2025 SEMI-ANNUAL REPORT

SUSTAINABLE INNOVATION & HEALTH DIVIDEND FUND

MIDDLEFIELD CLOSED-END 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 6.95% total return for the **Middlefield Real Estate Dividend ETF (TSX: MREL)** 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 exchange-listed funds is currently comprised of 12 funds, 10 of which trade on the Toronto Stock Exchange, one of which trades on the Cboe Canada Exchange, and one of which is based in Jersey, Channel Islands and trades on the London Stock Exchange. The fund mandates differ by asset mix including both Canadian and International equity securities.

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

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

Unitholders may contact us by calling 1-888-890-1868, by writing to us at Middlefield Group at one of the addresses on the back cover or by visiting our website at www.middlefield.com to request a copy of the investment fund's annual financial statements, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management's Discussion of Fund Performance

Investment Objectives and Strategies

The investment objectives of Sustainable Innovation & Health Dividend Fund (the "Fund") are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in a diversified, actively managed portfolio comprised primarily of dividend paying securities of global technology and healthcare companies, including initially those which the Advisor (as defined below) believes are positioned to benefit long-term from the trends and changing consumer behaviours resulting from the COVID-19 global pandemic.

Results of Operations

Investment Performance

During the first half of 2025, the net assets of the Fund decreased from $30.0 million at December 31, 2024 to $27.4 million at June 30, 2025. Net assets on a per unit basis decreased from $14.30 at December 31, 2024 to $13.18 at June 30, 2025. This decrease was primarily attributable to the unrealized loss of the investment portfolio. During the first half of 2025, the Fund recorded a net loss of $2.5 million on its investment portfolio or $1.22 per unit.

Revenue and Expenses

Loss before expense for the period ended June 30, 2025 amounted to $1.7 million, down from a revenue of $8.5 million in the prior year period. Operating expenses during the period ended June 30, 2025 amounted to $0.3 million, similar to the $0.3 million in the first half of 2024. The operating expenses contributed to the management expense ratio ("MER") of 1.79% in 2025, up from 1.71% in the prior year period. Excluding issuance and borrowing costs, the MER was 1.79% in the first half of 2025. The loss for the period ended June 30, 2025 amounted to $1.9 million or $0.93 per unit, down from a profit of $8.2 million or $2.84 per unit in the prior year period. Distributions for the period ended June 30, 2025 amounted to $0.20 per unit.

Trends

The first half of 2025 was a tale of two quarters for healthcare, which outperformed the S&P 500 by over 10% in Q1 but underperformed by 18% in Q2 amid policy uncertainty and shifting risk sentiment. Year-to-date, the sector is down 1.1% and trades at a 5.9x forward P/E discount to the S&P 500—one of the widest in 30 years—offering compelling relative value. In contrast, technology stocks have rallied past pre-Liberation Day highs, shifting focus from valuation recovery to earnings execution. With strong projected revenue and earnings growth, tech remains attractive despite elevated forward P/E ratios.

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. For further details, please see the notes to the financial statements.

Management Fees

Management fees are calculated at 1.25% per annum of the net asset value of the Fund's publicly listed portfolio and are split between the Manager and the Advisor. Allocation fees are calculated at 0.10% of the net asset value of the Fund to compensate the Advisor for its efforts in making decisions regarding the allocation of Fund's portfolio between publicly listed issuers and unlisted real asset issuers. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund.

ESG

1) Meeting Objectives

Each of our sustainable funds is evaluated on an ongoing basis in terms of meeting our environmental, social, and governance (the "ESG") objectives. Here are some key considerations and questions:

We first analyze companies on an absolute basis - e.g. Has the company's ESG profile improved over time?

- We do this through fundamental analysis - e.g. Reviewing public documents and researching ESG policies & practices
- We also incorporate third-party research from companies such as Glass Lewis and data from reputable providers such as Sustainalytics, S&P, Bloomberg and Refinitiv
- The aforementioned steps help to inform us about how to best vote proxies in accordance with our ESG policy

We then analyze them on a relative basis - e.g. How does the company's ESG profile compare to those of its peers?

- In addition to integration, we rely on quantitative screening to ensure we avoid companies that operate in ethically-contentious industries and highlight ESG leaders across geographies, sectors and themes
- We also consider ESG rate of change because smaller / less established companies may not have the resources to accurately convey their ESG capabilities
- After we decide to invest in a company, we continue to monitor its progression while keeping track of any ESG controversies that may arise

All of the above are meant to help us achieve high and improving portfolio-level ESG metrics which are then compared to relevant benchmarks.

2) Portfolio Activity
Abbott Laboratories
During the period, the portfolio manager bought Abbott Laboratories, a global healthcare company focused on medical devices, diagnostics, nutrition and branded generics. Abbott has a strong ESG program focused on expanding access to healthcare, advancing sustainability, and promoting inclusive growth. For example, the company's Healthy Communities initiative partners with local organizations to address chronic diseases and health equity in underserved populations across the U.S. Environmentally, Abbott has committed to achieving net-zero emissions by 2050 and is already operating over 75% of its manufacturing with renewable electricity. The company is also recognized for inclusive hiring, ranking on DiversityInc's "Top 50 Companies for Diversity" for several consecutive years.

