

2026 SEMI-ANNUAL REPORT

**MIDDLEFIELD
ACTIVENERGY
DIVIDEND
CLASS**



 **MIDDLEFIELD
MUTUAL 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 (MPO), which fast-tracks federal approvals for projects deemed in the "national interest." Prime Minister Carney's government is attracting foreign investors and capital as they advance 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 as 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 Class (MID 600 / MID 601)** generating a total Series F return of 4.1% in June and approximately 13.9% 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, 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

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

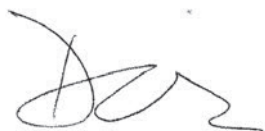
infrastructure hub and opening the door to further announcements. **Middlefield's Global Infrastructure Fund (MID 510 / MID 501)** generated a total Series F return of 19.2% in the first half of 2026.

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 Class (MID 925 / MID 926)** has generated a total Series F return of 49.0% 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. The interim financial report has not been reviewed by the investment fund's external auditors.

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

Management's Discussion of Fund Performance

Investment Objective and Strategies

Middlefield ActivEnergy Dividend Class (the "Fund") is a mutual fund class of Middlefield Mutual Funds Limited ("MMFL"). The Fund is authorized to issue series of shares designated as Series A and Series F. The Fund also offers ETF Series shares, created through an amendment to the Articles of MMFL dated March 12, 2026. ETF Series shares were first issued on March 16, 2026. The Fund's investment objectives are to provide a stable level of income and maximize long-term total return through investment in dividend-paying companies in the energy production, services and infrastructure industries.

Results of Operations

Investment Performance

The Fund's net assets increased from \$1.4 million at December 31, 2025 to \$6.9 million at June 30, 2026. Net assets on a per share basis for Series A increased from \$15.06 at December 31, 2025 to \$18.42 at June 30, 2026. Net assets on a per share basis for Series F increased from \$15.07 at December 31, 2025 to \$18.50 at June 30, 2026. Net assets on a per share basis for the ETF Series decreased from \$10.00 at the commencement date of the ETF Series on March 16, 2026 to \$9.60 at June 30, 2026. During the six-month period ended June 30, 2026, the Fund recorded a net loss of approximately \$0.1 million on its investment portfolio.

Revenue and Expenses

Loss before operating expenses for the six months ended June 30, 2026, increased to \$103,000 from a loss of \$2,900 in 2025. The higher loss was primarily due to the increased net loss on the Fund's investments. Operating expenses for the period ended June 30, 2026 amounted to \$59,000 up from \$7,600 in the prior year period. The management expense ratio ("MER") in 2026, was 3.03% for Series A, 1.90% for Series F and 2.34% for the ETF Series. Distributions for the period ended June 30, 2026 amounted to \$0.21 per share for Series A, \$0.21 per share for Series F and \$0.07 per share for the ETF Series.

Trends

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.

As at June 30, 2026, the Manager and its affiliates held 43,885 shares of the 89,676 issued and outstanding shares of the Fund. The Manager may not redeem its holding of the shares of the Fund until subscriptions of \$500,000 have been received from other investors.

Management Fees

Management fees are calculated at 2.00% per annum for the Series A shares, 1.00% per annum for the Series F shares and 1.00% per annum for the ETF Series, of the net asset value of each Series and are split between the Manager, the Advisor and investment dealers who receive trailing commissions. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objective and strategies of the Fund. During the period ended June 30, 2026, approximately 5.4% of total management fees were used to pay for trailing commissions.

