

2025 SEMI-ANNUAL REPORT

# MIDDLEFIELD INNOVATION DIVIDEND CLASS



 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.

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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 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.

Securityholders 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](http://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 Objective and Strategies

Middlefield Innovation Dividend Class (the "Fund") is a mutual fund class of Middlefield Mutual Funds Limited. The Fund is authorized to issue series of shares designated as Series A and F. The Fund first issued Series A shares on November 27, 2024, and Series F shares at the commencement of operations on May 31, 2022. The Fund's objective is to maximize long-term total return through investment in dividend-paying securities of global issuers that derive a significant portion of their revenue or earnings from products or services related to major technological innovations.

#### Results of Operations

##### Investment Performance

The net assets of the Fund increased from \$0.3 million at December 31, 2024 to \$0.4 million at June 30, 2025. Net assets on a per share basis for Series A decreased from \$19.07 at December 31, 2024 to \$18.72 at June 30, 2025. Net assets on a per share basis for Series F decreased from \$19.09 at December 31, 2024 to \$18.82 at June 30, 2025. The Fund recorded approximately \$4,000 net loss on its investment portfolio during the six months period ended June 30, 2025.

#### Revenue and Expenses

Revenue for the six months ended June 30, 2025 amounted to approximately \$200, down from revenue of approximately \$62,000 in the prior year period. The decrease was primarily due to the net loss on the Fund's investments. Operating expenses for the six months period ended June 30, 2025 amounted to approximately \$1,000. There were no operating expenses for the prior year period other than transaction costs in respect of securities trades. Distributions for the period ended June 30, 2025 amounted to \$0.12 per share for both Series A and Series F.

#### Trends

After a sharp rally that saw technology stocks recover and surge past their pre-Liberation-day highs, the sector's focus now squarely shifts from valuation recovery to fundamental execution. With the Nasdaq 100 having posted strong gains and forward P/E ratios now above their 5 and 10-year averages, the path to future returns will be paved by earnings growth. Here, technology remains well positioned. For Q2 2025, the Information Technology sector is projected to lead the S&P 500 with the highest year-over-year revenue growth, and it is expected to demonstrate the highest earnings growth among all sectors for the full year. This superior growth profile keeps the sector attractive even as valuations are no longer considered cheap.

#### 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.

As at June 30, 2025, the Manager and its affiliates held 15,893 shares of the 23,404 issued and outstanding shares of the Fund. The Manager may not redeem these shares of the Fund until subscriptions of \$500,000 have been received from other investors.

#### Management Fees

Management fees are calculated at 2.00% per annum for the Series A shares and 1.00% per annum for the Series F shares, of the net asset value of each Series 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 objective and strategies of the Fund. During the period ended June 30, 2025, approximately 4.5% of total management fees were used to pay for trailing commissions.

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 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.

## Financial Highlights

Net Assets Attributable to Holders of Redeemable Shares are 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 Share<sup>(1)</sup> – Series A

	June 30 2025 <sup>(6)</sup>	December 31 2024 <sup>(5)</sup>
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 19.07	\$ 18.29
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>		
Total Revenue	0.22	-
Total Expenses (excluding distributions)	(0.12)	(0.02)
Realized Gains (Losses) for the Period	0.63	-
Unrealized Gains (Losses) for the Period	(1.37)	0.85
Transaction Costs on Purchase and Sale of Investments	(0.02)	(0.01)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>(0.23)</b>	<b>0.82</b>
<b>DISTRIBUTIONS:</b>		
From Net Investment Income	0.10	-
Return of Capital	0.02	0.04
<b>TOTAL DISTRIBUTIONS<sup>(3)</sup></b>	<b>0.12</b>	<b>0.04</b>
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 18.72	\$ 19.07