3) Proxy Voting
Thermo Fisher
In May 2025, the portfolio manager voted against the company's proposed Advisory Vote on Executive Compensation. Our basis was that the company has a long-standing pattern of misaligned executive compensation, with off-cycle awards contributing to inconsistent pay-for-performance alignment. While 2023 showed some improvement, it was the only year since 2017 where compensation was not impacted by TSR awards, highlighting the exception rather than the norm. Despite the 2024 awards not appearing excessive in isolation, the historical track record warrants concern from shareholders.

4) Engagement
Constellation Software
In May 2025, the portfolio manager saw the CFO present at the CIBC Technology Conference in Toronto, where governance initiatives were discussed. Constellation has changed their board in a manner we believe is in the best interests of shareholders. Seven directors – the majority of which are CSU executives – did not stand for re-election this year. Instead, these executives will move to an advisory board and will opine at the request of the board. We think this will improve board independence while at the same time retaining the deep operational and institutional knowledge of senior leaders.

5) Unconventional Names
Legend Biotech
Legend Biotech is a global biotech company pioneering CAR T cell therapies. Its flagship product, CARVYKTI, is a one-time treatment for relapsed or refractory multiple myeloma that has shown a 45% reduction in risk of death over three years. The FDA expanded CARVYKTI's use in April 2024, now allowing it as a second line therapy for eligible patients. Beyond multiple myeloma, Legend is advancing other CAR T candidates targeting solid tumors like small cell lung cancer via a global licensing collaboration with Novartis for their DLL3 targeting candidate LB2102. These therapies are reshaping cancer care by using patients' own immune cells to eradicate tumors—offering real hope and longer survival to those who previously had limited options. Despite its smaller size, Legend has stepped forward with a structured, transparent ESG program built on strong governance, inclusive practices, and growing environmental responsibility. In March 2024, the company published its inaugural ESG report aligned with SASB standards, laying out its ESG framework around caring for patients, engaging employees and communities, and ensuring operational integrity and ethical oversight.

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
Total Equity is calculated in accordance with International Financial Reporting Standards ("IFRS").

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

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

The Fund's Total Equity per Unit(1)

	June 30, 2025(4)	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020(3)
Total Equity, Beginning of Period	**$ 14.30**	$ 10.78	$ 9.91	$ 11.95	$ 9.97	$ 9.50*
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	**0.42**	0.75	0.19	0.15	0.13	0.05
Total Expenses (excluding distributions)	**(0.12)**	(0.22)	(0.22)	(0.21)	(0.24)	(0.09)
Realized Gains (Losses) for the Period	**0.79**	2.62	1.39	(0.12)	0.29	0.06
Unrealized Gains (Losses) for the Period	**(2.01)**	0.74	(0.32)	(1.79)	2.16	0.56
Transaction Costs on Purchase and Sale of Investments	**(0.01)**	-	(0.01)	(0.01)	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS(2)	**(0.92)**	3.92	1.27	(1.64)	2.38	0.57
DISTRIBUTIONS:						
From Net Investment Income	**0.20**	0.40	-	-	-	-
From Capital Gains	**-**	-	0.40	-	0.29	0.05
Return of Capital	**-**	-	-	0.40	0.11	0.05
TOTAL DISTRIBUTIONS(5)	**0.20**	0.40	0.40	0.40	0.40	0.10
Total Equity, End of Period	**$ 13.18**	$ 14.30	$ 10.78	$ 9.91	$ 11.95	$ 9.97

(1) This information is derived from the Fund's audited annual financial statements and unaudited interim financial report.
(2) Total Equity and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This schedule is not a reconciliation of Total Equity since it does not reflect unitholder transactions as shown on the Statements of Changes in Equity and accordingly columns may not add.
(3) For the period August 14, 2020 (date of commencement of operations) to December 31, 2020.
(4) For the six-month period ended June 30, 2025.
(5) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

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

Ratios and Supplemental Data

	June 30, 2025[5]	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020[4]
Total Assets (000s)	**$ 27,569**	$ 30,181	$ 31,448	$ 64,424	$ 113,043	$ 88,652
Total Net Asset Value (000s)	**$ 27,432**	$ 30,020	$ 31,295	$ 60,082	$ 97,383	$ 87,947
Number of Units Outstanding	**2,081,417**	2,098,717	2,902,353	6,060,822	8,151,500	8,819,200
Management Expense Ratio ("MER")[1]	**1.79%**	1.60%	2.01%	1.98%	2.25%	7.59%
MER (excluding interest expense and issuance costs)[1]	**1.79%**	1.60%	1.86%	1.73%	1.90%	2.26%
Trading Expense Ratio[2]	**0.12%**	0.03%	0.08%	0.09%	0.06%	0.30%
Portfolio Turnover Rate[3]	**43.71%**	34.71%	63.44%	69.50%	47.88%	37.61%
Net Asset Value per Unit	**$ 13.18**	$ 14.30	$ 10.78	$ 9.91	$ 11.95	$ 9.97

