



2026 SEMI-ANNUAL REPORT

INFRASTRUCTURE DIVIDEND 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.

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A NOTE ON FORWARD LOOKING STATEMENTS

This document may contain forward looking statements, including statements regarding: the Fund, its strategies, goals and objectives; prospects; future performance or condition; possible future actions to be taken by the Fund; and the performance of investments, securities, issuers or industries in which the Fund may from time to time invest. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future results, events, circumstances, expectations and performance, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and other similar wording. Forward looking statements are not historical facts, but reflect the Fund's current beliefs as of the date of this document regarding future results, events, circumstances, expectations or performance and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Forward looking statements are not guarantees of future performance, and actual results, events, circumstances, expectations or performance could differ materially from those expressed or implied in any forward looking statements contained in this document. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward looking statements include, but are not limited to: general economic, political, market and business factors and conditions; commodity price fluctuations; interest and foreign exchange rate fluctuations; global equity and capital markets; the financial condition of each issuer in which the Fund invests; the effects of competition in the industries or geographic areas in which the Fund may invest; statutory and regulatory developments; unexpected judicial or regulatory proceedings; and catastrophic events. Readers are cautioned that the foregoing list of factors is not exhaustive and to avoid placing undue reliance on forward looking statements due to the inherent uncertainty of such statements. The Fund does not undertake, and specifically disclaims, any obligation to update or revise any forward looking statements, whether as a result of new information, future developments, or otherwise.



2026 MID-YEAR REVIEW AND OUTLOOK

Global markets ended the first half of the year near record highs, supported by a recent easing of Middle East geopolitical tensions and a surge in AI-related equities. Markets consolidated in June with the S&P 500 retracing 1.0% after gaining more than 16% over the prior two months, the index's strongest quarter in six years, still returning 10.2% for the first half. The TSX Composite outperformed in June with a 0.5% gain and returned 11.2% during the first six months of 2026. The period also saw the successful listing of SpaceX, the largest IPO on record, paving the way for additional AI-related listings over the coming quarters.

Canada's federal government has been moving aggressively on major infrastructure initiatives through the Building Canada Act and its Major Projects Office, which fast-tracks federal approvals for projects deemed to be in the national interest. Prime Minister Carney's government is seeking to attract foreign investors and capital as it advances initiatives spanning LNG, nuclear, critical minerals, and transportation. On the pipeline front, Canada and Alberta have agreed on a west coast pipeline proposal alongside the Pathways carbon capture initiative. Most TSX sectors advanced in June, led by Financials, while Materials was the most volatile sector as gold stocks reversed sharply late in the month after geopolitical risk eased and rate-cut expectations diminished.

The S&P/TSX Capped REIT Index delivered broadly positive returns in June, with most constituents posting gains in CAD terms, lifting its YTD total return to an impressive 13.6%. Notably, Canadian REITs have outperformed the TSX Composite (+11% YTD). The Canada 10-year government bond yield declined by 14.9 bps from a high of 3.529% on Jun 8 and provided a constructive tailwind for rate-sensitive REIT valuations. Our Real Estate funds continued to perform well with **Middlefield Real Estate Dividend ETF (TSX: MREL)** generating a total return of 4.3% in June and approximately 14.3% year-to-date. Our high conviction, active management investment style, with approximately 30% of portfolio assets outside of Canada, remains a major contributor to outperformance.

Healthcare had a terrific month in June, with the broad sector up 6.4% and each sub-sector participating in the rally. Biotech and pharma led the charge, each gaining ~10% on the month. Biotech has been the real standout and is now the top-performing sub-industry within US healthcare year-to-date, up 30%, after decisively breaking out from its multi-year period of underperformance. The rally has been powered by investor rotation back into the group, a wave of dealmaking (industry M&A is tracking for its best year ever), and positive clinical trial and regulatory news.

In the Infrastructure sector, June brought a landmark development for Alberta's data centre buildout, as Pembina Pipeline announced positive FID on the Greenlight Electricity Centre, a 932 MW natural gas-fired power project developed alongside KinetiCor. The \$4.6 billion project is underpinned by a long-term supply agreement with a major hyperscale customer (widely believed to be Meta) and is expected online in the second half of 2030. Beyond its direct economics, the Greenlight deal marks the first major data centre power project to reach FID in Alberta, effectively validating the province's emerging thesis as a North American AI

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.