Financial Highlights

Net Assets Attributable to Holders of Redeemable Shares are calculated in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Fund's Net Assets Per Share⁽¹⁾ – Series A

	June 30, 2026 ⁽⁶⁾	December 31, 2025 ⁽⁵⁾
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 15.06	\$ 14.68
INCREASE (DECREASE) FROM OPERATIONS:		
Total Revenue	0.19	0.06
Total Expenses (excluding distributions)	(0.29)	(0.03)
Realized Gains (Losses) for the Period	1.59	-
Unrealized Gains (Losses) for the Period	(1.91)	0.43
Transaction Costs on Purchase and Sale of Investments	(0.13)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	3.57	0.45
DISTRIBUTIONS:		
From Net Investment Income	-	0.02
From Capital Gains	0.21	-
Return of Capital	-	0.05
TOTAL DISTRIBUTIONS⁽³⁾	0.21	0.07
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 18.42	\$ 15.06

The Fund's Net Assets Per Share⁽¹⁾ – Series F

	June 30, 2026 ⁽⁶⁾	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022 ⁽⁴⁾
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 15.07	\$ 12.29	\$ 9.93	\$ 10.17	\$ 10.00
INCREASE (DECREASE) FROM OPERATIONS:					
Total Revenue	0.15	0.32	0.35	0.40	0.20
Total Expenses (excluding distributions)	(0.17)	(0.16)	(0.07)	-	-
Realized Gains (Losses) for the Period	4.35	1.14	1.05	(0.82)	(0.11)
Unrealized Gains (Losses) for the Period	(0.35)	2.04	1.61	0.54	0.43
Transaction Costs on Purchase and Sale of Investments	(0.08)	(0.04)	(0.05)	(0.02)	(0.03)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	3.64	3.20	2.78	0.18	0.41
DISTRIBUTIONS:					
From Net Investment Income	-	0.16	0.28	0.40	0.18
From Capital Gains	0.21	0.26	0.14	-	0.06
Return of Capital	-	-	-	0.02	-
TOTAL DISTRIBUTIONS⁽³⁾	0.21	0.42	0.42	0.42	0.24
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 18.50	\$ 15.07	\$ 12.29	\$ 9.93	\$ 10.17

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Fund's Net Assets Per Share ⁽¹⁾ – ETF Series

	June 30, 2026 ⁽⁷⁾
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	10.00
INCREASE (DECREASE) FROM OPERATIONS:	
Total Revenue	0.07
Total Expenses (excluding distributions)	(0.07)
Realized Gains (Losses) for the Period	0.07
Unrealized Gains (Losses) for the Period	(1.18)
Transaction Costs on Purchase and Sale of Investments	(0.03)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	(0.33)
DISTRIBUTIONS:	
From Capital Gains	0.06
Return of Capital	0.01
TOTAL DISTRIBUTIONS ⁽³⁾	0.07
Net Assets Attributable to Holders of Redeemable Shares, End of Period	9.60

- (1) This information is derived from the Fund's audited annual financial statements and unaudited interim financial report.
- (2) Net Assets Attributable to Holders of Redeemable Shares are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. This schedule is not a reconciliation of Net Asset Value since it does not reflect shareholder transactions as shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and accordingly columns may not add.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.
- (4) For the period May 31, 2022 (date of commencement of operations) to December 31, 2022.
- (5) For the period November 26, 2025 (commencement date of Series A) to December 31, 2025.
- (6) For the six-month period ended June 30, 2026.
- (7) For the period March 16, 2026 (commencement date of ETF Series) to June 30, 2026.

Ratios and Supplemental Data – Series A

	June 30, 2026 ⁽⁶⁾	December 31, 2025 ⁽⁵⁾
Total Net Asset Value (000s)	\$ 488	\$ 67
Number of Shares Outstanding	26,491	4,429
Management Expense Ratio ("MER") ⁽¹⁾	3.03%	2.19%
MER before waivers or absorptions	-	-
Trading Expense Ratio ⁽²⁾	0.69%	0.28%
Portfolio Turnover Rate ⁽³⁾	41.69%	60.76%
Net Asset Value Per Share	\$ 18.42	\$ 15.06