### The Fund's Net Assets Per Share<sup>(1)</sup> – Series F

	June 30 2025 <sup>(6)</sup>	December 31 2024	December 31 2023	December 31 2022 <sup>(4)</sup>
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 19.09	\$ 12.91	\$ 9.24	\$ 10.00
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>				
Total Revenue	0.22	0.12	0.01	0.19
Total Expenses (excluding distributions)	(0.03)	(0.01)	-	-
Realized Gains (Losses) for the Period	(0.03)	-	-	(0.01)
Unrealized Gains (Losses) for the Period	(0.16)	6.33	3.90	(0.79)
Transaction Costs on Purchase and Sale of Investments	(0.01)	-	-	(0.01)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>(0.15)</b>	<b>6.42</b>	<b>3.91</b>	<b>(0.62)</b>
<b>DISTRIBUTIONS:</b>				
From Net Investment Income	0.12	0.11	0.01	0.14
Return of Capital	-	0.13	0.23	-
<b>TOTAL DISTRIBUTIONS<sup>(3)</sup></b>	<b>0.12</b>	<b>0.24</b>	<b>0.24</b>	<b>0.14</b>
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 18.82	\$ 19.09	\$ 12.91	\$ 9.24

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

<sup>(2)</sup> Net Assets Attributable to Holders of Redeemable Shares are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares 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 Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and accordingly columns may not add.

<sup>(3)</sup> Distributions were paid in cash/reinvested in additional shares of the Fund, or both.

<sup>(4)</sup> For the period May 31, 2022 (date of commencement of operations) to December 31, 2022.

<sup>(5)</sup> For the period November 27 2024 (commencement date of Series A) to December 31, 2024.

<sup>(6)</sup> 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 <sup>(5)</sup>	December 31 2024 <sup>(6)</sup>
Total Net Asset Value (000s) <sup>(1)</sup>	\$ 20	\$ 13
Number of Shares Outstanding <sup>(1)</sup>	1,092	685
Management Expense Ratio ("MER") <sup>(2)</sup>	2.68%	2.56%
MER before waivers or absorptions	-	2.57%
Trading Expense Ratio <sup>(3)</sup>	0.22%	0.06%
Portfolio Turnover Rate <sup>(4)</sup>	-	-
Net Asset Value Per Share	\$ 18.72	\$ 19.07

### Ratios and Supplemental Data – Series F

	June 30 2025 <sup>(5)</sup>	December 31 2024	December 31 2023	December 31 2022 <sup>(4)</sup>
Total Net Asset Value (000s)	\$ 420	\$ 322	\$ 201	\$ 141
Number of Shares Outstanding	22,312	16,876	15,554	15,228
Management Expense Ratio ("MER") <sup>(1)</sup>	1.63%	1.39%	-	-
MER before waivers or absorptions <sup>(1)</sup>	-	1.75%	1.57%	1.75%
Trading Expense Ratio <sup>(2)</sup>	0.22%	0.06%	0.09%	0.36%
Portfolio Turnover Rate <sup>(3)</sup>	-	-	-	0.82%
Net Asset Value Per Share	\$ 18.82	\$ 19.09	\$ 12.91	\$ 9.24

<sup>(1)</sup> The MER is based on total expenses (excluding 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 the 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. The Manager waived the management fee for Series F since inception to November 30, 2024. The Manager retains the right to discontinue this waiver at any time.

<sup>(2)</sup> 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 cost includes the pro-rata share of those costs from the underlying fund.

<sup>(3)</sup> 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.

<sup>(4)</sup> For the period May 31, 2022 (date of commencement of operations) to December 31, 2022.

<sup>(5)</sup> As at June 30, 2025 or for the six-month period ended June 30, 2025, as applicable.

<sup>(6)</sup> For the period November 27, 2024 (commencement date of Series A) to December 31, 2024.