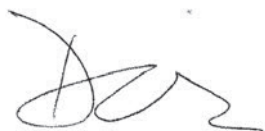
infrastructure hub and opening the door to further announcements. **Middlefield's Global Infrastructure Dividend ETF (TSX: MINF)** returned 17.7% in the first half of 2026.

June served as a reminder that even strong secular themes need to pause. Technology stocks, particularly AI-linked semiconductors, went through a sharp but healthy pullback as investors reassessed positioning, valuation and the scale of AI capital spending. We do not view this as a sign that the AI buildout is weakening. Rather, we see it as a normal reset inside a powerful earnings cycle, and one that reinforces the importance of being selective. Despite the pullback in June, our **Middlefield Innovation Dividend ETF (Cboe Canada: MINN)** has returned 49.9% year-to-date.

Gold and gold equities significantly underperformed broad North American markets in June, for the fourth consecutive month, with gold down 11.7% versus the 13.2% decline of the S&P/TSX Gold Index. The selloff in gold miners has driven equity valuations to multi-year lows. Despite the decline in bullion, gold miners are well positioned: (1) cost discipline has been much better vs previous cycles with near record margins better positioned to absorb lower gold prices; (2) balance sheets remain solid with mostly net cash positions; (3) spot free cash flow continues to provide scope for supportive/accretive buybacks; (4) management teams have remained disciplined on capital allocation, with lower valuations & strong balance sheets providing attractive M&A opportunities in a downcycle.

Outlook

We view the June decline as a healthy consolidation and leadership rotation rather than the start of a broader market pullback. Specifically, we witnessed the rotation out of mega-cap tech and into other sectors pushing the S&P 500 equal-weight index to record highs even as the cap-weighted index declined. We think this reflects an earnings recovery the market hasn't fully priced in. Earnings growth for the median S&P 1500 company has hit double digits (as seen in the graph below), the strongest pace in years, as reviving revenue growth flows through lean cost bases and produces outsized operating leverage. Investors are growing more concerned about heavy capex spending and its ultimate return on investment from the Mag-7. It's clear that market broadening is also occurring within the TSX. More specifically, while outperformance in 2025 was led by the rally in gold, 2026 is being driven by financials and energy, two sectors where Canada is a global leader and foreign investors are taking note.



Dean Orrico
President and CEO
Middlefield Limited



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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

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 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 Infrastructure Dividend Split Corp. (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 an actively managed portfolio of securities of approximately 15 dividend-paying issuers operating in the infrastructure sector. The Advisor will invest in issuers that it believes are undervalued and well-positioned to benefit from the Advisor's outlook for a gradual reduction in interest rates, the continuation of global decarbonization, and favourable demographics.

Results of Operations

Investment Performance

During the first half of 2026, the net assets of the Fund for Class A Shares increased from \$82.9 million at December 31, 2025 to \$97.5 million at June 30, 2026. On a per share basis, the net assets of Class A Shares increased from \$16.92 at December 31, 2025 to \$20.49 at June 30, 2026. The increase was primarily attributable to the net gain on the investment portfolio. During the first half of 2026, the Fund recorded a net gain of \$22.0 million on its investment portfolio or \$4.51 per Class A Share during the period.

Revenue and Expenses

Revenue for the six-month period ended June 30, 2026 amounted to \$25.0 million and was comprised primarily of unrealized gain on the Fund's portfolio investments. Operating expenses for the period ended June 30, 2026 amounted to \$1.2 million, which contributed to the management expense ratio ("MER") of 6.08% for Class A shareholders. Excluding issuance costs, borrowing costs, and distributions to Preferred shareholders, the MER was 2.29% for the period. Distributions for the period ended June 30, 2026 amounted to \$0.89 per Class A Share.

Trends

Canada's federal government has been moving aggressively on major infrastructure initiatives through the Building Canada Act and its Major Projects Office (MPO), which fast-track federal approvals for projects deemed in the "national interest." Prime Minister Carney's government is attracting foreign investors and capital as it advances initiatives spanning LNG, nuclear, critical minerals, and transportation. On the pipeline front, Canada and Alberta have agreed on a west coast pipeline proposal alongside the Pathways carbon capture initiative.