Ratios and Supplemental Data – Series F	June 30, 2026 ⁽⁶⁾	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022 ⁽⁴⁾
Total Net Asset Value (000s)	\$ 1,169	\$ 1,338	\$ 1,004	\$ 615	\$ 287
Number of Shares Outstanding	63,185	88,785	81,666	61,921	28,181
Management Expense Ratio ("MER") ⁽¹⁾	1.90%	1.25%	1.10%	-	-
MER before waivers or absorptions ⁽¹⁾	-	-	1.16%	1.08%	1.08%
Trading Expense Ratio ⁽²⁾	0.69%	0.28%	0.44%	0.24%	0.45%
Portfolio Turnover Rate ⁽³⁾	41.69%	60.76%	92.43%	35.00%	5.28%
Net Asset Value Per Share	\$ 18.50	\$ 15.07	\$ 12.29	\$ 9.93	\$ 10.17

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Ratios and Supplemental Data – ETF Series

	June 30 2026 ⁽⁷⁾
Total Net Asset Value (000s)	5,278
Number of Shares Outstanding	550,000
Management Expense Ratio ("MER") ⁽¹⁾	2.34%
MER before waivers or absorptions	-
Trading Expense Ratio ⁽²⁾	0.69%
Portfolio Turnover Rate ⁽³⁾	41.69%
Net Asset Value Per Share	9.60

⁽¹⁾ The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. The Manager waived the management fee since inception to June 25, 2024. The Manager retains the right to discontinue this waiver at any time.

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

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

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

⁽⁵⁾ For the period November 26, 2025 (commencement date of Series A) to December 31, 2025.

⁽⁶⁾ As at June 30, 2026 or for the six-month period ended June 30, 2026, as applicable.

⁽⁷⁾ For the period March 16, 2026 (commencement date of ETF Series) to June 30, 2026.

Past Performance

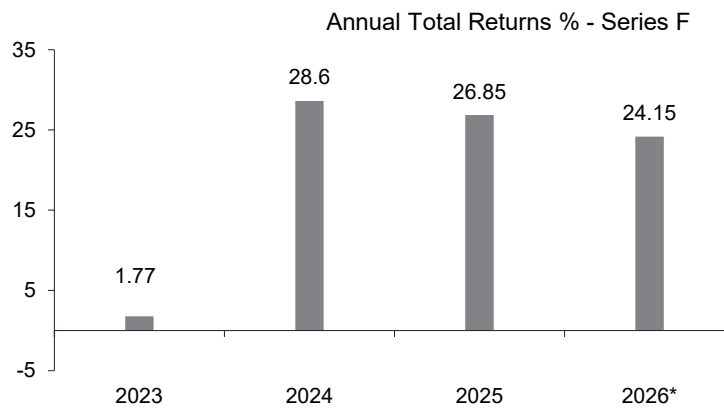
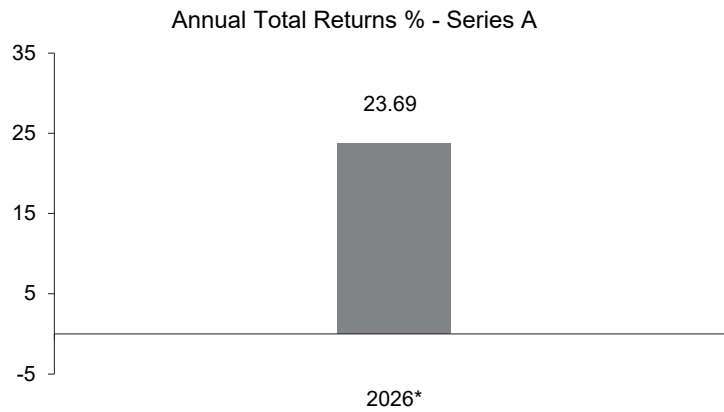
The performance information shown, which is based on Net Asset Value, assumes that all distributions paid by the Fund in the years shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges 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 the Fund's performance for each of the years shown. The return for 2025 for Series A is not presented since it relates to a partial period. The return for 2022 for Series F is not presented since it relates to a partial period. The return for the period ended June 30, 2026 for the ETF Series is not presented since it relates to a partial period. The charts indicate, in percentage terms, how much an investment made the first day of each financial period would have grown or decreased by the last day of the financial period.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026