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2025

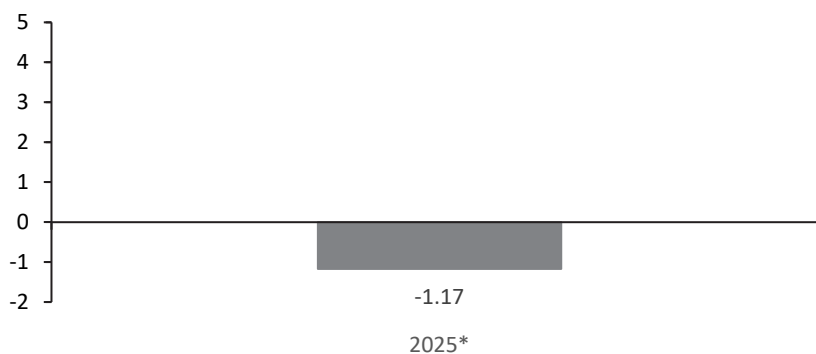
## Past Performance

The performance information shown, which is based on Net Asset Value, assumes that all distributions paid by the Fund in the 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.

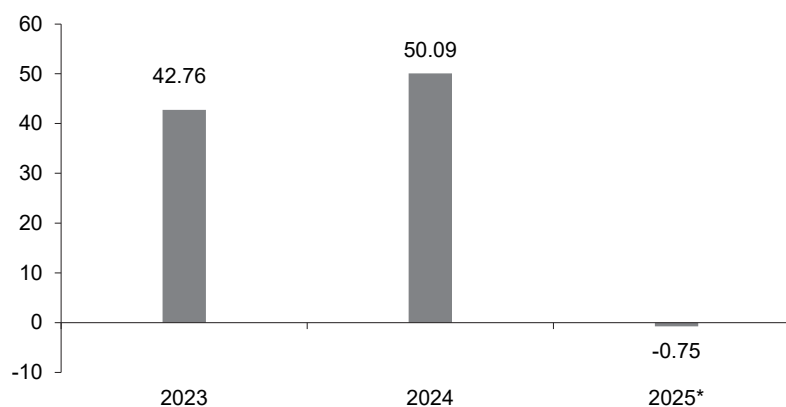
## Year-By-Year Returns

The bar charts show how the Fund's performance has varied for each of the years shown. The return for 2024 for Series A is not presented since it relates to a partial period. The return for 2022 for Series F is not presented since it relates to a partial period. 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.

Annual Total Returns % - Series A



Annual Total Returns % - Series F



\*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 Innovation Dividend ETF	98.0

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

\*The Fund has only 1 holding.

ASSET CLASS	% OF NET ASSET VALUE
Exchange-Traded Fund(s)	98.0
Cash and Short-Term Investments	1.9
Other Assets (Liabilities)	0.1
	100.0
TOTAL NET ASSET VALUE	\$ 440,295

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](http://www.sedarplus.ca).

Please visit [www.middlefield.com](http://www.middlefield.com) for the most recent quarter-end Summary of Investment Portfolio.



## INTERIM FINANCIAL REPORT

### NOTICE

The accompanying unaudited financial statements of Middlefield Innovation Dividend Class 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**



# INTERIM FINANCIAL REPORT

UNAUDITED

## Statements of Financial Position

AS AT (In Canadian Dollars)	June 30 2025	December 31 2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Investments at Fair Value Through Profit or Loss	\$ 431,605	\$ 298,577
Cash	8,186	36,364
Income and Interest Receivable	610	419
<b>Total Assets</b>	<b>440,401</b>	<b>335,360</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Management Fee Payable (Note 7)	78	92
Accounts Payable and Accrued Liabilities	28	14
<b>Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Shares)</b>	<b>\$ 106</b>	<b>\$ 106</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>\$ 440,295</b>	<b>\$ 335,254</b>
<b>Net Assets Attributable to Holders of Redeemable Shares – Series A</b>	<b>\$ 20,435</b>	<b>\$ 13,061</b>
<b>Net Assets Attributable to Holders of Redeemable Shares – Series F</b>	<b>\$ 419,860</b>	<b>\$ 322,193</b>
<b>Mutual Fund Shares Issued and Outstanding – Series A (Note 6)</b>	<b>1,092</b>	<b>685</b>
<b>Mutual Fund Shares Issued and Outstanding – Series F (Note 6)</b>	<b>22,312</b>	<b>16,876</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Share – Series A</b>	<b>18.72</b>	<b>\$ 19.07</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Share – Series F</b>	<b>\$ 18.82</b>	<b>\$ 19.09</b>