(1) The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. The MER excluding interest expense and issuance costs has been presented separately as it expresses only the ongoing management and administrative expenses of the Fund as a percentage of average Net Asset Value. Issuance costs are one-time costs incurred at inception, and the inclusion of interest expense does not consider the additional revenues that have been generated from the investment of the leverage in income-generating assets.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

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

(4) For the period August 14, 2020 (date of commencement of operations) to December 31, 2020.

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

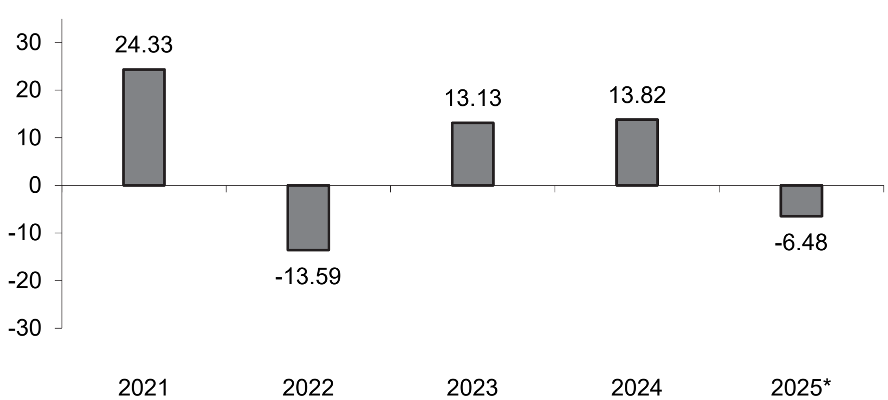
Past Performance

The performance information shown, which is based on Net Asset Value, diluted where applicable, assumes that all distributions paid by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart shows how the Fund's performance has varied from year to year for each of the years shown. The return for 2020 is not presented since it relates to a partial period. The chart indicates, in percentage terms, how much an investment made the first day of the financial period would have grown or decreased by the last day of the financial period.

Annual Total Returns %



*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	Sagard Healthcare Royalty Partners	15.8
2	Amazon.com Inc.	6.0
3	Intuitive Surgical Inc.	5.7
4	Eli Lilly & Company	5.0
5	Microsoft Corp.	4.9
6	Nvidia Corp.	4.7
7	Constellation Software Inc.	4.6
8	Take-Two Interactive Software Inc.	4.4
9	Astrazeneca PLC	4.2
10	Nintendo Co., Ltd.	3.9
11	Sony Group Corp.	3.6
12	Merck & Co., Inc.	3.6
13	Broadcom Inc.	3.4
14	Abbott Laboratories	2.7
15	Apple Inc.	2.7
16	Alphabet Inc.	2.6
17	Natera Inc.	2.5
18	Abbvie Inc.	2.5
19	Thermo Fisher Scientific Inc.	2.4
20	Check Point Software Technologies Ltd.	1.7
21	Constellation Energy Corp.	1.6
22	Stryker Corp.	1.6
23	Palo Alto Networks Inc.	1.5
24	T-Mobile US Inc.	1.5
25	Meta Platforms Inc.	1.5

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

ASSET CLASS	% OF NET ASSET VALUE
Healthcare	47.4
Technology	24.6
Communication Services	13.9
Consumer Discretionary	9.6
Utilities	1.6
Cash and Short-Term Investments	3.3
Other Assets (Liabilities)	(0.4)
	100.0

TOTAL NET ASSET VALUE	$ 27,432,006
TOTAL ASSETS	$ 27,569,065

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions.
Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.

INTERIM FINANCIAL REPORT

NOTICE

The accompanying unaudited financial statements of Sustainable Innovation & Health Dividend 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	Craig Rogers
Director	Director
Middlefield Limited	Middlefield Limited

August 22, 2025

INTERIM FINANCIAL REPORT
UNAUDITED

Statements of Financial Position

(In Canadian Dollars)		**June 30 2025**		December 31 2024
ASSETS				
Current Assets				
Investments at Fair Value through Profit or Loss	**$**	**26,642,863**	$	29,770,275
Cash		**910,753**		314,616
Income and Interest Receivable		**10,432**		10,352
Accounts Receivable		**5,017**		85,898
Total Assets		**27,569,065**		30,181,141
LIABILITIES				
Current Liabilities				
Distribution Payable (Note 11)		**69,374**		69,950
Accounts Payable and Accrued Liabilities (Note 8)		**67,685**		91,690
Total Liabilities		**137,059**		161,640
Net Assets	**$**	**27,432,006**	$	30,019,501
EQUITY				
Unitholders' Capital (Note 7)	**$**	**20,814,579**	$	20,987,579
Retained Earnings (Deficit)		**6,617,427**		9,031,922
Total Equity	**$**	**27,432,006**	$	30,019,501
Units Issued and Outstanding		**2,081,417**		2,098,717
Total Equity per Unit	**$**	**13.18**	$	14.30