Related Party Transactions

Pursuant to a management agreement, Middlefield Limited (the "Manager" and the "Advisor") receives a management fee. For further details, please see the "Management Fees" section of this report. Middlefield Limited also acts as the advisor to the Fund who receives advisory fees out of the management fee from the Fund. For further details, please see the notes to the financial statements.

Management Fees

Management fees are calculated at 1.10% 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.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

The Fund's Net Assets per Class A Share⁽¹⁾

	June 30, 2026 ⁽⁵⁾	December 31, 2025	December 31, 2024 ⁽⁴⁾
Net Assets, Beginning of Period	\$ 16.92	\$ 16.70	\$ 15.00*
Total Revenue	0.61	1.21	0.89
Total Expenses	(0.25)	(0.51)	(0.26)
Realized Gains (Losses) for the Period	1.44	0.63	0.69
Unrealized Gains (Losses) for the Period	3.07	1.37	2.37
Transaction Costs on Purchase and Sale of Investments	(0.02)	(0.04)	(0.03)
Preferred Share Distributions	(0.36)	(0.73)	(0.48)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	4.46	1.90	2.87
DISTRIBUTIONS:			
From Net Investment Income	-	-	0.15
From Capital Gains	0.89	0.59	0.67
Return of Capital	-	1.09	0.35
TOTAL DISTRIBUTIONS⁽³⁾	0.89	1.68	1.17
Net Assets, End of Period	\$ 20.49	\$ 16.92	\$ 16.70

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

⁽²⁾ 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 period. This schedule is not a reconciliation of Net Asset Value since it does not reflect shareholder transactions as shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Class A Shares and accordingly columns may not add.

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

⁽⁴⁾ For the period from May 4, 2024 (date of commencement of operations) to December 31, 2024.

⁽⁵⁾ For the six-month period ended June 30, 2026.

*Initial issue price.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Ratios and Supplemental Data

	June 30, 2026 ⁽⁷⁾	December 31, 2025	December 31, 2024 ⁽⁶⁾
Total Assets (000s) ⁽¹⁾	\$ 149,175	\$ 133,900	\$ 133,231
Total Net Asset Value (000s) – including Preferred Shares ⁽¹⁾	\$ 145,261	\$ 132,397	\$ 131,498
Number of Class A Shares Outstanding	4,758,845	4,899,245	4,899,245
Management Expense Ratio ("MER") – Class A Shares ⁽²⁾	6.08%	7.19%	8.93%
MER (excluding Preferred Share distributions, interest expense and issuance costs) – Class A Shares ⁽²⁾	2.29%	2.57%	2.42%
Trading Expense Ratio ⁽³⁾	0.17%	0.22%	0.26%
Portfolio Turnover Rate ⁽⁴⁾	22.52%	43.83%	28.13%
Net Asset Value per Unit ⁽⁵⁾	\$ 30.61	\$ 27.04	\$ 26.82
Net Asset Value per Preferred Share	\$ 10.12	\$ 10.12	\$ 10.12
Net Asset Value per Class A Share	\$ 20.49	\$ 16.92	\$ 16.70

⁽¹⁾ The Total Asset Value and Net Asset Value includes the value of Preferred Shares.

⁽²⁾ 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 period and is expressed as an annualized percentage of daily average Net Asset Value of the Fund for Class A Shares during the period. 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.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio investments are managed. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁽⁵⁾ 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.

⁽⁶⁾ As at December 31, 2024 or for the period May 4, 2024 (date of commencement of operations) to December 31, 2024, as applicable.

