

2025 ANNUAL REPORT

**REAL ESTATE**  
SPLIT CORP.



**MIDDLEFIELD**  
**SPLIT SHARE FUNDS**



## MIDDLEFIELD CORPORATE PROFILE

Founded in 1979, Middlefield is an income focused asset manager with offices in Toronto, Canada and London, England. Our investment team has developed a disciplined investment process over many years that seeks to identify attractive opportunities while evaluating the risks that impact returns. Our specialized suite of innovative investment solutions for both individual and institutional investors include Exchange-Traded Funds trading in Canada, the UK, Italy and Germany as well as Canadian Mutual Funds, Split Share Corporations, Closed-End Funds and Flow-through LPs. Our core business currently includes seven income mandates: Real Estate, Healthcare, Innovation, Infrastructure, Energy, Diversified Income and Fixed Income, all of which incorporate our focus on diversification in market sectors and companies which have the ability to generate growing levels of cash flows.

Middlefield's investment team comprises portfolio managers, analysts and traders. While all of our investment products are designed and managed by Middlefield professionals, some involve strategic partnerships with other "best-in-class" firms that bring unique value to our product offerings. In 2014, we entered into an exclusive arrangement with SSR, LLC, based in Stamford, Connecticut. They provide specialized research into sectors of the economy such as Healthcare and Innovation Technology. SSR is an independent investment firm whose analysts have been highly ranked and are recognized as leaders in their respective fields. Their fundamental company level research is often non-consensus and provides guidance on overall portfolio construction and security selection.

Looking ahead, Middlefield remains committed to managing and developing new and unique investment products to assist Financial Advisors in helping clients achieve their investment objectives.

### TABLE OF CONTENTS

	Corporate Profile
2	2025 Review and Outlook
4	Annual Management Report of Fund Performance
11	Financial Statements
16	Notes to Financial Statements Middlefield Funds Family

### 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 YEAR-END REVIEW AND OUTLOOK

The S&P 500 delivered its eighth consecutive month of positive total returns in December, resulting in a full-year total return of 17.9%. This marks the third consecutive year of double-digit gains for the Index – a feat that has only been achieved 11 times in the past 100 years. Meanwhile, the TSX Composite generated a total return of 31.7%, representing the sixth best annual return since 1957. Materials and Financials were the biggest contributors to Canadian equity performance with the TSX Banks Industry returning 45.5% and the Metals & Mining Industry returning 115.2%.

Real Estate finished 2025 with modest gains, generating total returns of 4.5% in Canada and 3.2% in the U.S. our real estate strategies handily outperformed their real estate benchmarks with **Middlefield Real Estate Dividend ETF (TSX: MREL)** generating a total return of 12.2%. Healthcare REITs and Healthcare Facilities were the biggest contributors to outperformance, with notable returns from Extendicare (+108%), Welltower (+43%), Sienna Senior Living (+38%) and Chartwell (+38%). These results underscore the importance of active management in the real estate sector and build upon our longstanding track record of differentiated performance relative to passive benchmarks and peers

Healthcare staged a remarkable recovery in the second half of 2025 after lagging the broader market by more than 15% at its lowest point, with **Middlefield Healthcare Dividend ETF (TSX: MHCD)** generating a total return of 9.1% for the year. The rebound was concentrated in the biopharma sphere, with the S&P 500 Pharmaceuticals, Life Science Tools & Services and Biotechnology sub-industries generating H2 returns of 31%, 28% and 20%, respectively. The catch-up has been driven by a combination of macro factors (i.e., market rotations and AI-trade hedging) and industry-specific forces including M&A, policy clarity, upward earnings revisions and positive clinical data across multiple therapeutic areas. The strong performance of stocks in the biopharmaceutical ecosystem has come at the expense of other areas within healthcare. MedTech and Healthcare Services had negative returns in H2 2025 with many quality names experiencing double-digit drawdowns.

Global power demand is growing at the fastest pace in over two decades, driven primarily by AI power requirements. As this demand intensifies over short development timelines, power availability and delivery have emerged as the binding constraints shaping AI deployment. The result is a rapid shift in investment toward infrastructure that can secure reliable, high-density power at scale. Canada is increasingly positioned as a beneficiary of this global AI infrastructure cycle as hyperscalers expand capacity closer to reliable, policy-aligned power systems. This is positive for Canadian infrastructure developers as investment-grade counterparties increasingly underpin multi-year demand profiles. With execution accelerating into 2026, Canada's stable regulatory framework and established energy systems support sustained participation in the global AI infrastructure buildout. Middlefield's **Global Infrastructure Dividend ETF (TSX: MINF)** generated a total return of 5.0% in 2025.

Entering 2026, Technology remains the top sector for reliable earnings growth, particularly with expected EPS growth above 20%. Stock performance is shifting from multiple expansion to the impact of positive earnings revisions, especially favoring companies showing operating leverage and pricing power. This trend is most evident in memory and storage markets, where price increases are expanding beyond HBM to DRAM and NAND. Major manufacturers' supply discipline and server upgrade cycles are driving analysts to raise revenue and margin forecasts, which boosts adjacent sectors like semiconductor equipment and testing.

Gold hit multiple all-time highs during December, peaking at over US\$4,500 per ounce. For full-year 2025, gold delivered a return of approximately 64%, its best year since 1979. Precious metals closed out the year and began in January with extraordinary momentum as well, underscoring a broader shift in global investment sentiment toward safety, scarcity, and real assets. While equity markets remain resilient, the surge in hard assets suggests investors are quietly hedging against volatility, policy risk, and currency erosion.

While gold was reaching historic highs, the energy sector faced a different reality. Despite tensions in the Middle East, Russian oil sanctions and more geopolitical risk building in Latin America, the oil market continues to be weighed by a narrative of significant supply surplus. Adding to this pressure, markets began bracing for volatility following U.S. military actions against

## MIDDLEFIELD EXCHANGE LISTED FUNDS |

The Middlefield Family of exchange-listed funds is currently comprised of 13 funds, 11 of which trade on the Toronto Stock Exchange, one of which trades on the Cboe Canada Exchange, and one of which is based in Ireland and trades on exchanges in the United Kingdom, Germany, and Italy. The fund mandates differ by asset mix including both Canadian and International equity securities.

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the Maduro government; while the immediate price reaction was muted due to existing oversupply, analysts began debating whether a "Marshall Plan" for Venezuelan oil would eventually depress global prices. This dynamic has created an uncertain environment for both risk and cash flow deployment.

### Outlook

We remain constructive on the outlook for equities in 2026. Similar to last year, our bullish stance is anchored in the durability of earnings growth. Consensus expectations call for both the S&P 500 and the S&P/TSX Composite to deliver double-digit EPS growth over the next two years, supported by a healthy mix of steady topline expansion and continued margin improvement.