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

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30
(In Canadian Dollars)

	2025	2024
REVENUE (LOSS)		
Income from Investments	**$ 859,919**	$ 165,405
Interest Income for Distribution Purposes	**14,809**	12,400
Foreign Exchange Gain (Loss) on Cash	**(49,835)**	11,372
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 excluding Derivatives	**2,218,574**	2,838,365
Net Realized Gain (Loss) from Derivatives Transactions	**(512,287)**	28,782
Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives	**(4,189,960)**	5,480,464
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	**(4,600)**	(1,660)
Total Revenue (Loss)	**(1,663,380)**	8,535,128
OPERATING EXPENSES (Note 8)		
Audit Fees	**9,188**	8,702
Custodial Fees	**1,554**	1,998
Fund Administration Costs	**51,060**	49,990
Independent Review Committee Fees and Expenses	**2,596**	3,058
Legal Fees	**-**	611
Management Fee (Note 8)	**174,039**	224,513
Transaction Costs (Note 8)	**16,302**	4,918
Unitholder Reporting Costs	**12,795**	16,154
Total Operating Expenses	**267,534**	309,944
Profit (Loss) before Tax	**(1,930,914)**	8,225,184
Withholding Taxes	**9,516**	12,780
Profit (Loss) after Tax	**$ (1,940,430)**	$ 8,212,404
Profit (Loss) after Tax per Unit (Note 7)	**$ (0.93)**	$ 2.84

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

Statements of Changes in Equity

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)	Unitholders' Capital	Retained Earnings (Deficit)	Total
Balance at January 1, 2024	$ 29,023,939	$ 2,270,760	$ 31,294,699
Profit (Loss) after Tax	-	8,212,404	8,212,404
Distributions to Unitholders	-	(578,156)	(578,156)
Repurchase of Trust Units	(196,000)	(33,789)	(229,789)
Balance at June 30, 2024	$ 28,827,939	$ 9,871,219	$ 38,699,158
Balance at January 1, 2025	**$ 20,987,579**	**$ 9,031,922**	**$ 30,019,501**
Profit (Loss) after Tax	**-**	**(1,940,430)**	**(1,940,430)**
Distributions to Unitholders	**-**	**(416,868)**	**(416,868)**
Repurchase of Trust Units	**(173,000)**	**(57,197)**	**(230,197)**
Balance at June 30, 2025	**$ 20,814,579**	**$ 6,617,427**	**$ 27,432,006**

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)	**2025**	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit (Loss) after Tax	**$ (1,940,430)**	$ 8,212,404
Adjustments:		
Purchases of Investments	**(19,635,158)**	(7,540,699)
Proceeds from Sale of Investments	**20,278,897**	8,536,297
Foreign Exchange (Gain) Loss	**54,435**	(9,712)
Net Realized (Gain) Loss from Investment Transactions	**(1,706,287)**	(2,867,147)
Change in Net Unrealized (Gain) Loss on Investments	**4,189,960**	(5,480,464)
	1,241,417	850,679
Net Change in Non-Cash Working Capital	**56,796**	25,014
Net Cash from (used in) Operating Activities	**1,298,213**	875,693
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Repurchase of Trust Units	**(230,197)**	(229,789)
Distributions Paid to Unitholders	**(417,444)**	(578,829)
Net Cash from (used in) Financing Activities	**(647,641)**	(808,618)
Net Increase (Decrease) in Cash	**650,572**	67,075
Foreign Exchange Gain (Loss)	**(54,435)**	9,712
Cash at Beginning of Period	**314,616**	314,111
Cash at End of Period	**$ 910,753**	$ 390,898