⁽⁷⁾ As at June 30, 2026 or for the six-month period ended June 30, 2026, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

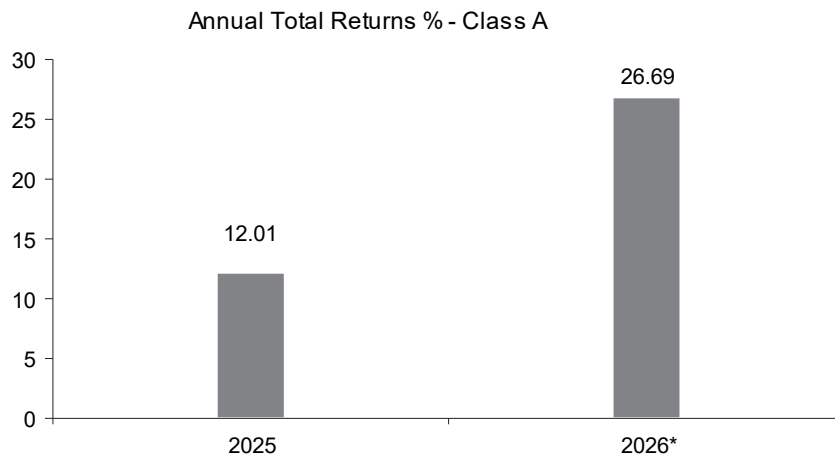
FOR THE SIX MONTHS ENDED JUNE 30, 2026

Past Performance

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

Year-By-Year Returns

The bar chart shows how the Fund's performance has varied from year-to-year for each of the years shown. The return for 2024 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 period would have grown or decreased by the last day of the financial period.



*For the six-month period ended June 30, 2026.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Summary of Investment Portfolio

AS AT JUNE 30, 2026

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 TC Energy Corp.	5.3
2 Capital Power Corp.	5.1
3 Pembina Pipeline Corp.	5.0
4 Brookfield Renewable Partners LP	4.9
5 Topaz Energy Corp.	4.8
6 Tourmaline Oil Corp.	4.7
7 AltaGas Ltd.	4.7
8 Gibson Energy Inc.	4.5
9 TransAlta Corporation	4.4
10 Eiffage SA	4.3
11 NextEra Energy Inc.	4.3
12 Dream Industrial Real Estate Investment Trust	4.2
13 Enbridge Inc.	4.2
14 RWE AG	4.1
15 Killam Apartment Real Estate Investment Trust	3.6
16 Granite Real Estate Investment Trust	3.3
17 Ares Management Corp.	3.3
18 Getlink SE	3.1
19 Nutrien Ltd.	3.1
20 RioCan Real Estate Investment Trust	3.0
21 Rockpoint Gas Storage Inc.	2.6
22 BSR Real Estate Investment Trust	2.6
23 AtkinsRealis Group Inc.	2.4
24 Cargojet Inc.	2.3
25 Brookfield Infrastructure Partners LP	2.3

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

ASSET CLASS	% OF NET ASSET VALUE
Utilities	29.8
Pipelines	21.6
Real Estate	16.7
Industrials	14.2
Energy	9.5
Financials	3.3
Materials	3.1
Cash and Short-Term Investments	3.7
Other Assets (Liabilities)	(1.9)
	100.0

TOTAL NET ASSET VALUE ⁽¹⁾	\$ 145,261,024
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TOTAL ASSETS ⁽¹⁾	\$ 149,175,081
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⁽¹⁾ Net Asset Value and Total Assets of the Fund include 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 for the most recent quarter-end Summary of Investment Portfolio.



INTERIM FINANCIAL REPORT

NOTICE

The accompanying unaudited financial statements of Infrastructure Dividend Split Corp. for the period ended June 30, 2026 have been prepared by management.



Jeremy Brasseur
Director
Middlefield Limited



Craig Rogers
Director
Middlefield Limited

August 21, 2026

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Financial Position

AS AT (In Canadian Dollars)	June 30, 2026	December 31, 2025
ASSETS		
Current Assets		
Investments at Fair Value through Profit or Loss	\$ 142,682,981	\$ 127,676,647
Cash	5,308,249	5,008,180
Income and Interest Receivable	401,192	449,626
Accounts Receivable	782,659	765,500
Total Assets	149,175,081	133,899,953
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	157,744	226,192
Account Payable – Portfolio Securities Purchased	2,470,926	-
Distributions Payable to Redeemable Shareholders (Note 10)	1,285,387	1,276,829
Preferred Shares (Note 7)	47,730,700	49,513,700
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Class A Shares)	51,644,757	51,016,721
Net Assets Attributable to Holders of Redeemable Class A Shares	\$ 97,530,324	\$ 82,883,232
 Redeemable Shares Outstanding (Note 7)		
Preferred Shares	4,773,070	4,951,370
Class A Shares	4,758,845	4,899,245
 Net Assets Attributable to Holders of Redeemable Shares per Share		
Preferred Shares	\$ 10.12	\$ 10.12
Class A Shares	\$ 20.49	\$ 16.92