Further supporting our bullish view is a broadly optimistic macroeconomic backdrop. Consensus forecasts call for global real GDP growth of approximately 2.8% in both 2026 and 2027, providing a supportive environment for economic activity. In Canada, despite widespread growth concerns early in 2025, the growth outlook has improved and the economy now appears likely to skirt a recession. This resilience is being reinforced by fiscal support from the Carney government, a renewed focus on nation-building initiatives, and a consumer that is holding up better than expected – evidenced by Canadian banks broadly reducing provisions for credit losses toward the end of 2025. In the U.S., real GDP growth of roughly 2.5% is expected in 2026, underpinned by tax cuts, deregulation, and easing monetary policy. While we share this constructive view on the U.S. economy, we note that the K-shaped nature of the recovery has become increasingly apparent, with lower-income consumers likely to remain under pressure given constrained borrowing capacity and weaker income growth relative to higher-income cohorts.



**Dean Orrico**  
President and CEO  
Middlefield Limited



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

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

This annual management report of fund performance contains financial highlights and should be read in conjunction with the complete audited annual financial statements of the investment fund that follow this report.

Shareholders 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 Objectives and Strategies

The investment objectives of Real Estate Split Corp. for the Class A Shares are to provide holders with: (i) non-cumulative monthly cash distributions, and (ii) the opportunity for capital appreciation through exposure to the portfolio. The investment objectives of the Fund for the Preferred Shares are to: (i) provide holders with fixed cumulative preferential quarterly cash distributions, and (ii) return the original issue price of \$10.00 to holders upon maturity. The Fund invests in a diversified, actively managed portfolio of dividend-paying securities of issuers operating in the real estate or related sectors, including real estate investment trusts that are well-positioned to benefit from low interest rates, the rapid adoption of e-commerce, the growth of data infrastructure as well as attractive valuations in various areas of the real estate sector.

### Risk

The Fund is exposed to several risks that may affect its performance. The overall risk of the Fund is as described in its prospectus dated February 12, 2025. During the past year, the overall risk level of the Fund may have been impacted as follows:

### Market Risk

Market risk describes the Fund's exposure to volatility in the market value of its underlying securities. Equity markets remain volatile amid persistent inflationary pressures and uncertainty surrounding global monetary policy, particularly as central banks weigh interest rate adjustments to manage inflation. Geopolitical tensions continue to heighten instability. Additionally, concerns over shifts in foreign trade policies and regional economic fragmentation are also contributing to market uncertainty.

### Results of Operations

#### Investment Performance

During 2025, the net assets of the Fund for Class A Shares decreased to \$108.8 million at December 31, 2025 from \$113.3 million as at December 31, 2024. On a per share basis, the net assets of the Fund for Class A Shares decreased from \$9.88 at December 31, 2024 to \$9.25 at December 31, 2025. The Fund recorded a net gain on its investment portfolio of \$12.7 million or \$1.08 per Class A Share during the year.

#### Revenue and Expenses

Revenue for the year ended December 31, 2025 amounted to \$20.8 million and was comprised primarily of unrealized gains on the Fund's portfolio investments. Expenses for the year totalled \$2.9 million, which contributed to the management expense ratio ("MER") of 8.23% for Class A shareholders. Excluding issuance costs, borrowing costs, and distributions to Preferred Shareholders, the MER was 2.43% for the year. Distributions for the year ended December 31, 2025 amounted to \$1.56 per Class A Share.

#### Trends

Real Estate finished 2025 with modest gains, generating total returns of 4.5% in Canada and 3.2% in the U.S. 2026 started with a bang in the Canadian REIT sector with another large M&A transaction. On January 5, Minto Apartment REIT announced an agreement to be taken private in a transaction with Crestpoint and Minto Group. The Minto transaction comes on the heels of another major announcement in December. Dream Industrial (DIR) announced a \$3 billion joint venture with CPP Investments, under which DIR will vend ~\$800 million of Canadian industrial assets at an implied cap rate of 4% and a slight premium to IFRS NAV.

#### 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 0.85% per annum of the net asset value of the Fund and are split between the Manager and the Advisor. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

## Credit Facility

The Fund has a revolving demand credit facility that enables the Fund to borrow up to an amount not exceeding 5% of total assets. The credit facility provides the lender with a security interest over the assets of the Fund.

## Recent Developments

On October 28, 2025, the Board of Directors extended the maturity date of the Fund for an additional 5-year term to December 31, 2030. The quarterly distribution rate for the Preferred Shares for the new 5-year term from December 31, 2025 to December 31, 2030 will be increased from \$0.13125 to \$0.145.

On the initial maturity date of December 31, 2025, 308,280 Class A Shares and 633,949 Preferred Shares were redeemed.

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 are calculated in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

"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 years. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

## The Fund's Net Assets per Class A Share<sup>(1)</sup>

	2025	2024	2023	2022	2021
Net Assets, Beginning of Year	\$ 9.88	\$ 11.69	\$ 12.63	\$ 19.26	\$ 13.48
Total Revenue	0.69	0.77	0.85	0.81	0.70
Total Expenses	(0.29)	(0.32)	(0.32)	(0.34)	(0.46)
Realized Gains (Losses) for the Year	0.23	(0.08)	(1.02)	(0.20)	1.05
Unrealized Gains (Losses) for the Year	0.85	(0.69)	1.69	(4.17)	5.59
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.01)	(0.02)	(0.01)	(0.04)
Preferred Share Distributions	(0.53)	(0.56)	(0.55)	(0.57)	(0.57)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>0.93</b>	<b>(0.25)</b>	<b>0.62</b>	<b>(5.07)</b>	<b>7.13</b>
<b>DISTRIBUTIONS:</b>					
From Net Investment Income	-	-	-	-	0.22
From Capital Gains	0.22	-	-	-	0.94
Return of Capital	1.34	1.56	1.56	1.56	0.19
<b>TOTAL DISTRIBUTIONS<sup>(3)</sup></b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>1.35</b>
Net Assets, End of Year	\$ 9.25	\$ 9.88	\$ 11.69	\$ 12.63	\$ 19.26

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

<sup>(2)</sup> Net Assets per Class A Share are based on the actual number of Class A shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of Class A shares outstanding over the financial year. This schedule is not a reconciliation of Net Asset Value since it does not reflect shareholder transactions as shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Class A Shares and accordingly columns may not add.

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

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

## Ratios and Supplemental Data

	2025	2024	2023	2022	2021
Total Assets (000s) <sup>(1)</sup>	\$ 230,548	\$ 231,441	\$ 150,246	\$ 121,094	\$ 78,558
Total Net Asset Value (000s) – including Preferred Shares <sup>(1)</sup>	\$ 226,873	\$ 228,077	\$ 148,242	\$ 119,077	\$ 77,275
Number of Class A Shares Outstanding <sup>(1)</sup>	11,764,199	11,474,305	6,848,872	5,262,212	2,640,887
Management Expense Ratio (“MER”) – Class A Shares <sup>(2)</sup>	8.23%	10.94%	9.94%	11.58%	9.96%
MER (excluding Preferred Share distributions, interest expense and issuance costs)– Class A Shares <sup>(2)</sup>	2.43%	2.36%	2.49%	2.21%	2.45%
Trading Expense Ratio <sup>(3)</sup>	0.12%	0.11%	0.17%	0.10%	0.24%
Portfolio Turnover Rate <sup>(4)</sup>	16.56%	8.32%	26.69%	9.69%	42.15%
Net Asset Value per Unit <sup>(5)</sup>	\$ 19.38	\$ 20.01	\$ 21.82	\$ 22.76	\$ 29.39
Net Asset Value per Preferred Share	\$ 10.13	\$ 10.13	\$ 10.13	\$ 10.13	\$ 10.13
Net Asset Value per Class A Share	\$ 9.25	\$ 9.88	\$ 11.69	\$ 12.63	\$ 19.26

<sup>(1)</sup> This information is provided as at December 31 of the year shown. The Total Asset Value and Net Asset Value includes the value of Preferred Shares. The amount of Total Assets and Net Assets reported in the December 31, 2021 Annual Management Report of Fund Performance excluded the value of Preferred Shares.