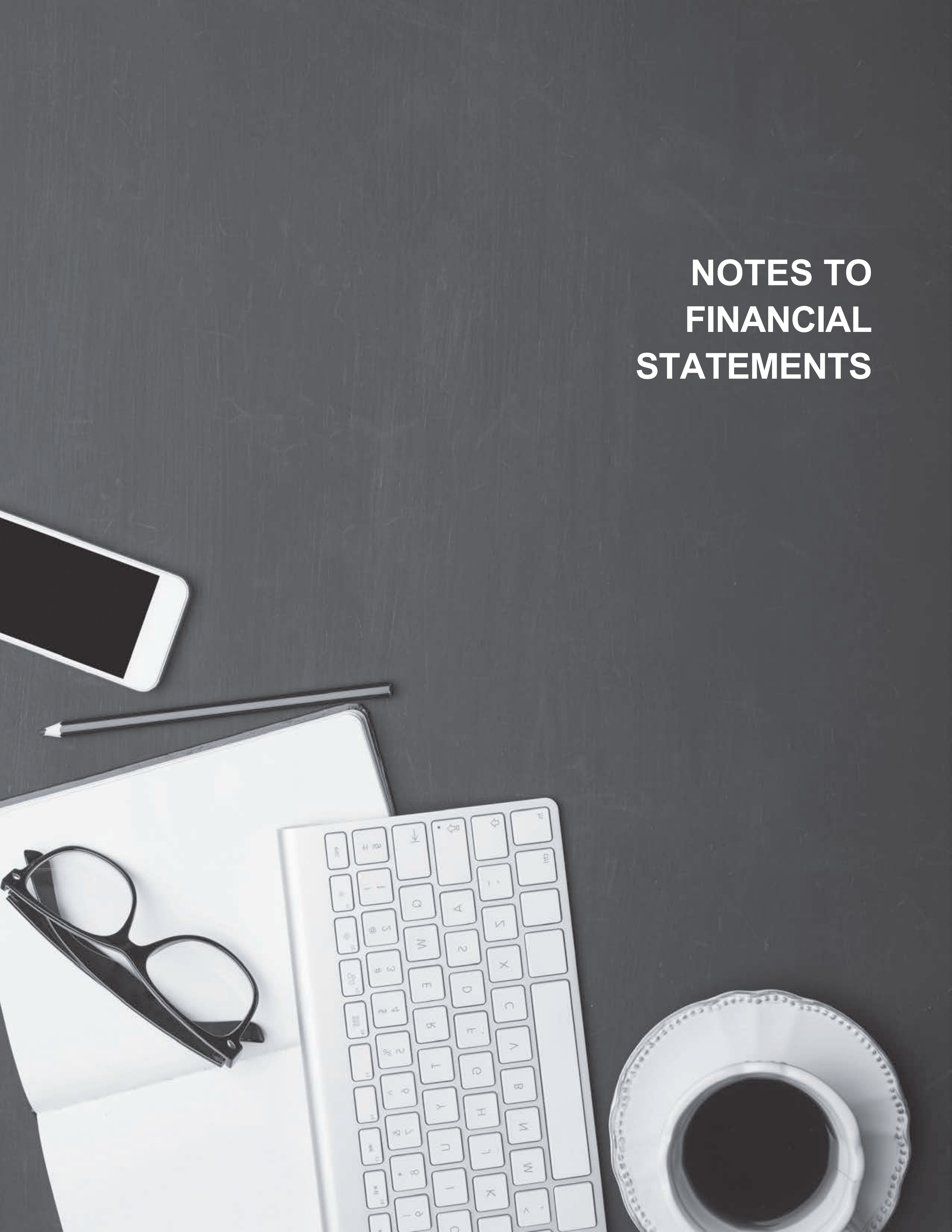
The accompanying notes to financial statements are an integral part of these financial statements.

Schedule of Investment Portfolio

AS AT JUNE 30, 2025
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Abbott Laboratories	4,000	$ 738,161	$ 742,342
AbbVie Inc.	2,700	373,384	683,851
AstraZeneca PLC	12,000	849,412	1,144,214
Eli Lilly & Company	1,300	555,575	1,382,768
Intuitive Surgical Inc.	2,100	834,395	1,557,112
Legend Biotech Corp.	8,000	361,914	387,408
Merck & Co., Inc.	9,200	957,473	993,726
Natera Inc.	3,000	545,848	691,555
Sagard Healthcare Royalty Partners	4,181,966	5,434,903	4,324,795
Stryker Corp.	800	414,670	431,869
Thermo Fisher Scientific Inc.	1,200	690,953	663,900
HEALTHCARE: 47.2%		11,756,688	13,003,540
Apple Inc.	2,600	459,481	727,881
Broadcom Inc.	2,500	508,264	940,310
Check Point Software Technologies Ltd.	1,500	436,185	452,843
Constellation Software Inc.	250	578,324	1,248,300
Constellation Software Inc., Warrants, 31 March 2040	550	-	-
Microsoft Corp.	2,000	606,198	1,357,430
NVIDIA Corp.	6,000	429,752	1,293,463
Okta Inc.	2,300	313,228	313,741
Palo Alto Networks Inc.	1,500	414,031	418,846
TECHNOLOGY: 24.5%		3,745,463	6,752,814
Alphabet Inc.	3,000	440,712	721,397
Meta Platforms Inc.	400	74,135	402,849
Nintendo Co., Ltd.	33,000	799,889	1,081,583
T-Mobile US Inc.	1,250	390,599	406,382
Take-Two Interactive Software Inc.	3,600	1,006,074	1,192,926
COMMUNICATION SERVICES: 13.8%		2,711,409	3,805,137
Amazon.com Inc.	5,500	1,077,812	1,646,465
Sony Group Corp.	28,000	937,250	994,501
CONSUMER DISCRETIONARY: 9.6%		2,015,062	2,640,966
Constellation Energy Corp.	1,000	288,733	440,406
UTILITIES: 1.6%		288,733	440,406
TRANSACTION COSTS (Note 8)		(8,601)	-
TOTAL INVESTMENTS: 96.7%		20,508,754	26,642,863
CASH: 3.3%		910,753	910,753
Total Investment Portfolio, Including Cash		$ 21,419,507	$ 27,553,616