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2026	2025
REVENUE (LOSS)		
Income from Investments	\$ 2,963,527	\$ 3,293,087
Interest Income for Distribution Purposes	38,349	42,182
Foreign Exchange Gain (Loss) on Cash	12,168	(78,034)
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss		
Net Realized Gain (Loss) from Investment Transactions excluding Derivatives	6,806,300	2,998,494
Net Realized Gain (Loss) from Derivatives Transactions	231,422	-
Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives	14,961,923	843,902
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	32,950	(4,239)
Total Revenue (Loss)	25,046,639	7,095,392
OPERATING EXPENSES (Note 8)		
Audit Fees	47,921	63,571
Custodial Fees	5,488	4,585
Fund Administration Costs	95,680	173,397
Independent Review Committee Fees and Expenses	12,733	12,618
Legal Fees	10,141	28,784
Management Fee (Note 8)	875,906	774,772
Transaction Costs (Note 12)	81,790	114,786
Securityholder Reporting Costs	51,180	53,603
Total Operating Expenses	1,180,839	1,226,116
Net Investment Profit (Loss) before Distributions on Preferred Shares	23,865,800	5,869,276
Distributions on Preferred Shares (Note 10)	1,763,118	1,778,838
Net Investment Profit (Loss) before Tax	22,102,682	4,090,438
Withholding Taxes	134,560	484,826
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	\$ 21,968,122	\$ 3,605,612
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares per Share (Note 7)	\$ 4.49	\$ 0.74

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

INTERIM FINANCIAL REPORT

UNAUDITED

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

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2026	2025
Net Assets Attributable to Holders of Redeemable Class A Shares at Beginning of Period	\$ 82,883,232	\$ 81,833,933
OPERATIONS:		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	21,968,122	3,605,612
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES:		
Distributions to Redeemable Class A Shareholders (Note 10)	(4,318,208)	(4,115,366)
REDEEMABLE CLASS A SHARE TRANSACTIONS:		
Payment of Issue Costs	(60,684)	(146,366)
Payment of Retraction of Preferred Shares	(45,321)	25,521
Payment of Retraction of Class A Shares	(2,896,817)	(17,892)
Net Increase (Decrease) from Redeemable Class A Share Transactions	(3,002,822)	(138,737)
Net Assets Attributable to Holders of Redeemable Class A Shares at End of Period	\$ 97,530,324	\$ 81,185,442

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Cash Flows

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

	2026	2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares	\$ 21,968,122	\$ 3,605,612
Adjustments:		
Purchases of Investments	(29,112,204)	(31,199,211)
Proceeds from Sale of Investments	38,576,441	37,129,544
Foreign Exchange (Gain) Loss on Cash	(45,118)	82,273
Net Realized (Gain) Loss from Investment Transactions	(7,037,722)	(2,998,494)
Change in Net Unrealized (Gain) Loss on Investments	(14,961,923)	(843,902)
	9,387,596	5,775,822
Increase (Decrease) in Distributions Payable to Preferred Shareholders	(19,375)	(3,655)
Net Change in Non-Cash Working Capital	(37,173)	47,042
Net Cash from (used in) Operating Activities	9,331,048	5,819,209
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Distributions paid to Redeemable Class A Shareholders	(4,290,275)	(4,115,366)
Payment of Issue Costs	(60,684)	(146,366)
Payment of Retraction of Class A Shares	(2,896,817)	25,521
Payment of Retraction of Preferred Shares	(1,404,000)	-
Payment of Repurchase of Preferred Shares	(424,321)	(17,892)
Net Cash from (used in) Financing Activities	(9,076,097)	(4,254,103)
Net Increase (Decrease) in Cash	254,951	1,565,106
Foreign Exchange Gain (Loss) on Cash	45,118	(82,273)
Cash at Beginning of Period	5,008,180	1,372,975
Cash at End of Period	\$ 5,308,249	\$ 2,855,808