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

Approved by the Board of Directors:



Director: Catherine Rebuldela



Director: Craig Rogers

# INTERIM FINANCIAL REPORT

UNAUDITED

## Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2025	2024
<b>REVENUE (LOSS)</b>		
Income from Investments	\$ 4,643	\$ 1,100
Interest Income for Distribution Purposes	218	80
<b>Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss</b>		
Change in Net Unrealized Gain (Loss) on Investments	(4,701)	60,920
<b>Total Revenue (Loss)</b>	<b>160</b>	<b>62,100</b>
<b>OPERATING EXPENSES (Note 7)</b>		
Audit Fees	25	-
Fund Administration Costs	90	-
Independent Review Committee Fees	24	-
Legal Fees	12	-
Management Fee	626	-
Securityholder Reporting Costs	27	-
Transaction Costs (Note 7)	174	40
<b>Total Operating Expenses</b>	<b>978</b>	<b>40</b>
<b>Profit (Loss) after Tax</b>	<b>\$ (818)</b>	<b>\$ 62,060</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares</b>	<b>\$ (818)</b>	<b>\$ 62,060</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series A</b>	<b>\$ (676)</b>	<b>\$ -</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series F</b>	<b>\$ (142)</b>	<b>\$ 62,060</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series A (Note 6)</b>	<b>\$ (0.66)</b>	<b>\$ -</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series F (Note 6)</b>	<b>\$ (0.01)</b>	<b>\$ 3.98</b>

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 Shares

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 13,061	\$ 322,193	\$ 335,254
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(676)	(142)	(818)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>			
From Net Investment Income	(109)	(2,513)	(2,622)
From Net Realized Gain from Investment transactions	(22)	-	(22)
	(131)	(2,513)	(2,644)
<b>REDEEMABLE SHARE TRANSACTIONS:</b>			
Proceeds from Issue of Shares	8,050	97,823	105,873
Reinvested Distributions	131	2,499	2,630
	8,181	100,322	108,503
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 20,435	\$ 419,860	\$ 440,295

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Canadian Dollars)	Series F <sup>(1)</sup>	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 200,842	\$ 200,842
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	62,060	62,060
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
From Net Investment Income	(1,180)	(1,180)
Return of Capital	(693)	(693)
	(1,873)	(1,873)
<b>REDEEMABLE SHARE TRANSACTIONS:</b>		
Proceeds from Issue of Shares	58	58
Reinvested Distributions	1,821	1,821
	1,879	1,879
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 262,908	\$ 262,908

<sup>(1)</sup> Only Series F shares were issued.

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
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</b>		
Increase (Decrease) Net Assets Attributable to Holders of Redeemable Shares	\$ (818)	\$ 62,060
Adjustments:		
Proceeds from Sale of Investments	16,510	-
Purchases of Investments	(154,239)	(162)
Change in Net Unrealized (Gain) Loss on Investments	4,701	(60,920)
	(133,846)	978
Net Change in Non-Cash Working Capital	(191)	(4)
Net Cash from (used in) Operating Activities	(134,037)	974
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Shares	105,873	52
Distributions Paid	(14)	(52)
Net Cash from (used in) Financing Activities	105,859	-
Net Increase (Decrease) in Cash	(28,178)	974
Cash at Beginning of Period	36,364	4,241
Cash at End of Period	\$ 8,186	\$ 5,215

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

## Schedule of Investment Portfolio

AS AT JUNE 30, 2025

(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Middlefield Innovation Dividend ETF*	18,500	\$ 304,825	\$ 431,605
<b>EXCHANGE-TRADED FUND(S): 98.1%</b>		304,825	431,605
TRANSACTION COSTS (NOTE 7)		(368)	-
TOTAL INVESTMENT: 98.1%		304,457	431,605
CASH: 1.9%		8,186	8,186
Total Investment Portfolio, including Cash		\$ 312,643	\$ 439,791

\*The Fund held 0.4% of the net assets of Middlefield Innovation Dividend ETF (the "Underlying Fund"). Middlefield Limited is the manager for both the Fund and the Underlying Fund.