NOTES TO FINANCIAL STATEMENTS



1. Sustainable Innovation & Health Dividend Fund

Sustainable Innovation & Health Dividend Fund (the "Fund") is a closed-ended investment trust established under the laws of the Province of Alberta on July 23, 2020. Middlefield Limited, a company incorporated in Alberta, is the trustee, 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 Fund was listed on the Toronto Stock Exchange and effectively commenced operations on August 14, 2020 when it first issued units through an initial public offering. 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. Investment Objectives and Strategy

The investment objectives of the Fund are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in a diversified, actively managed portfolio comprised primarily of dividend paying securities of global technology and healthcare companies, including initially those which the Advisor believes are positioned to benefit long-term from the trends and changing consumer behaviours resulting from the COVID-19 global pandemic.

3. Basis of Presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards and in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

4. Summary of 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 the 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. Given the short-term nature and high credit quality of the trade receivables, there are no expected credit losses associated with them and they are not considered impaired at the reporting dates.

4. Summary of Material Accounting Policies (continued)

A. Basis of Accounting (continued)

The Fund does not apply general hedge accounting to any of its derivatives positions.

B. Financial Instruments

The Fund's financial instruments may include: short-term investments, fixed income, equities, structured products, derivatives (collectively referred to as "investments"), cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, subscriptions receivable, prepaid interest, prepaid expenses, loan payable, accounts payable – portfolio securities purchased, accounts payable and accrued liabilities, redemptions payable and distributions payable. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

C. Fair Value Measurement

The Fund's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Investments and futures contracts are valued at fair value using the policies described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs. Investments in other investment funds are valued based on the number of units held and their closing NAV per unit as provided by the investment funds' manager or general partner.

D. Unitholders' Capital

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

E. Derivative Transactions

The Fund may use derivatives, such as forward currency contracts, to hedge against losses caused by changes in exchange rates. The value of forward currency contracts is the gain or loss that would be realized, if on the valuation date, the positions were to be closed out. The change in value of forward currency contracts is included in the Statements of Comprehensive Income. Realized gains and losses from derivative instruments that are specific economic hedges are accounted for in the same manner as the underlying investments being hedged and are included in the Statements of Comprehensive Income.

4. Summary of Material Accounting Policies (continued)

F. Investment Transactions and Income Recognition

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

G. Profit or Loss after Tax per Unit

Profit or loss after tax per unit in the Statements of Comprehensive Income represents the profit or loss after tax divided by the average units outstanding during the period.

H. Taxation

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada). Under the terms of the Declaration of Trust, any taxable income of the Fund is distributable monthly to unitholders of record date. The Fund is not subject to tax on the income distributed to unitholders. Accordingly, no provision for income taxes is required.

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

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

I. Foreign Currency Translation

Foreign currency amounts are translated into Canadian dollars as follows: fair value of investments, forward currency contracts and other assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

J. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Determination of Functional Currency

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

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

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

4. Summary of Material Accounting Policies (continued)

J. Critical Accounting Estimates and Judgments (continued)

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

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5 for further information about the fair value measurement of the Fund's financial instruments.

5. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value of the Fund's financial instruments is classified into levels using the following fair value hierarchy:

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

As at June 30, 2025

Description	Level 1	Level 2	Level 3	Total
Equities	$ 21,236,485	$ 1,081,583	$ 4,324,795	$ 26,642,863

As at December 31, 2024

Description	Level 1	Level 2	Level 3	Total
Equities	$ 24,723,900	$ -	$ 5,046,375	$ 29,770,275

All fair value measurements are recurring. The carrying values of cash, income and interest receivable, subscriptions receivable, accounts receivable, prepaid interest, accounts receivable – portfolio securities sold, loan payable, distributions payable, and accounts payable and accrued liabilities, approximate their fair values due to their short-term nature. Fair values of Fund's investments in common shares are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

No transfers between levels have occurred during the period ended June 30, 2025 or the year ended December 31, 2024.

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at June 30, 2025, the Fund held $4,324,795 (December 31, 2024 - $5,046,375) of Level 3 securities. The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the issuer, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuate similarly. The Fund's level 3 investment in Sagard Healthcare Royalty Partners represents 16.23% (December 31, 2024 – 16.95%) of the Funds investment portfolio.