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

INTERIM FINANCIAL REPORT

UNAUDITED

Schedule of Investment Portfolio

AS AT JUNE 30, 2026

(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
AltaGas Ltd.	130,000	\$ 3,946,800	\$ 6,810,700
Brookfield Infrastructure Partners LP	65,000	3,101,252	3,367,000
Brookfield Renewable Partners LP	145,000	5,371,484	7,131,100
Capital Power Corp.	100,000	3,779,448	7,391,001
NextEra Energy Inc.	50,000	4,846,016	6,226,147
RWE AG	65,000	3,237,380	5,969,667
TransAlta Corporation	325,000	3,143,287	6,376,500
UTILITIES: 29.2%		27,425,667	43,272,115
Enbridge Inc.	80,000	3,942,222	6,152,800
Gibson Energy Inc.	225,000	5,088,122	6,464,250
Pembina Pipeline Corp.	110,000	5,463,338	7,218,200
Rockpoint Gas Storage Inc.	130,000	3,640,000	3,818,100
TC Energy Corp.	80,000	3,772,124	7,513,600
PIPELINES: 21.1%		21,905,806	31,166,950
BSR Real Estate Investment Trust	225,000	3,849,734	3,734,837
Dream Industrial Real Estate Investment Trust	440,000	5,467,061	6,155,600
Granite Real Estate Investment Trust	50,000	3,661,167	4,790,000
Killam Apartment Real Estate Investment Trust	285,000	4,901,279	5,286,750
RioCan Real Estate Investment Trust	195,000	3,343,989	4,424,550
REAL ESTATE: 16.5%		21,223,230	24,391,737
AtkinsRealis Group Inc.	40,000	3,678,701	3,523,200
Cargojet Inc.	40,000	3,115,321	3,388,800
Eiffage SA	30,000	4,002,051	6,282,238
Getlink SE	150,000	3,435,716	4,525,548
Vinci SA	15,000	2,264,866	3,109,489
INDUSTRIALS: 14.1%		16,496,655	20,829,275
Topaz Energy Corp.	235,000	6,088,073	6,998,300
Tourmaline Oil Corp.	115,000	7,015,899	6,819,500
ENERGY: 9.3%		13,103,972	13,817,800
Ares Management Corp.	30,000	4,823,561	4,737,604
FINANCIALS: 3.2%		4,823,561	4,737,604
Nutrien Ltd.	50,000	3,988,516	4,467,500
MATERIALS: 3.0%		3,988,516	4,467,500
TRANSACTION COSTS (Note 12)		(131,578)	-
TOTAL INVESTMENTS: 96.4%		108,835,829	142,682,981
CASH: 3.6%		5,308,249	5,308,249
Total Investment Portfolio, Including Cash		\$ 114,144,078	\$ 147,991,230

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1. Infrastructure Dividend Split Corp.

Infrastructure Dividend Split Corp. (the “Fund”) is a mutual fund corporation established under the laws of the Province of Ontario on March 21, 2024. On May 4, 2024, the Fund merged with International Clean Power Dividend Fund with the Fund as the continuing entity.

Middlefield Limited, a company incorporated in Alberta, is the manager and advisor of the Fund (the “Manager” and the “Advisor”). Effective April 1, 2025, Middlefield Limited became the Advisor of the Fund. Prior to April 1, 2025, Middlefield Capital Corporation was the Advisor of the Fund. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on May 4, 2024. It first issued preferred shares through an initial public offering on May 8, 2024. 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 August 21, 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 an actively managed portfolio of securities of approximately 15 dividend-paying issuers operating in the infrastructure sector. The Advisor will invest in issuers that it believes are undervalued and well-positioned to benefit from the Advisor’s outlook for a gradual reduction in interest rates, the continuation of global decarbonization, and favourable demographics.

3. Basis of Presentation

These financial statements have been prepared in accordance with IFRS[®] Accounting Standards and in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as 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

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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 Accounting Standards as issued by the IASB, 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

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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 period.

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 period. 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.