# NOTES TO FINANCIAL STATEMENTS



# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## 1. Middlefield Innovation Dividend Class

Middlefield Innovation Dividend Class (the "Fund") is one of nine classes of issued mutual fund shares of Middlefield Mutual Funds Limited (the "Corporation"), a mutual fund corporation continued under the laws of Alberta. The Fund is authorized to issue series of shares designated as Series A and F. Each series has a different management fee rate. The Fund first issued Series A on November 27, 2024 and Series F shares on May 31, 2022. The investment objective of the Fund is to maximize long-term total return through investment in dividend-paying securities of global issuers that derive a significant portion of their revenue or earnings from products or services related to major technological innovations. Middlefield Limited is the manager and advisor 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 350 7 Ave SW Suite 3400, Calgary, Alberta. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Fund 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 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.

## 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 expenses, accounts payable-portfolio securities purchased, management fee payable, 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 Shares 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 shareholders.

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 Shares and Net Assets Attributable to Holders of Redeemable Shares

The Fund has two series of redeemable shares 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 shares 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 share class. The redeemable shares are classified as financial liabilities and are measured at the redemption amounts.

Redeemable shares are issued and redeemed based on the Fund's NAV per share, calculated by dividing the net assets of the Fund, calculated in accordance with the Fund's Simplified Prospectus, by the number of redeemable shares 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 share 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 board of directors of the Corporation. The board of directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring distributions including, if applicable, capital gains dividends to refund tax which would otherwise be payable by the Corporation. Distributions to holders of redeemable shares are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. Income not distributed is included in Net Assets Attributable to Holders of Redeemable Shares.

Net assets are calculated for each series of shares of the Fund. The net assets of a particular series of shares is 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 are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

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.

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## 3. Summary of Material Accounting Policies (continued)

### D. Fair Value Measurement (continued)

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 an 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 received on bank deposits 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 Shares Per Share

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share in the Statements of Comprehensive Income represents the increase (decrease) in Net Assets Attributable to Holders of Redeemable Shares divided by the average shares outstanding during the period.

### G. Income Taxes

The Corporation qualifies as a mutual fund corporation as defined in the *Income Tax Act* (Canada) (the "Tax Act"). The Corporation is subject to tax at the full corporate rate on its taxable income. Dividends received from taxable Canadian corporations are generally not included in the taxable income of the Corporation but are subject to a special tax, refunded at a rate of 38 1/3% of taxable dividends distributed by the Corporation to its shareholders. Capital gains realized in the period are included in the taxable income of the Fund at the applicable capital gains rate. The Corporation is eligible for a refund calculated on a formula basis when mutual fund shares are redeemed or when capital gains dividends are paid to shareholders. The Corporation endeavours to pay out sufficient Canadian dividends and net capital gains so that it will not be subject to refundable income taxes in respect of income from those sources. However, the Corporation will be liable for non-refundable income tax if its income from other sources exceeds its expenses for the period.

Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the investment portfolio and its adjusted cost base ("ACB") for income tax purposes. To the extent that the fair value of the portfolio exceeds its ACB, a future tax liability arises. Since capital gains taxes payable by the Corporation are refundable under the relevant provisions of the Tax Act, the future tax liability is fully offset by these future refundable taxes. Conversely, when the ACB exceeds the fair value of the portfolio, a future tax asset is generated. In such cases, a full valuation allowance is taken to offset this asset given the uncertainty that such future tax assets will ultimately be realized.