The reconciliation of investments measured at fair value using unobservable inputs (Level 3) for the period ended June 30, 2025 and the year ended December 31, 2024 is as follows:

5. Fair Value Disclosure (continued)

Period Ended June 30, 2025		
Balance at January 1	$	5,046,375
Investment Purchases during the Period		-
Investment Sales during the Period		-
Realized Gain (Loss)		-
Unrealized Gain (Loss)		(721,580)
Balance at June 30	$	4,324,795
Total Change in Unrealized Gain (Loss) during the period for assets held at June 30, 2025	$	(106,546)

Year Ended December 31, 2024		
Balance at January 1	$	5,661,409
Investment Purchases during the Year		-
Investment Sales during the Year		-
Realized Gain (Loss)		-
Unrealized Gain (Loss)		(615,034)
Balance at December 31	$	5,046,375

The use of reasonable possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of these instruments.

6. Financial Risk Management

In the normal course of business, the Fund is exposed to a variety of financial risks: price risk, interest rate risk, liquidity risk, foreign exchange rate risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Fund's risks and related exposures are consistent with its objectives and risk tolerance.

Most of the Fund's risks are derived from its investments. The value of the investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, commodity prices, the market and company news related to specific securities held by the Fund. The investments are made in accordance with the Fund's risk management policies. The policies establish investment objectives, strategies, criteria and restrictions. The objectives of these policies are to identify and mitigate investment risk through a disciplined investment process and the appropriate structuring of each transaction.

A. Price Risk

Price risk is the risk that changes in the prices of the Fund's investments will affect the Fund's income or the value of its financial instruments. The Fund's price risk is driven primarily by volatility in commodity and equity prices. Rising commodity and equity prices may increase the price of an investment while declining commodity and equity prices may have the opposite effect. The Fund mitigates price risk by making investing decisions based upon various factors, including comprehensive fundamental analysis prepared by industry experts to forecast future commodity and equity price movements. The Fund's market positions are monitored on a daily basis by the portfolio manager and regular financial reviews of publicly available information related to the Fund's investments are performed to ensure that any risks are within established levels of risk tolerance. The Fund is exposed to price risk through the following financial instrument:

	June 30, 2025	December 31, 2024
Investments at FVTPL	$ 26,642,863	$ 29,770,275

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 $2,664,286 (December 31, 2024 - $2,977,028) increase or decrease in total equity of the Fund, with all other factors held constant.

6. Financial Risk Management (continued)

B. Interest Rate Risk

Interest rate risk describes the Fund's exposure to changes in the general level of interest rates. Interest rate risk arises when the Fund invests in interest-bearing financial assets such as cash and utilizes financial liabilities such as loan payable. In respect of cash balances and loan payable, the Fund's interest income and expense are positively correlated to interest rates in that rising interest rates increase both interest income and expense while the reverse is true in a declining interest rate environment. The Fund has not hedged its exposure to interest rate movements. The Fund seeks to mitigate this risk through active management, which involves analysis of economic indicators to forecast Canadian and global interest rates. The Fund is exposed to interest rate risk through the following financial instrument:

	June 30, 2025	December 31, 2024
Cash	$ 910,753	$ 314,616

Based on the above exposure at June 30, 2025, a 1% per annum increase or decrease in interest rates would result in a $9,108 (December 31, 2024 - $3,146) increase or decrease in total equity of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to liquidity risk through its annual and monthly redemptions. The Fund receives 45 business days notice prior to the redemption date and has up to 15 business days after the redemption date to settle the redemption. This enables the Manager to sell securities held by the Fund to generate cash to settle the redemption, if necessary. The Fund's obligations are due within one year. 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 public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through active management, which includes detailed analysis of such entities to ensure they are financially sound and would be attractive to potential investors if a sale is necessary. The Fund's investment policies and securities legislation limit the amount invested in illiquid securities and these limits are monitored. The Fund's investment in Sagard Healthcare Royalty Partners is subject to a 48-month period redemption lock-up from the date of the initial capital contribution; however, the Fund has the ability to sell its units of Sagard Healthcare Royalty Partners to certain other purchasers prior to the expiration of the lock-up period. Subsequent to the redemption lock-up period, the Fund can seek to redeem part or all of its investment on a quarterly basis.

The tables below present the Fund's financial liabilities based on the remaining period to the contractual maturity date. The amounts in the tables reflect the contractual undiscounted cash flows.

As at June 30, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	$ 69,374	$ -	$ -	$ 69,374
Accounts Payable and Accrued Liabilities	67,685	-	-	67,685
Total	$ 137,059	$ -	$ -	$ 137,059

As at December 31, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	$ 69,950	$ -	$ -	$ 69,950
Accounts Payable and Accrued Liabilities	91,690	-	-	91,690
Total	$ 161,640	$ -	$ -	$ 161,640

The Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

6. Financial Risk Management (continued)

D. Foreign Exchange Rate Risk

Foreign exchange rate risk describes the impact on the underlying value of financial instruments due to foreign exchange rate movements. The Canadian dollar is the Fund's functional and reporting currency. Foreign investments, commodities, cash, receivables and payables denominated in foreign currencies are affected by changes in the value of the Canadian dollar compared to foreign currencies. As a result, financial assets may depreciate/appreciate in the short-term due to the strengthening/weakening of the Canadian dollar against other currencies, and the reverse would be true for financial liabilities. The Fund's exposure to foreign exchange rate risk relates primarily to its investment in securities, which are denominated in various foreign currencies. The Fund has not hedged its exposure to currency fluctuations; however, it closely monitors relevant foreign exchange currency movements. The Fund is exposed to foreign exchange rate risk through the following financial instruments denominated in various foreign currencies:

As at June 30, 2025

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	$ 25,394,563	$ 498,533	$ 10,432	$ 25,903,528

As at December 31, 2024

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	$ 28,436,803	$ 273,555	$ 10,352	$ 28,720,710

Based on the above exposure at June 30, 2025, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a $2,590,353 (December 31, 2024 - $2,872,071) decrease or increase in total equity of the Fund, with all other factors held constant.

E. Credit Risk

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

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

F. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At June 30, 2025 and December 31, 2024, the percentages of the Fund's total equity invested in each investment sector were as follows:

	As a % of Total Equity	
Sector	June 30, 2025	December 31, 2024
Healthcare	47.4	47.8
Technology	24.6	32.3
Communication Services	13.9	12.8
Consumer Discretionary	9.6	6.3
Utilities	1.6	-
Total	97.1	99.2

7. Unitholders' Equity

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

Commencing December 31, 2020, the unitholders of the Fund can acquire additional units by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables unitholders to reinvest their monthly distributions in additional units of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional units for cash.

In 2020, the Fund issued 9,200,000 units at $10 per unit for proceeds, net of agents' fees and issue costs, of $87.4 million. During the six months ended June 30, 2025, the Fund purchased 17,300 units (June 30, 2024 – 19,500) pursuant to a normal course issuer bid and nil units (June 30, 2024 – 100) in the market in accordance with the Declaration of Trust. For the period ended June 30, 2025, 1,185 units (June 30, 2024 – 1,235) were distributed under the Plan.

The average number of units outstanding during the period ended June 30, 2025 was 2,085,895 (June 30, 2024 – 2,892,708). This number was used to calculate the Profit after Tax per Unit.

8. 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 management fee equal to 1.25% per annum of the NAV of the Fund's publicly listed portfolio, as well as an allocation fee 0.10% of the Fund's overall NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. For the period ended June 30, 2025, management fees before the absorption of expenses amounted to $0.2 million (June 30, 2024 - $0.2 million). At June 30, 2025, the management fees payable by the Fund was $30,919 (December 31, 2024 - $35,524) and is included in Accounts Payable and Accrued Liabilities

B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2025 amounted to $16,302 (June 30, 2024 - $4,918). During the period ended June 30, 2025, $3,517 (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 and 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, acting as transfer agent and registrar for the funds, and maintaining and updating the Fund's website. In aggregate, these fees amounted $15,084 (June 30, 2024 - $22,688) throughout the period and $8,525 (December 31, 2024 - $13,184) is included in Accounts Payable and Accrued Liabilities 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.

9. Capital Management

The Fund's capital is its total equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength. The Fund manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements.

The Fund is not subject to externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2024.

10. Loss Carryforwards

At December 31, 2024, the Fund had capital losses of $1,922,424 (December 31, 2023 - $3,174,837) and had no non-capital losses (December 31, 2023 – $803,962) available for carry forward for tax purposes. The capital losses can be carried forward indefinitely.

11. Distributions

The Fund pays monthly distributions to unitholders in accordance with its investment objectives. Distributions of the Fund, at the discretion of the unitholder, are reinvested in additional units of the Fund under the Distribution Reinvestment Plan, without sales charge. For the six months ended June 30, 2025, distributions amounted to $0.20 per unit (June 30, 2024 - $0.20).

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 Series A Units	Fund Code 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 Series A Shares	Fund Code FE/LL/DSC
• Middlefield Canadian Dividend Growers Class	MID 148/449/450
• Middlefield Global Agriculture Class	MID 161/163/166
• Middlefield Global Dividend Growers Class	MID 181/183/186
• Middlefield 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

MIDDLEFIELD
INVESTMENTS THAT WORK FOR YOU

Dean Orrico
President and Chief Executive Officer

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)

Craig Rogers, CPA, CGA, CFA
Chief Operating Officer and Chief Compliance Officer

Mark Aboud
Chief Experience Officer

Dennis da Silva
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Nancy Tham
Managing Director, Sales

Shane Obata
Portfolio Manager

Robert Moffat
Portfolio Manager

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Rose Espinoza
Director, International

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Shiranee Gomez
Senior Vice-President

Victor Ngai
Senior Vice-President

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Analyst, Corporate Development

Auditor

Deloitte LLP, Chartered Professional Accountants
RSM Canada LLP

Legal Counsel

Fasken Martineau DuMoulin LLP
McCarthy Tétrault

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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

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

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