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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.

The Fund's investments at fair value as at June 30, 2026 and December 31, 2025 trade in active markets and are therefore classified as Level 1.

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

No transfers between levels have occurred during the period ended June 30, 2026 or the year ended December 31, 2025.

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:

	June 30, 2026	December 31, 2025
Investments at FVTPL	\$ 142,682,981	\$ 127,676,647

Based on the above exposure at June 30, 2026, a 10% increase or decrease in the prices of the Fund's investments would result in a \$14,268,298 (December 31, 2025 - \$12,767,665) increase or decrease in net assets of the Fund, with all other factors held constant.

NOTES TO FINANCIAL STATEMENTS

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6. Financial Risk Management (continued)

B. Interest Rate Risk

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

	June 30, 2026	December 31, 2025
Cash	\$ 5,308,249	\$ 5,008,180

Based on the above exposure at June 30, 2026, a 1% per annum increase or decrease in interest rates would result in a \$53,082 (December 31, 2025 - \$50,082) increase or decrease in net assets of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to 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. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

The Fund may invest in securities that are not traded on public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through 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. At June 30, 2026 and December 31, 2025, the Fund did not hold any illiquid securities.

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

As at June 30, 2026

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable to Redeemable Shareholders	\$ 1,285,387	\$ -	\$ -	\$ 1,285,387
Accounts Payable and Accrued Liabilities	2,470,926	-	-	2,470,926
Account Payable – Portfolio Securities Purchased	157,744	-	-	157,744
Total	\$ 3,914,057	\$ -	\$ -	\$ 3,914,057

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	\$ 1,276,829	\$ -	\$ -	\$ 1,276,829
Accounts Payable and Accrued Liabilities	226,192	-	-	226,192
Total	\$ 1,503,021	\$ -	\$ -	\$ 1,503,021

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.

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6. Financial Risk Management (continued)

D. Foreign Exchange Rate Risk

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

As at June 30, 2026

Currency	Investments at FVTPL		Cash	Income and Interest Receivable		Total Exposure		
U.S. Dollar	\$	14,698,588	\$	4,358,302	\$	46,120	\$	19,103,010
European Euro		19,886,942		(21)		-		19,886,921
Total	\$	34,585,530	\$	4,358,281	\$	46,120	\$	38,989,931

As at December 31, 2025

As at December 31, 2020						
Currency	Investments at FVTPL		Cash	Income and Interest Receivable		Total Exposure
U.S. Dollar	\$	12,777,062	\$ 3,202,953	\$	39,484	\$ 16,019,499
European Euro		19,641,885	-		-	19,641,885
Total	\$	32,418,947	\$ 3,202,953	\$	39,484	\$ 35,661,384

Based on the above exposure at June 30, 2026, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a \$3,898,993 (December 31, 2025 - \$3,566,138) 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.

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6. Financial Risk Management (continued)

F. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At June 30, 2026 and December 31, 2025, the percentages of the Fund's net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2026	December 31, 2025
Utilities	29.8	28.1
Pipelines	21.6	22.0
Real Estate	16.7	23.6
Industrials	14.2	13.2
Energy	9.5	-
Financials	3.3	6.9
Materials	3.1	2.6
Total	98.2	96.4

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 April 30, 2029 are 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.

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, 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 May of each year, commencing in 2026 (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 June 30, 2024, 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.

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7. Redeemable Shares (continued)

Redeemable Class A Shares (continued)

On May 4, 2024, the Fund issued 5,212,245 Class A Shares at \$15.00 per Share in exchange for units of merged International Clean Power Dividend Fund. During the period ended June 30, 2026, pursuant to the annual retraction option, 140,400 Class A Shares (June 30, 2025 – nil) were retracted. For the period ended June 30, 2026, 2,303 Class A Shares (June 30, 2025 – 2,474) were distributed under the Distribution Reinvestment Plan.

The average number of Class A Shares outstanding during the period ended June 30, 2026 was 4,899,161 (June 30, 2025 – 4,899,245). This number was used to calculate the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Class A Shares per Share.

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 \$0.18 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 April 30, 2029 are 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.