<sup>(2)</sup> The MER for Class A Shares is based on total expenses (including distributions on Preferred Shares, but excluding distributions on Class A Shares, commissions and other portfolio transaction costs) for the stated years and is expressed as an annualized percentage of daily average Net Asset Value of the Fund for Class A Shares during the year. The MER for Class A Shares excluding Preferred Share distributions, 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 of the Fund for Class A Shares. Issuance costs are one-time costs incurred at inception, and the inclusion of Preferred Share distributions and interest expense does not consider the additional revenues that have been generated from the investment of the leverage in income-generating assets.

<sup>(3)</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 year.

<sup>(4)</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 year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

<sup>(5)</sup> A Unit includes one Class A Share and one Preferred Share. Net Asset Value per Unit is determined by the Net Asset Value of the Fund, for which the Preferred Shares are not treated as liabilities.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

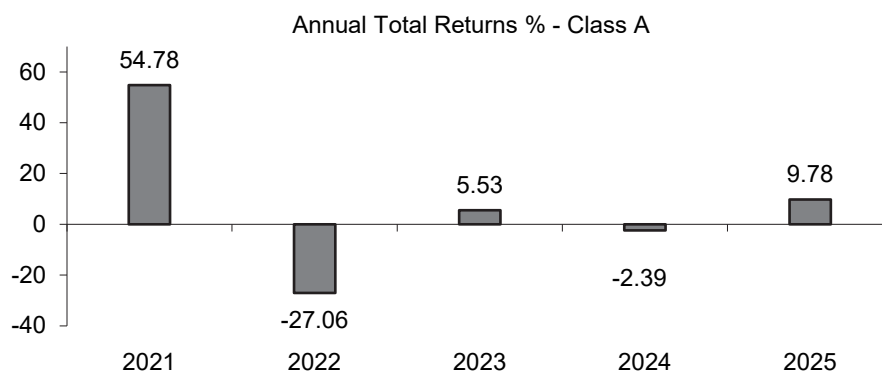
FOR THE YEAR ENDED DECEMBER 31, 2025

## 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 years shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

## Year-By-Year Returns

The bar 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 each financial year would have grown or decreased by the last day of the financial year.



## Annual Compound Returns

	Periods Ended December 31, 2025			
	One Year	Three Years	Five Years	Since Inception
Real Estate Split Corp. – Class A Shares	9.78%	4.17%	5.00%	4.64%
S&P/TSX Capped REIT Total Return Index	9.58%	3.29%	4.32%	3.99%

The S&P/TSX Capped REIT Total Return Index (the "Index") is comprised of Canadian real estate investment trusts (REITs) traded on the Toronto Stock Exchange and is designed to represent the Canadian REIT market.

The Fund's total return of 9.78% outperformed the 9.58% return generated by the Index. The Fund's performance in 2025 was largely in line with the performance of the benchmark.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

## Summary of Investment Portfolio

AS AT DECEMBER 31, 2025

### Top Twenty-Five Holdings

<b>DESCRIPTION</b>	<b>% OF NET ASSET VALUE</b>
1 Granite Real Estate Investment Trust	8.6
2 RioCan Real Estate Investment Trust	6.6
3 First Capital Real Estate Investment Trust	5.8
4 Boardwalk Real Estate Investment Trust	5.7
5 Choice Properties Real Estate Investment Trust	5.5
6 Dream Industrial Real Estate Investment Trust	5.3
7 Canadian Apartment Properties Real Estate Investment Trust	4.9
8 Sienna Senior Living Inc.	4.5
9 Killam Apartment Real Estate Investment Trust	4.4
10 Minto Apartment Real Estate Investment Trust	4.2
11 Chartwell Retirement Residences	4.0
12 Blackstone Core+ Real Estate LP	3.3
13 SmartCentres Real Estate Investment Trust	3.3
14 Primaris Real Estate Investment Trust	3.3
15 H&R Real Estate Investment Trust	3.2
16 Colliers International Group Inc.	3.1
17 Flagship Communities Real Estate Investment Trust	2.9
18 Blackstone Inc.	2.8
19 CT Real Estate Investment Trust	2.6
20 Brookfield Corp.	2.4
21 BSR Real Estate Investment Trust	2.3
22 StorageVault Canada Inc.	2.3
23 Essex Property Trust Inc.	2.2
24 SBA Communications Corp.	1.6
25 First Industrial Realty Trust Inc.	1.6

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

<b>ASSET CLASS</b>	<b>% OF NET ASSET VALUE</b>
Real Estate	93.8
Financials	5.2
Cash and Short-Term Investments	2.3
Other Assets (Liabilities)	(1.3)
	100.0

TOTAL NET ASSET VALUE<sup>(1)</sup> \$ 226,873,025

TOTAL ASSETS \$ 230,548,084

<sup>(1)</sup> Net Asset Value and Total Assets of the Fund include the value of the Preferred Shares. The Total Net Asset Value and Total Assets reported in the December 31, 2021 Annual Management Report of Fund Performance excluded the value of the Preferred Shares.

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions. Please visit [www.middlefield.com](http://www.middlefield.com) for the most recent quarter-end Summary of Investment Portfolio.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements Real Estate Split Corp. (the "Fund") have been prepared by Middlefield Limited (the "Manager"), the manager of Fund and approved by the Board of Directors. The Manager is responsible for the information and representations contained in these financial statements and other financial information contained in this report. The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates



Jeremy Brasseur  
Director

and judgments. The significant accounting policies applicable to the Fund are described in the notes to the financial statements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

Deloitte LLP is the external auditor of the Fund. They have audited the financial statements of the Fund in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements.



