behalf. Common expenses incurred by the Fund are allocated among the series on a pro-rata basis among all units of all series.

NOTES TO FINANCIAL STATEMENTS

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7. Related Party Transactions (continued)

D. Distribution Receivable from Underlying Investments

As disclosed in the Schedule of Investment Portfolio, the Fund invests in investment funds managed by the Manager. Distributions receivable from the investment in these Funds, if any, would be included in the amount of Income and Interest Receivable shown on the Statements of Financial Position. As at June 30, 2025, distributions receivable from investments managed by the Manager amounted to \$24,375 (December 31, 2024 - \$24,375).

8. Capital Management

The Fund's capital is its Net Assets Attributable to Holders of Redeemable Units representing unitholders' 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 is not subject to any externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2024.

9. Loss Carryforwards

At December 31, 2024 the Fund had capital losses of \$319,578 (December 31, 2023 - \$319,578) and no non-capital losses (December 31, 2023 - \$nil) available for carryforward for tax purposes.

10. Distributions

Distributions to Unitholders from the Fund are made to minimize income taxes payable by the Fund. Accordingly, distributions will vary from the accounting income reflected in these financial statements. Distributions of the Fund, unless otherwise specified by the unitholder, are automatically reinvested in additional units of the Fund at the NAV without sales charge. Distributions per Series A unit and Series F unit of \$0.30 (June 30, 2024 - \$0.30) were paid to unitholders of the Fund during the six-month period ended June 30, 2025.

Distributions to Unitholders – Series A	June 30, 2025	June 30, 2024
From Net Investment Income		
Total	\$ 126,643	\$ 96,715
Per Unit	0.19	0.14
From Capital Gains		
Total	76,757	111,109
Per Unit	0.11	0.16
Distributions to Unitholders – Series F	June 30, 2025	June 30, 2024
From Net Investment Income		
Total	\$ 717,766	\$ 611,561
Per Unit	0.28	0.21
From Capital Gains		
Total	58,003	251,920
Per Unit	0.02	0.09

MIDDLEFIELD FUNDS FAMILY |

EXCHANGE - TRADED FUNDS (ETFs)		TSX Stock Symbol
• Middlefield Healthcare Dividend ETF		MHCD
• Middlefield Innovation Dividend ETF		CBOE Canada: MINN
• Middlefield Global Dividend Growers ETF (formerly Middlefield Sustainable Global Dividend ETF)		MDIV
• Middlefield Global Infrastructure Dividend ETF (formerly Middlefield Sustainable Infrastructure Dividend ETF)		MINF
• Middlefield Real Estate Dividend ETF		MREL
• Middlefield U.S. Equity Dividend ETF		MUSA
TSX-LISTED FUNDS		
• E Split Corp.		ENS ENS.PR.A
• MINT Income Fund		MID.UN
• Real Estate Split Corp.		RS RS.PR.A
• Sustainable Innovation & Health Dividend Fund		SIH.UN
• Infrastructure Dividend Split Corp.		IS IS.PR.A
MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS		Fund Code
Series A Units		FE/LL/DSC
• Middlefield Healthcare Dividend Fund		MID 325/327/330
• INDEXPLUS Income Fund		MID 435/437/440
• Middlefield Global Infrastructure Fund		MID 510/519/520
Series F Units		
• Middlefield Healthcare Dividend Fund		MID 326
• INDEXPLUS Income Fund		MID 436
• Middlefield Global Infrastructure Fund		MID 501
MIDDLEFIELD MUTUAL FUNDS CORPORATE CLASS FUNDS		Fund Code
Series A Shares		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 Real Estate Dividend Class		MID 600/649/650
• Middlefield ActivEnergy Dividend Class		MID 265
• Middlefield Innovation Dividend Class		MID 925
• Middlefield High Interest Income Class		MID 400/424/425
• Middlefield Income Plus Class		MID 800/849/850
• Middlefield U.S. Equity Dividend 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 Real Estate Dividend Class		MID 601
• Middlefield ActivEnergy Dividend Class		MID 266
• Middlefield Innovation Dividend Class		MID 926
• Middlefield Income Plus Class		MID 801
• Middlefield U.S. Equity Dividend Class		MID 701
RESOURCE FUNDS		
• MRF 2024 Resource Limited Partnership		
• Discovery 2024 Short Duration LP		
• MRF 2025 Resource Limited Partnership (commenced February 25, 2025)		
INTERNATIONAL FUNDS		
• Middlefield Canadian Income PCC		London UK Stock Exchange (LSE) Symbol: MCT

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Jeremy T. Brasseur
Executive Chairman

Robert F. Lauzon, CFA
Chief Investment Officer

Independent Review Committee

H. Roger Garland, CPA, CA
Former Vice-Chairman
Four Seasons Hotels Inc.

Christine Helsdon Tekker, MBA, LLM, ICD.D
Senior Vice President, Lending
Infrastructure Ontario

Edward V. Jackson (Chairman)
Former Managing Director
RBC Capital Markets

Abby Sears, MHSc, BSc
Healthcare Administrator

Advisors
SSR Health LLC
Paul Sagawa LLC

Middlefield Group

Stephen Erlichman
Chair, ESG
(Environmental, Social, Governance)

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Chief Operating Officer and Chief
Compliance Officer

Mark Aboud
Chief Experience Officer

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Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Bank of Nova Scotia
The Toronto-Dominion Bank

Custodian
RBC Investor Treasury Services

Transfer Agents
RBC Investor Service Trust
TSX Trust Company

Affiliates
Middlefield Group Limited
Middlefield Capital Corporation
Middlefield Financial Services Limited
MFL Management Limited
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