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 May 8, 2024, the Fund issued 5,264,370 Preferred Shares at \$10.00 per share for proceeds of \$52.6 million. During the period ended June 30, 2026, pursuant to the annual retraction option, 140,400 Preferred Shares (June 30, 2025 – nil) were retracted. For the period ended June 30, 2026, 37,900 Preferred Shares (June 30, 2025 – 15,000) were purchased for cancellation.

8. Related Party Transactions

A. Management Fee

The Manager provides investment and administrative services to the Fund. In consideration for such services, the Manager receives a management fee equal to 1.10% 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 period ended June 30, 2026, management fees before the absorption of expenses amounted to \$0.8 million (June 30, 2025 - \$0.8 million).

B. 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 \$40,186 (June 30, 2025 - \$42,502) throughout the period and \$25,950 (June 30, 2025 - \$11,900) is included in Accounts Payable and Accrued Liabilities as at June 30, 2026. In addition, the Fund would be responsible for reimbursing the Manager for any reasonable out of pocket expenses incurred on the Fund's behalf.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

9. 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. The Fund is not subject to externally imposed capital requirements.

10. 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 period ended June 30, 2026, distributions amounted to \$0.89 per Class A Share (June 30, 2025 - \$0.84) and \$0.36 per Preferred Share (June 30, 2025 - \$0.36).

11. Loss Carryforwards

At December 31, 2025, the Fund had no capital losses (December 31, 2024 - \$nil) and no non-capital losses (December 31, 2024 - \$nil) available for carry forward for tax purposes.

12. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2026 amounted to \$81,790 (June 30, 2025 - \$114,786). During the period ended June 30, 2026, \$20,062 (June 30, 2025 - \$16,609) 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.

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	MDIV
• Middlefield Global Infrastructure Dividend ETF	MINF
• Middlefield Real Estate Dividend ETF	MREL
• Middlefield U.S. Equity Dividend ETF	MUSA
• Middlefield Short Duration Bond Plus ETF	MSBP
• Middlefield Income Plus Class ETF Series (commenced March 16, 2026)	MFIP
• Middlefield ActivEnergy Dividend Class ETF Series (commenced March 16, 2026)	MAEC

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
• Middlefield Short Duration Bond Plus Fund (formerly INDEXPLUS Income Fund)	MID 435/437/440
• Middlefield Global Infrastructure Fund	MID 510/519/520

Series F Units	
• Middlefield Healthcare Dividend Fund	MID 326
• Middlefield Short Duration Bond Plus Fund (formerly 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	
• MRF 2026 Resource Limited Partnership	
• Discovery 2026 Short Duration LP (commenced August 12, 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, MBA, LLM, ICD.D**Senior Vice President, Lending
Infrastructure Ontario**Edward V. Jackson (Chairman)**Former Managing Director
RBC Capital Markets**Abby Sears, MHSc, BSc**

Healthcare Administrator

AdvisorsSSR Health LLC
Paul Sagawa LLC**Middlefield Group****Stephen Erlichman**Chair, ESG
(Environmental, Social, Governance)**Craig Rogers, CPA, CGA, CFA**Chief Operating Officer and Chief
Compliance Officer**Mark Aboud**

Chief Experience Officer

Dennis da Silva

Senior Portfolio Manager

Shane Obata

Portfolio Manager

Gordon McKay

Senior Portfolio Manager, Fixed Income

Karen Ko

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Marketing Manager

Makayla Howe

Brand Designer

Joyce Chan

Sales Coordinator

Chittish Pasbala

Corporate Development Analyst

Nicholas Galle

Senior Associate, Corporate Development

AuditorDeloitte LLP, Chartered Professional Accountants
RSM Canada LLP**Legal Counsel**Fasken Martineau DuMoulin LLP
McCarthy Tétrault**Bankers**Bank of Montreal
Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Bank of Nova Scotia
The Toronto-Dominion Bank**Custodian**

RBC Investor Treasury Services

Transfer AgentsRBC Investor Service Trust
TSX Trust Company**Affiliates**Middlefield Group Limited
Middlefield Capital Corporation
Middlefield Financial Services Limited
MFL Management Limited
MF Properties Limited
Middlefield International Limited
Middlefield Limited
Middlefield Resource Corporation



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