Craig Rogers  
Director

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Real Estate Split Corp. (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable class A shares and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Darroch.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
March 20, 2026

# FINANCIAL STATEMENTS

## Statements of Financial Position

AS AT DECEMBER 31  
(In Canadian Dollars)

2025

2024

### ASSETS

#### Current Assets

Investments at Fair Value through Profit or Loss	\$	224,679,800	\$	219,324,595
Cash		5,091,668		11,185,508
Income and Interest Receivable		731,813		773,484
Account Receivable		44,803		157,882
<b>Total Assets</b>		<b>230,548,084</b>		<b>231,441,469</b>

### LIABILITIES

#### Current Liabilities

Accounts Payable and Accrued Liabilities (Note 8)		244,203		366,784
Income Tax Payable		352,000		-
Distributions Payable to Redeemable Shareholders (Note 12)		3,078,856		2,997,676
Preferred Shares (Note 7)		118,057,930		114,744,050
<b>Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Class A Shares)</b>		<b>121,732,989</b>		<b>118,108,510</b>
<b>Net Assets Attributable to Holders of Redeemable Class A Shares</b>	\$	<b>108,815,095</b>	\$	<b>113,332,959</b>

#### Redeemable Shares Outstanding (Note 7)

Preferred Shares		11,805,793		11,474,405
Class A Shares		11,764,199		11,474,305
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>				
Preferred Shares	\$	10.13	\$	10.13
Class A Shares	\$	9.25	\$	9.88

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

Approved by the Board of Directors:



Director: Dean Orrico



Director: Craig Rogers

# FINANCIAL STATEMENTS

## Statements of Comprehensive Income

FOR THE YEARS ENDED DECEMBER 31

(In Canadian Dollars)

	2025	2024
<b>REVENUE (LOSS)</b>		
Income from Investments	\$ 7,999,135	\$ 5,971,768
Interest Income for Distribution Purposes	160,782	193,243
Foreign Exchange Gain (Loss) on Cash	(52,224)	65,306
<b>Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>		
Net Realized Gain (Loss) from Investment Transactions excluding Derivatives	2,725,940	(717,692)
Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives	10,059,067	(5,536,850)
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	(67,086)	64,862
<b>Total Revenue (Loss)</b>	<b>20,825,614</b>	<b>40,637</b>
<b>OPERATING EXPENSES (Note 8)</b>		
Audit Fees	79,227	147,064
Custodial Fees	21,052	19,509
Fund Administration Costs	240,727	195,474
Independent Review Committee Fees	22,335	11,936
Legal Fees	35,487	1,135
Management Fee (Note 8)	2,197,420	1,539,365
Transaction Costs (Note 8)	132,363	95,481
Securityholder Reporting Costs	191,891	131,876
<b>Total Operating Expenses</b>	<b>2,920,502</b>	<b>2,141,840</b>
Net Investment Profit (Loss) before Distributions on Preferred Shares	17,905,112	(2,101,203)
Distributions on Preferred Shares (Note 12)	6,198,335	4,416,408
Finance Costs (Note 9)	-	3,582
Net Investment Profit (Loss) before Tax	11,706,777	(6,521,193)
Income Taxes	549,164	471,979
Withholding Taxes	118,783	26,927
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	\$ 11,038,830	\$ (7,020,099)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares per Share (Note 7)	\$ 0.94	\$ (0.89)

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

# FINANCIAL STATEMENTS

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Class A Shares

FOR THE YEARS ENDED DECEMBER 31

(In Canadian Dollars)	2025	2024
Net Assets Attributable to Holders of Redeemable Class A Shares at Beginning of Year	\$ 113,332,959	\$ 80,059,941
<b>OPERATIONS:</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	11,038,830	(7,020,099)
<b>DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES:</b>		
Distributions to Redeemable Class A Shareholders (Note 12)	(18,362,630)	(12,739,352)
<b>REDEEMABLE CLASS A SHARE TRANSACTIONS:</b>		
Payment of Retraction of Class A Shares	(56,211)	(1,322)
Payment of Repurchase of Preferred Shares	(1,510)	(4)
Payment of Retraction of Preferred Shares	(268)	-
Payment of Repurchase of Class A Shares	(56,751)	-
Proceeds from Issue of Redeemable Class A Shares (Note 7)	3,357,596	56,066,644
Payment of Agents' Fees	(142,824)	(2,701,589)
Payment of Issue Costs	(294,096)	(331,260)
Net Increase (Decrease) in Redeemable Class A Share Transactions	2,805,936	53,032,469
Net Assets Attributable to Holders of Redeemable Class A Shares at End of Year	\$ 108,815,095	\$ 113,332,959

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

# FINANCIAL STATEMENTS

## Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31  
(In Canadian Dollars)

	2025	2024
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	\$ 11,038,830	\$ (7,020,099)
Adjustments:		
Purchases of Investments	(37,761,094)	(94,379,971)
Proceeds from Sale of Investments	45,190,896	14,649,857
Foreign Exchange (Gain) Loss on Cash	119,310	(130,168)
Net Realized (Gain) Loss from Investment Transactions	(2,725,940)	717,692
Change in Net Unrealized (Gain) Loss on Investments	(10,059,067)	5,536,850
	<b>5,802,935</b>	<b>(80,625,839)</b>
Increase (Decrease) in Distributions Payable to Preferred Shareholders	43,494	611,131
Net Change in Non-Cash Working Capital	384,169	(178,582)
Net Cash from (used in) Operating Activities	<b>6,230,598</b>	<b>(80,193,290)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from Issue of Redeemable Class A Shares	3,357,596	56,406,913
Proceeds from Issue of Redeemable Preferred Shares	3,403,000	46,562,610
Payment of Agents' Fees	(142,824)	(2,701,589)
Distributions paid to Redeemable Class A Shareholders	(18,324,944)	(12,138,045)
Payment of Issue Costs	(294,096)	(331,260)
Payment of Retraction of Class A Shares	(56,211)	(1,322)
Payment of Repurchase of Preferred Shares	(65,040)	(4)
Payment of Retraction of Preferred Shares	(25,858)	-
Payment of Repurchase of Class A Shares	(56,751)	-
Net Cash from (used in) Financing Activities	<b>(12,205,128)</b>	<b>87,797,303</b>
Net Increase (Decrease) in Cash	<b>(5,974,530)</b>	<b>7,604,013</b>
Foreign Exchange Gain (Loss) on Cash	(119,310)	130,168
Cash at Beginning of Year	11,185,508	3,451,327
Cash at End of Year	<b>\$ 5,091,668</b>	<b>\$ 11,185,508</b>