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.

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## 3. Summary of Material Accounting Policies (continued)

### 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:

#### 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 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 judgement or estimation.

The Fund's investment at fair value as at June 30, 2025 and December 31, 2024 is an investment fund managed by the Manager, which trades in active markets and is therefore classified as Level 1.

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

Fair values 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 occurred during the periods 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, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, shareholder 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.

As at June 30, 2025 and December 31, 2024, the Fund had no significant direct exposure to price risk, liquidity risk, foreign exchange rate risk, credit risk and concentration risk, but it does bear the risks of the underlying Middlefield Innovation Dividend ETF. For more information on the risks of Middlefield Innovation Dividend ETF, please visit our website at [www.middlefield.com/funds/fund-documents](http://www.middlefield.com/funds/fund-documents).

### 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	\$ 431,605	\$ 298,577

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 \$43,161 (December 31, 2024 – \$29,858) increase or decrease in net assets of the Fund, with all other factors held constant.

### B. 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 shares. The shares of the Fund are issued and redeemed on demand at the NAV per share. 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.

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
Management Fee Payable	\$ 78	\$ -	\$ -	\$ 78
Accounts Payable and Accrued Liabilities	28	-	-	28
Net Assets Attributable to Holders of Redeemable Shares	440,295	-	-	440,295
Total	\$ 440,401	\$ -	\$ -	\$ 440,401

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## B. Liquidity Risk (continued)

As at December 31, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 92	\$ -	\$ -	\$ 92
Accounts Payable and Accrued Liabilities	14	-	-	14
Net Assets Attributable to Holders of Redeemable Shares	335,254	-	-	\$ 335,254
Total	\$ 335,360	\$ -	\$ -	\$ 335,360

## C. 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.

## D. 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.

As at June 30, 2025 and December 31, 2024, the Fund's only investment was in an Exchange Traded Fund. The percentages of the Fund's total net assets invested in each investment sector were as follows:

Sector*	As a % of Net Assets	
	June 30, 2025	December 31, 2024
Technology	44.8	53.7
Communication Services	22.9	12.8
Consumer Discretionary	14.8	8.8
Industrials	7.2	6.2
Healthcare	3.5	6.1
Financials	2.6	-
Utilities	2.2	1.5
Total	98.0	89.1

\*Sector allocation is based on the holdings of the underlying exchange-traded fund.

## 6. Share Capital

The mutual fund shares and five common shares of the Corporation have equal rights and privileges except that the common shares may not be redeemed. Changes in issued mutual fund shares of the Fund are summarized as follows:

	Number of Shares – Series A	
	June 30, 2025	December 31, 2024
Shares Outstanding at Beginning of Period	685	-
Shares Issued	400	683
Reinvested Distributions	7	2
Total	407	685
Net Increase (Decrease)	407	685
Shares Outstanding at End of Period	1,092	685

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## 6. Share Capital (continued)

	Number of Shares – Series F	
	June 30, 2025	December 31, 2024
Shares Outstanding at Beginning of Period	16,876	15,554
Shares Issued	5,296	1,092
Reinvested Distributions	140	230
Total	5,436	1,322
Net Increase (Decrease)	5,436	1,322
Shares Outstanding at End of Period	22,312	16,876

The average number of Series A and Series F shares outstanding during the period ended June 30, 2025 were 1,021 and 20,538 (June 30, 2024 – nil and 15,605), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share.

## 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 shares as a percentage of the average daily NAV of the series. The management fee for Series A is 2.00% per annum and for Series F is 1.00% per annum. The Manager has waived the management fee since commencement of operations on May 31, 2022 to November 30, 2024. For the period ended June 30, 2025, management fees before the absorption of expenses amount to approximately \$600 (June 30, 2024 - \$nil).