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

# FINANCIAL STATEMENTS

## Schedule of Investment Portfolio

AS AT DECEMBER 31, 2025  
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Blackstone Core+ Real Estate LP	4,806	\$ 8,662,045	\$ 7,564,763
Boardwalk Real Estate Investment Trust	200,000	10,879,858	12,896,000
BSR Real Estate Investment Trust	300,000	5,158,413	5,160,857
Canadian Apartment Properties Real Estate Investment Trust	300,000	14,832,044	11,061,000
Chartwell Retirement Residences	450,000	4,451,361	9,045,000
Choice Properties Real Estate Investment Trust	850,000	11,996,343	12,588,500
Colliers International Group Inc.	35,000	6,770,573	7,060,900
CT Real Estate Investment Trust	370,000	5,788,504	6,019,900
Dream Industrial Real Estate Investment Trust	950,000	11,486,300	11,951,000
Essex Property Trust Inc.	14,000	4,195,994	5,021,754
First Capital Real Estate Investment Trust	700,000	11,722,519	13,230,000
First Industrial Realty Trust Inc.	45,000	3,592,146	3,532,617
Flagship Communities Real Estate Investment Trust	244,500	4,867,723	6,702,946
GO Residential Real Estate Investment Trust	150,000	3,006,671	2,409,771
Granite Real Estate Investment Trust	240,000	18,387,290	19,610,399
H&R Real Estate Investment Trust	700,000	7,679,814	7,161,000
Killam Apartment Real Estate Investment Trust	610,000	10,823,097	10,004,000
Minto Apartment Real Estate Investment Trust	705,000	10,836,306	9,609,150
Primaris Real Estate Investment Trust	475,000	6,989,622	7,405,250
RioCan Real Estate Investment Trust	800,000	15,053,343	14,960,000
SBA Communications Corp.	14,000	3,864,913	3,712,006
Sienna Senior Living Inc.	500,000	7,797,152	10,215,000
SL Green Realty Corp.	55,000	3,323,465	3,458,185
SmartCentres Real Estate Investment Trust	290,000	7,159,784	7,467,500
StorageVault Canada Inc.	1,100,000	5,281,690	5,137,000
<b>REAL ESTATE: 93.8%</b>		204,606,970	212,984,498
Blackstone Inc.	30,000	6,859,192	6,338,602
Brookfield Corp.	85,000	4,220,199	5,356,700
<b>FINANCIALS: 5.2%</b>		11,079,391	11,695,302
TRANSACTION COSTS (Note 8)		(251,150)	-
<b>TOTAL INVESTMENTS: 99.0%</b>		215,435,211	224,679,800
<b>CASH: 1.0%</b>		5,091,668	5,091,668
<b>Total Investment Portfolio, Including Cash</b>		<b>\$ 220,526,879</b>	<b>\$ 229,771,468</b>

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 1. Real Estate Split Corp.

Real Estate Split Corp. (the “Fund”) is a mutual fund corporation established under the laws of the Province of Ontario on October 7, 2020. Middlefield Limited, a company incorporated in Alberta, is the manager and advisor of the Fund (the “Manager” and “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 November 19, 2020, when it first issued shares 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 Fund on March 20, 2026.

## 2. Investment Objectives and Strategy

The investment objectives of the Fund for the Class A Shares are to provide holders with: (i) non-cumulative monthly cash distributions; and (ii) the opportunity for capital appreciation through exposure to the portfolio. The investment objectives of the Fund for the Preferred Shares are to: (i) provide holders with fixed cumulative preferential quarterly cash distributions; and (ii) return the original issue price of \$10.00 to holders upon maturity. The Fund invests in a diversified, actively managed portfolio of dividend-paying securities of issuers operating in the real estate or related sectors, including real estate investment trusts that are well-positioned to benefit from low interest rates, the rapid adoption of e-commerce, the growth of data infrastructure as well as attractive valuations in various areas of the real estate sector.

## 3. Basis of Presentation

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued 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 liabilities are classified at fair value through profit or loss (“FVTPL”) and amortized cost.

#### Classification, Measurement, Impairment and Hedge Accounting

The Fund classifies its investments in debt and equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income (“FVOCI”) 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

DECEMBER 31, 2025 AND 2024

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

### B. Future Accounting Changes

#### 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.

### C. Financial Instruments

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

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.

### 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.

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. Classification of Redeemable Shares by the Fund

As required under International Accounting Standard (“IAS”) 32, *Financial Instruments: Presentation*, shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset must be classified as financial liabilities. Under IFRS, the Fund’s Preferred Shares remain as liabilities as they are not the most subordinate class of shares. The Fund’s Class A Shares do not meet the criteria in IAS 32 for classification as equity. The Class A Shares contain multiple redemption features and, therefore, have been reclassified as financial liabilities.

### F. 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.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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

### G. 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.

### H. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares per Share

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares per Share in the Statements of Comprehensive Income represents the increase (decrease) in net assets divided by the average shares outstanding during the year.

### I. Taxation

The Fund qualifies as a mutual fund corporation and a financial intermediary corporation under the provisions of the *Income Tax Act* (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. Also, the Fund is generally subject to tax of 38 1/3% under Part IV of the Act on taxable dividends received from Canadian corporations in the year. This tax is fully refundable upon payment of sufficient dividends.

The Fund may incur 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.

### J. 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.

### K. 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:

#### 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 5 for further information about the fair value measurement of the Fund's financial instruments.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 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 December 31, 2025

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 217,115,037	\$ -	\$ 7,564,763	\$ 224,679,800

As at December 31, 2024

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 209,287,949	\$ -	\$ 10,036,646	\$ 219,324,595

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 years ended December 31, 2025 or 2024.

The Fund applies judgement in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at December 31, 2025, the Fund held \$7,564,763 (December 31, 2024 - \$10,036,646) 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 Blackstone Core+ Real Estate LP represents 3.4% (December 31, 2024 – 4.6%) of the Fund's investment portfolio and is measured at the NAV of Blackstone Core+ Real Estate LP as at December 31, 2025. The Blackstone Core+ Real Estate LP primarily holds level 2 and level 3 investments and the inputs to the NAV require significant management judgement or estimation. The Fund submitted a redemption request for Blackstone Core+ Real Estate LP on July 20, 2022, and remains in the payment queue as per the Limited Partnership Agreement.

The reconciliation of investments measured at fair value using unobservable inputs (Level 3) for the years ended December 31, 2025 is as follows:

Year Ended December 31, 2025

Balance at January 1	\$ 10,036,646
Investment Purchases during the Period	-
Investment Sales during the Period	(1,013,108)
Realized Gain (Loss)	(119,771)
Unrealized Gain (Loss)	(1,339,004)
Balance at December 31	\$ 7,564,763
Total Change in Unrealized Gain (Loss) during the period for Assets held at December 31, 2025	\$ (1,580,726)

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 5. Fair Value Disclosure (continued)

Year Ended December 31, 2024

Balance at January 1	\$	-
Investment Purchases during the Year		9,794,924
Investment Sales during the Year		-
Realized Gain (Loss)		-
Unrealized Gain (Loss)		241,722
Balance at December 31	\$	10,036,646
Total Change in Unrealized Gain (Loss) during the year for Assets held at December 31, 2024	\$	241,722

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, securityholder 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:

	2025	2024
Investments at FVTPL	\$ 224,679,800	\$ 219,324,595

Based on the above exposure at December 31, 2025, a 10% increase or decrease in the prices of the Fund's investments would result in a \$22,467,980 (December 31, 2024 - \$21,932,460) increase or decrease in net assets of the Fund, with all other factors held constant.

### B. Interest Rate Risk

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

	2025	2024
Cash	\$ 5,091,668	\$ 11,185,508

Based on the above exposure at December 31, 2025, a 1% per annum increase or decrease in interest rates would result in a \$50,917 (December 31, 2024 - \$111,855) increase or decrease in net assets of the Fund, with all other factors held constant.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 6. Financial Risk Management (continued)

### 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 retractions of Class A Shares and Preferred Shares. The Fund receives 20 business days notice prior to the retraction date and has up until the last business day of the month after the retraction date to settle the retraction. This enables the Manager to sell securities held by the Fund to generate cash to settle the retraction, if necessary. The Fund's obligations are due within one year. On May 4, 2021, the Fund entered into a revolving demand credit facility with a maximum principal amount of \$10 million which is secured by a general security agreement. Borrowed amounts under the credit facility are usually due within 30 to 90 days. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold and by borrowing under its credit facility. 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 Blackstone Core+ Real Estate LP is subject to a 24 month period redemption lock-up from the date of the initial capital contribution, however, the Fund has the ability to sell its units of Blackstone Core+ Real Estate LP to certain other purchasers prior to the expiration of the lock-up period. Subsequent to the redemption lock-up period, the Fund can redeem part or all of its investment on a quarterly basis.

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

As at December 31, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable to Redeemable				
Shareholders	\$ 3,078,856	\$ -	\$ -	\$ 3,078,856
Accounts Payable and Accrued Liabilities	244,203	-	-	244,203
Income Tax Payable	352,000	-	-	352,000
<b>Total</b>	<b>\$ 3,675,059</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,675,059</b>

As at December 31, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable to Redeemable				
Shareholders	\$ 2,997,676	\$ -	\$ -	\$ 2,997,676
Accounts Payable and Accrued Liabilities	366,784	-	-	366,784
<b>Total</b>	<b>\$ 3,364,460</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,364,460</b>

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.

### 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 U.S. dollars. The Fund has not hedged its exposure to currency fluctuations; however, it closely monitors relevant foreign exchange currency movements.

As at December 31, 2025

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 43,901,500	\$ 342,420	\$ 78,947	\$ 44,322,867

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

6. Financial Risk Management (continued)  
D. Foreign Exchange Rate Risk (continued)  
As at December 31, 2024

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 34,688,895	\$ 2,017,867	\$ 23,573	\$ 36,730,335

Based on the above exposure at December 31, 2025, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a \$4,432,287 (December 31, 2024 - \$3,673,034) decrease or increase in net assets 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 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.

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

Sector	As a % of Net Assets	
	2025	2024
Real Estate	93.8	88.8
Financials	5.2	7.4
Total	99.0	96.2

## 7. Redeemable Shares

### Units

A unit means a notional unit consisting of one Preferred Share and one Class A Share. Net Asset Value per unit is determined by (i) the aggregate value of the assets of the Fund, less (ii) the aggregate value of the liabilities of the Fund (the Preferred shares will not be treated as liabilities), including any distributions declared and not paid that are payable to shareholders.

### Redeemable Class A Shares

#### Authorized

The Fund is authorized to issue an unlimited number of Class A Shares. The Fund pays non-cumulative monthly distributions to the holders of Class A Shares. No distributions will be paid on Class A Shares if (i) distributions payable on Preferred Shares are in arrears, or (ii) in respect of a cash distribution by the Fund, the Net Asset Value per unit would be less than \$15 after the payment of such distributions.

The Class A Shares rank subsequent to the Preferred Shares with respect to the payment of distributions and the repayment of capital out of the portfolio on the dissolution, liquidation or winding up of the Fund.

All Class A Shares outstanding on December 31, 2025 were scheduled to be redeemed by the Fund on that date, subject to extension for successive terms of up to five years as determined by the Board of Directors. The redemption price payable by the Fund for a Class A Share on that date will be equal to the greater of (i) the Net Asset Value per unit on that date minus the sum of \$10.00 and any accrued and unpaid distributions on a Preferred Share, and (ii) \$nil. On October 28, 2025, the Board of Directors extended the maturity date of the Fund for an additional 5-year term to December 31, 2030.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 7. Redeemable Shares (continued)

### Redeemable Class A Shares (continued)

Class A Shares may be retracted at the option of the shareholders by tendering Class A Shares of the Fund at least 20 business days prior to the second last business day of a month ("Retraction Date"). Holders of Class A Shares whose Class A Shares are tendered for retraction will be entitled to receive a retraction price per Class A Share equal to 96% of the difference between (i) the Net Asset Value per unit determined as of the Retraction Date, and (ii) the cost to the Fund of the purchase of a Preferred Share for cancellation. The cost of the purchase of a Preferred Share will include the purchase price of the Preferred Share, commission and other costs, if any, related to the liquidation of any portion of the portfolio required to fund such purchase. If the Net Asset Value per unit is less than \$10.00, plus any accrued and unpaid distributions on a Preferred Share, the retraction price of a Class A Share will be \$nil.

A holder of a Class A Share may concurrently retract an equal number of Class A and Preferred Shares on the second last business day of November of each year, commencing in 2022 (the "Annual Retraction Date"), at a retraction price per unit equal to the Net Asset Value per unit on that date, less any costs associated with the retraction, including commissions and any other such costs related to the liquidation of any portion of the portfolio required to fund such retraction. The Class A Shares and the Preferred Shares must both be surrendered for retraction at least 20 business days prior to the Annual Retraction Date.

The Fund's Class A Shares are classified as financial liabilities on the Statements of Financial Position.

Commencing February 28, 2021, the shareholders of the Fund can acquire additional Class A shares by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables shareholders to reinvest their monthly distributions in additional shares of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional Class A shares for cash.

On November 19, 2020, the Fund issued 1,613,887 Class A shares at \$15.00 per share for proceeds, net of agents fees and issue costs, of \$22.2 million. The table below presents the details of any subsequent offerings of Class A Shares the Fund has completed since its initial offering in 2020:

Date	# of Preferred Shares Issued	Price per Share	Total Net Proceeds* (in millions)
August 30, 2021	1,027,000	\$ 20.50	\$ 19.6
February 9, 2022	550,425	19.10	10.1
May 12, 2022	539,600	18.00	9.0
June 29, 2022	397,800	15.30	5.6
October 12, 2022	489,950	14.40	6.4
November 15, 2022	644,400	13.90	7.9
March 30, 2023	340,500	14.60	4.4
June 29, 2023	393,700	14.25	4.7
September 28, 2023	543,860	13.40	6.3
April 23, 2024	401,300	11.70	4.0
October 30, 2024	2,000,600	12.90	24.0

\*Net of agents' fees and issue costs.

On December 6, 2024, the Fund merged with Middlefield Global Real Asset Fund ("Real Asset") with the Fund as the continuing entity. The Fund issued 1,054,761 Class A Shares at a value of 11.7 million in exchange for the assets of Real Asset. During the year ended December 31, 2025, pursuant to the at-the-market equity program ("ATM program"), the fund issued, 302,400 Class A Shares (December 31, 2024 – 1,168,900) for gross proceeds of \$3,308,388 (December 31, 2024 - \$13,814,986) and agents' fees and issuance costs amounted to \$436,920 (December 31, 2024 - \$658,871). During the year ended December 31, 2024, pursuant to the monthly retraction option, 6,253 Class A Shares (December 31, 2024 – 128) were retracted. During the year ended December 31, 2025, 6,253 Class A Shares (December 31, 2024 – nil) were purchased for cancellation. For the year ended December 31, 2025, 80,686 shares (December 31, 2024 – 52,085) were distributed under the Plan.