### B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2025 amounted to \$174 (June 30, 2024 - \$40). Included in this amount is \$nil (June 30, 2024 - \$40) in brokerage commissions that were paid to Middlefield Capital Corporation ("MCC"), a company under common control with the Manager. All brokerage commissions paid by the Fund to MCC were at or below market rates. Brokerage commissions and other transaction costs are expensed and recorded in the Statements of Comprehensive Income.

### 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 NI 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 \$32 (June 30, 2024 - \$nil) throughout the period. Included in this amount is \$28 (December 31, 2024 - \$13) 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 shares of all series.

### 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 \$610 (December 31, 2024 - \$419).

## 8. Capital Management

The Fund's capital is its Net Assets Attributable to Holders of Redeemable Shares, representing shareholders' 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 shareholders, maximize shareholder 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 Corporation had no non-capital losses (December 31, 2022 – nil) and no capital losses (December 31, 2022 – nil) available for carryforward for tax purposes.

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025 | UNAUDITED

## 10. Distributions to Shareholders

Distributions to shareholders 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 shareholder, are automatically reinvested in additional shares of the Fund at the per share NAV without sales charge. Distributions per Series A share of \$0.12 (June 30, 2024 - \$nil) were paid to shareholders of the fund during the period ended June 30, 2025. Distributions per Series F share of \$0.12 (June 30, 2024 - \$0.12) were paid to shareholders of the Fund during the period ended June 30, 2025.

Distributions to Shareholders – Series A	June 30, 2025	June 30, 2024
From Net Investment Income		
Total	\$ 109	\$ -
Per Share	0.10	-
From Capital Gains		
Total	22	-
Per Share	0.02	-

Distributions to Shareholders – Series F	June 30, 2025	June 30, 2024
From Net Investment Income		
Total	\$ 2,513	\$ 1,180
Per Share	0.12	0.08
From Capital Gains		
Total	-	693
Per Share	-	0.04

# 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	

**Dean Orrico**  
 President and Chief Executive Officer

**Jeremy T. Brasseur**  
 Executive Chairman

**Robert F. Lauzon, CFA**  
 Chief Investment Officer

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 Former Vice-Chairman  
 Four Seasons Hotels Inc.

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 Infrastructure Ontario

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 Former Managing Director  
 RBC Capital Markets

**Abby Sears, MHSc, BSc**  
 Healthcare Administrator

**Advisors**  
 SSR Health LLC  
 Paul Sagawa LLC

### Middlefield Group

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 Chair, ESG  
 (Environmental, Social, Governance)

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 Chief Operating Officer and Chief  
 Compliance Officer

**Mark Aboud**  
 Chief Experience Officer

**Dennis da Silva**  
 Senior Portfolio Manager

**Nancy Tham**  
 Managing Director, Sales

**Shane Obata**  
 Portfolio Manager

**Robert Moffat**  
 Portfolio Manager

**Stacy Crestohl**  
 Director, Operations

**Rose Espinoza**  
 Director, International

**Catherine Rebuldela, CPA, CGA**  
 Director, Operations

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**Shiranee Gomez**  
 Senior Vice-President

**Victor Ngai**  
 Senior Vice-President

**Nicole S. Brasseur**  
 President, Human Resources

**Sarah Roberts, CPA, CMA**  
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**Jimmy Xu**  
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**Maggie Vanadero – Chu**  
 Associate

**Scott Hu**  
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**Maya Macnab**  
 Sales Coordinator

**Maxim Kisilitsyn**  
 Investment Associate

**Chittish Pasbola**  
 Analyst, Corporate Development

**Auditor**  
 Deloitte LLP, Chartered Professional Accountants  
 RSM Canada LLP

**Legal Counsel**  
 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

**Transfer Agents**  
 RBC Investor Service Trust  
 TSX Trust Company

**Affiliates**  
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 Middlefield Capital Corporation  
 Middlefield Financial Services Limited  
 MFL Management Limited  
 MF Properties Limited  
 Middlefield International Limited  
 Middlefield Limited  
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