The average number of Class A Shares outstanding during the year ended December 31, 2025 was 11,758,641 (December 31, 2024 – 7,924,271). This number was used to calculate the Net Assets Attributable to Holders of Redeemable Class A Shares per Share.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 7. Redeemable Shares (continued)

### Redeemable Preferred Shares

#### Authorized

The Fund is authorized to issue an unlimited number of Preferred Shares. Holders of Preferred Shares are entitled to receive fixed, cumulative preferential quarterly cash distributions of \$0.13125 per share. The Preferred Shares rank in priority to the Class A Shares with respect to the payment of distributions and the repayment of capital out of the portfolio on the dissolution, liquidation or winding up of the Fund.

All Preferred Shares outstanding on December 31, 2025 were scheduled to be redeemed by the Fund on that date, subject to extension for successive terms of up to five years as determined by the Board of Directors. The redemption price payable by the Fund for a Preferred Share on that date will be equal to the lesser of (i) \$10.00 plus any accrued and unpaid distributions thereon, and (ii) the Net Asset Value of the Fund on that date divided by the number of Preferred Shares then outstanding. On October 28, 2025, the Board of Directors extended the maturity date of the Fund for an additional 5-year term to December 31, 2030.

Preferred Shares may be retracted at the option of the shareholders by tendering Preferred Shares of the Fund at least 20 business days prior to the second last business day of a month ("Retraction Date"). Shareholders whose Preferred Shares are retracted will be entitled to receive a retraction price per share equal to 96% of the lesser of (i) the Net Asset Value per unit determined as of the relevant Retraction Date, less the cost to the Fund of the purchase of a Class A Share for cancellation, and (ii) \$10. The cost of the purchase of a Class A Share will include the purchase price of the Class A Share, commission and other costs, if any, related to the liquidation of any portion of the portfolio required to fund such purchase.

A holder of a Preferred Share may concurrently retract an equal number of Class A and Preferred Shares on the Annual Retraction Date at a retraction price per unit equal to the Net Asset Value per unit on that date, less any costs associated with the retraction, including commissions and any other such costs related to the liquidation of any portion of the portfolio required to fund such retraction. The Preferred Shares and Class A Shares must both be surrendered for retraction at least 20 business days prior to the Annual Retraction Date.

On November 19, 2020, the Fund issued 1,613,887 Preferred Shares at \$10.00 per share for proceeds of \$16.1 million. The table below presents the details of any subsequent offerings of Preferred Shares the Fund has completed since its initial offering in 2020:

Date	# of Preferred Shares Issued	Price per Share	Total Net Proceeds* (in millions)
August 30, 2021	1,027,000	\$ 10.00	\$ 10.3
February 9, 2022	550,425	10.55	5.8
May 12, 2022	539,600	10.10	5.4
June 29, 2022	397,800	10.12	4.0
October 12, 2022	489,950	9.80	4.8
November 15, 2022	644,400	9.45	6.1
March 30, 2023	383,500	9.65	3.7
June 29, 2023	500,500	9.35	4.7
September 28, 2023	629,360	9.55	6.0
April 23, 2024	494,600	9.65	4.8
October 30, 2024	2,040,128	10.10	20.6

\*Net of agents' fees and issue costs.

On December 6, 2024, the Fund merged with Middlefield Global Real Asset Fund ("Real Asset") with the Fund as the continuing entity. The Fund issued 1,054,761 Preferred Shares at a value of \$10.5 million in exchange for the assets of Real Asset. During the year ended December 31, 2025, pursuant to the ATM program, the Fund issued 340,300 Preferred Shares (December 31, 2024 – 1,066,772) for gross proceeds of \$3,452,208 (December 31, 2024 – \$10,685,163). During the year ended December 31, 2024, pursuant to the monthly retraction option, 2,559 Preferred Shares (December 31, 2024 – nil) were retracted. During the year ended December 31, 2025, 6,253 Preferred Shares (December 31, 2024 – 28) were purchased for cancellation.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## 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 0.85% per annum of the NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. The Net Asset Value of the Fund is generally determined by taking the total assets of the Fund and deducting the Fund's liabilities. For the purposes of calculating the management fee, the Preferred Shares are not considered a liability of the Fund. For the year ended December 31, 2025, management fees before the absorption of expenses amounted to \$2.0 million (December 31, 2024 - \$1.4 million). At December 31, 2025, the management fees payable by the Fund was \$83,072 (December 31, 2024 - \$86,785) 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 year ended December 31, 2025 amounted to \$132,363 (December 31, 2024 - \$95,481). Included in this amount is \$nil (December 31, 2024 - \$4,575) in brokerage commissions that were paid to MCC, a company under common control with the Manager. All brokerage commissions paid by the Fund to MCC were at or below market rates. During the year ended December 31, 2024, \$39,673.00 (December 31, 2024 - \$11,875) 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. Agency fees paid to MCC amounted to \$nil in 2025 (December 31, 2024 - \$347).

### 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 and maintaining and updating the Fund's website. In aggregate, these fees amounted \$150,835 (December 31, 2024 - \$113,359) throughout the year and \$15,700 (December 31, 2024 - \$24,645) is included in Accounts Payable and Accrued Liabilities as at December 31, 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. Loan Payable

On May 4, 2021, the Fund entered into a revolving demand credit facility with a maximum principal amount of \$10 million which is secured by a general security agreement. Finance costs primarily relate to loan interest expenses if any.

## 10. Capital Management

The Fund's capital is its net assets attributable to holders of redeemable Class A Shares. 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 securityholders, maximize securityholder value and maintain financial strength. The Fund manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements. Generally speaking, the Fund will reduce leverage when investments are likely to decrease in value and will increase leverage when investment appreciation is anticipated. In order to maintain or adjust its capital structure, the Fund may borrow or repay debt under its credit facility or undertake other activities deemed appropriate under the specific circumstances.

The Fund is not subject to externally imposed capital requirements. However, the Fund is subject to bank covenants in respect of leverage and is in compliance with those covenants in both 2025 and 2024. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2024.

## 11. Loss Carryforwards

At December 31, 2025, the Fund had capital losses of \$2,264,065 (December 31, 2024 - \$6,039,704) and no non-capital losses (December 31, 2024 - \$nil) available for carry forward for tax purposes. The capital losses can be carried forward indefinitely.

## 12. Distributions

Distributions are to be declared by the Manager on a quarterly basis on the Preferred Shares and on a monthly basis on the Class A Shares. At the discretion of the Class A Shareholders, monthly distributions may be reinvested in additional shares of the Fund under the Distribution Reinvestment Plan. For the year ended December 31, 2025, distributions amounted to \$1.56 per Class A Share (December 31, 2024 - \$1.56) and \$0.53 per Preferred Share (December 31, 2024 - \$0.53).

## DISTRIBUTIONS

### DISTRIBUTIONS (PER SHARE) – CLASS A

#### 2020

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31-Dec \$ 0.10

#### 2021

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31-Jan	\$ 0.10	31-Mar	\$ 0.10	31-May	\$ 0.10	31-Jul	\$ 0.10	30-Sep	\$ 0.13	30-Nov	\$ 0.13
28-Feb	0.10	30-Apr	0.10	30-Jun	0.10	31-Aug	0.13	31-Oct	0.13	31-Dec	0.13

#### 2022

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31-Jan	\$ 0.13	31-Mar	\$ 0.13	31-May	\$ 0.13	31-Jul	\$ 0.13	30-Sep	\$ 0.13	30-Nov	\$ 0.13
28-Feb	0.13	30-Apr	0.13	30-Jun	0.13	31-Aug	0.13	31-Oct	0.13	31-Dec	0.13

#### 2023

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31-Jan	\$ 0.13	31-Mar	\$ 0.13	31-May	\$ 0.13	31-Jul	\$ 0.13	30-Sep	\$ 0.13	30-Nov	\$ 0.13
28-Feb	0.13	30-Apr	0.13	30-Jun	0.13	31-Aug	0.13	31-Oct	0.13	31-Dec	0.13

#### 2024

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31-Jan	\$ 0.13	31-Mar	\$ 0.13	31-May	\$ 0.13	31-Jul	\$ 0.13	30-Sep	\$ 0.13	30-Nov	\$ 0.13
28-Feb	0.13	30-Apr	0.13	30-Jun	0.13	31-Aug	0.13	31-Oct	0.13	31-Dec	0.13

#### 2025

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31-Jan	\$ 0.13	31-Mar	\$ 0.13	31-May	\$ 0.13	31-Jul	\$ 0.13	30-Sep	\$ 0.13	30-Nov	\$ 0.13
28-Feb	0.13	30-Apr	0.13	30-Jun	0.13	31-Aug	0.13	31-Oct	0.13	31-Dec	0.13

### DISTRIBUTIONS (PER SHARE) – PREFERRED SHARE

#### 2020

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31-Dec \$ 0.06135

#### 2021

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31-Mar	\$ 0.13125	30-Jun	\$ 0.13125	30-Sep	\$ 0.13125	31-Dec	\$ 0.13125
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#### 2022

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31-Mar	\$ 0.13125	30-Jun	\$ 0,13125	30-Sep	\$ 0,13125	31-Dec	\$ 0,13125
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#### 2023

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31-Mar	\$ 0.13125	30-Jun	\$ 0,13125	30-Sep	\$ 0,13125	31-Dec	\$ 0,13125
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#### 2024

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31-Mar	\$ 0.13125	30-Jun	\$ 0,13125	30-Sep	\$ 0,13125	31-Dec	\$ 0,13125
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#### 2025

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31-Mar	\$ 0.13125	30-Jun	\$ 0,13125	30-Sep	\$ 0,13125	31-Dec	\$ 0,13125
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#### Distribution Reinvestment Plan - Class A

For information regarding the Distribution Reinvestment Plan, please contact our Investor Relations department, our Transfer Agent or visit our website at [www.middlefield.com](http://www.middlefield.com).

You may voluntarily terminate your participation in the Plan and elect to receive cash instead of Plan units, by delivering to the Plan Agent (or, if you are beneficial owners of units, by having your broker or other nominee deliver to the Plan Agent (through CDS & Co., if applicable) on your behalf) a written notice of termination signed by you or your broker or other nominee, as applicable.

## 2025 TAX INFORMATION (PER SHARE)

REAL ESTATE Split Corp. will be issuing T5 slips to registered holders of Class A by February 28, 2026. The following table outlines the allocation of the 2025 distribution for each Share.

RECORD DATE	PAYABLE DATE	DISTRIBUTION PER SHARE	ALLOCATION
			RETURN OF CAPITAL
December 31, 2024	January 15, 2025	\$ 0.130000	\$ 0.130000
January 31, 2025	February 14, 2025	0.130000	0.130000
February 28, 2025	March 14, 2025	0.130000	0.130000
March 31, 2025	April 15, 2025	0.130000	0.130000
April 30, 2025	May 15, 2025	0.130000	0.130000
May 31, 2025	June 13, 2025	0.130000	0.130000
June 30, 2025	July 15, 2025	0.130000	0.130000
July 31, 2025	August 15, 2025	0.130000	0.130000
August 31, 2025	September 15, 2025	0.130000	0.130000
September 30, 2025	October 15, 2025	0.130000	0.130000
October 31, 2025	November 14, 2025	0.130000	0.130000
November 30, 2025	December 15, 2025	0.130000	0.130000
TOTAL		\$ 1.560000	\$ 1.560000

100.00%	100.00%
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REAL ESTATE Split Corp. will be issuing T5 slips to registered holders of Preferred Share by February 28, 2026. The following table outlines the allocation of the 2025 distribution for each Share.

RECORD DATE	PAYABLE DATE	DISTRIBUTION PER SHARE	ALLOCATION	
			ELIGIBLE DIVIDEND	RETURN OF CAPITAL
December 31, 2024	January 15, 2025	\$ 0.131250	\$ 0.003107	\$ 0.128143
March 31, 2025	April 15, 2025	0.131250	0.003107	0.128143
June 30, 2025	July 15, 2025	0.131250	0.003107	0.128143
September 30, 2025	October 15, 2025	0.131250	0.003107	0.128143
TOTAL		\$ 0.525000	\$ 0.012428	\$ 0.512572

100.00%	2.37%	97.63%
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Holders of Shares outside of an RRSP, RRIF or DPSP should have received a T5 slip from their investment dealer. T5 tax slips report Capital Gains in Box 21, Other Income in Box 26, Return of Capital in Box 42 and Eligible Dividends in Box 49. Eligible Dividends are subject to the gross-up and federal dividend tax credit rules. The Return of Capital component of the distribution is a non-taxable amount that should be deducted from the adjusted cost base of the Units

# 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
• Middlefield Short Duration Bond Plus ETF (commenced February 3, 2026)	MSBP

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	
• Discovery 2025 Short Duration LP (commenced October 28, 2025)	
• MRF 2025 Resource Limited Partnership	
• MRF 2026 Resource Limited Partnership (commenced February 26, 2026)	

INTERNATIONAL FUNDS	
• Middlefield Canadian Enhanced Income UCITS ETF (formerly Middlefield Canadian Income PCC)	London UK Stock Exchange (LSE) Symbol: MCTP LN Borsa Italiana: MCT IM Xetra ASWF GY

**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,  
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Infrastructure Ontario**Edward V. Jackson  
(Chairman)**Former Managing Director  
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Healthcare Administrator

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Compliance Officer**Mark Aboud**

Chief Experience Officer

**Dennis da Silva**

Senior Portfolio Manager

**Gordon McKay**

Senior Portfolio Manager, Fixed Income

**Shane Obata**

Portfolio Manager

**Nancy Tham**

Head of Sales

**Chris McGiffen**

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**Rose Espinoza**

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**Wendy Teo, CPA, CA, CPA (IL)**

Senior Vice-President, Exchange Listed Funds

**Shiranee Gomez**

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**Maggie Vanadero – Chu**

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**Scott Hu**

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**Cassandra Coleman**

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**Mazhar Ahsan Abdulwahab**

Investment Analyst

**Maya Macnab**

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**Maxim Kislitsyn**

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Corporate Development Analyst

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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**Middlefield Group Limited  
Middlefield Capital Corporation  
Middlefield Financial Services Limited  
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