*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	Tourmaline Oil Corp.	5.2
2	Kelt Exploration Ltd.	5.0
3	Advantage Energy Ltd.	4.5
4	Calfrac Well Services Ltd.	4.2
5	Tamarack Valley Energy Ltd.	4.1
6	Black Diamond Group Ltd.	4.0
7	Surge Energy Inc.	3.6
8	Cenovus Energy Inc.	3.3
9	Spartan Delta Corp.	3.3
10	Baytex Energy Corp.	3.3
11	Precision Drilling Corp.	3.1
12	Birchcliff Energy Ltd.	3.1
13	Valeura Energy Inc.	3.0
14	ACT Energy Technologies Ltd.	2.9
15	Canadian Natural Resources Ltd.	2.8
16	Lotus Creek Exploration Inc.	2.8
17	Paramount Resources Ltd.	2.5
18	Headwater Exploration Inc.	2.4
19	Whitecap Resources Inc.	2.4
20	Strathcona Resources Ltd.	2.2
21	Ovintiv Inc.	2.2
22	Topaz Energy Corp.	2.1
23	NG Energy International Corp.	2.0
24	Tenaz Energy Corp.	2.0
25	TransAlta Corporation	2.0

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

ASSET CLASS	% OF NET ASSET VALUE
Energy	97.3
Utilities	2.0
Cash and Short-Term Investments	0.8
Other Assets (Liabilities)	(0.1)
	100.0
TOTAL NET ASSET VALUE	\$ 6,934,797

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 Middlefield ActivEnergy Dividend Class for the period ended June 30, 2026 have been prepared by management and have not been reviewed by the external auditors of the Fund.



Jeremy Brasseur
Director
Middlefield Limited



Craig Rogers
Director
Middlefield Limited

August 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	\$ 6,885,457	\$ 1,371,817
Cash	57,370	32,968
Income and Interest Receivable	10,111	2,773
Accounts Receivable	681	-
Subscriptions Receivable	500	-
Total Assets	6,954,119	1,407,558
LIABILITIES		
Current Liabilities		
Distributions Payable	9,900	-
Management Fee Payable (Note 7)	9,156	2,169
Accounts Payable and Accrued Liabilities	266	282
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Shares)	\$ 19,322	\$ 2,451
Net Assets Attributable to Holders of Redeemable Shares	\$ 6,934,797	\$ 1,405,107
Net Assets Attributable to Holders of Redeemable Shares– Series A	\$ 487,881	\$ 66,708
Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ 1,169,140	\$ 1,338,399
Net Assets Attributable to Holders of Redeemable Shares – ETF Series	\$ 5,277,776	\$ -
Mutual Fund Shares Issued and Outstanding – Series A (Note 6)	26,491	4,429
Mutual Fund Shares Issued and Outstanding – Series F (Note 6)	63,185	88,785
Mutual Fund Shares Issued and Outstanding – ETF Series (Note 6)	550,000	-
Net Assets Attributable to Holders of Redeemable Shares per Share – Series A	\$ 18.42	\$ 15.06
Net Assets Attributable to Holders of Redeemable Shares per Share – Series F	\$ 18.50	\$ 15.07
Net Assets Attributable to Holders of Redeemable Shares per Share – ETF Series	\$ 9.60	\$ -

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

Approved by the Board of Directors:



Director: Catherine Rebuldela



Director: Craig Rogers

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2026	2025
REVENUE (LOSS)		
Income from Investments	\$ 33,453	\$ 15,421
Interest Income for Distribution Purposes	1,722	233
Foreign Exchange Gain (Loss) on Cash	4,101	-
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	337,759	32,640
Change in Net Unrealized Gain (Loss) on Investments	(480,281)	(51,107)
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	92	(98)
Total Revenue (Loss)	(103,154)	(2,911)
OPERATING EXPENSES (Note 7)		
Audit Fees	120	84
Fund Administration Costs	15,491	172
Independent Review Committee Fees	177	73
Legal Fees	1,269	40
Management Fee (Note 7)	22,962	5,457
Securityholder Reporting Costs	911	297
Transaction Costs (Note 8)	18,050	1,516
Total Operating Expenses	58,980	7,639
Profit (Loss) before Tax	(162,134)	(10,550)
Income Tax (Recovery)	-	(124)
Withholding Taxes	179	-
Profit (Loss) after Tax	\$ (162,313)	\$ (10,426)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ (162,313)	\$ (10,426)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series A	\$ (6,418)	\$ -
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ 265,149	\$ (10,426)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – ETF Series	\$ (421,044)	\$ -
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series A (Note 6)	\$ (0.55)	\$ -
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series F (Note 6)	\$ 3.90	\$ (0.12)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – ETF Series (Note 6)	\$ (1.14)	\$ -

INTERIM FINANCIAL REPORT

UNAUDITED

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

FOR THE SIX MONTHS ENDED JUNE 30, 2026

(In Canadian Dollars)	Series A	Series F	ETF Series ⁽¹⁾	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 66,708	\$ 1,338,399	\$ -	\$ 1,405,107
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(6,418)	265,149	(421,044)	(162,313)
DISTRIBUTIONS TO SHAREHOLDERS:				
From Capital Gains	(2,681)	(13,589)	(27,098)	(43,368)
Return of Capital	-	-	(4,402)	(4,402)
	(2,681)	(13,589)	(31,500)	(47,770)
REDEEMABLE SHARE TRANSACTIONS:				
Proceeds from Issue of Shares	427,574	437,105	5,730,320	6,594,999
Reinvested Distributions	2,698	13,026	-	15,724
Payment on Redemption of Shares	-	(870,950)	-	(870,950)
	430,272	(420,819)	5,730,320	5,739,773
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 487,881	\$ 1,169,140	\$ 5,277,776	\$ 6,934,797

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(In Canadian Dollars)	Series F ⁽²⁾	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 1,003,739	\$ 1,003,739
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(10,426)	(10,426)
DISTRIBUTIONS TO SHAREHOLDERS:		
From Net Investment Income	(9,655)	(9,655)
From Capital Gains	(8,564)	(8,564)
	(18,219)	(18,219)
REDEEMABLE SHARE TRANSACTIONS:		
Proceeds from Issue of Shares	60,700	60,700
Reinvested Distributions	17,740	17,740
	78,440	78,440
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 1,053,534	\$ 1,053,534

⁽¹⁾ For the period March 16, 2026 (commencement date of ETF Series) to June 30, 2026.

⁽²⁾ Only Series F shares have been issued.

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

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2026	2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Increase (Decrease) Net Assets Attributable to Holders of Redeemable Shares	\$ (162,313)	\$ (10,426)
Adjustments:		
Proceeds from Sale of Investments	1,517,309	262,002
Purchases of Investments	(7,173,471)	(332,900)
Foreign Exchange (Gain) Loss on Cash	(4,193)	98
Net Realized (Gain) Loss from Investment Transactions	(337,759)	(32,640)
Change in Net Unrealized (Gain) Loss on Investments	480,281	51,107
	(5,680,146)	(62,759)
Net Change in Non-Cash Working Capital	8,852	637
Net Cash from (used in) Operating Activities	(5,671,294)	(62,122)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	6,594,499	60,700
Payment on Redemption of Shares	(870,950)	-
Distributions Paid	(32,046)	(479)
Net Cash from (used in) Financing Activities	5,691,503	60,221
Net Increase (Decrease) in Cash	20,209	(1,901)
Net Foreign Exchange Gain (Loss) on Cash	4,193	(98)
Cash at Beginning of Period	32,968	13,163
Cash at End of Period	\$ 57,370	\$ 11,164

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
ACT Energy Technologies Ltd.	34,000	\$ 215,971	\$ 202,300
Advantage Energy Ltd.	30,000	314,649	309,300
Antero Resources Corp.	1,700	84,385	84,753
Baytex Energy Corp.	40,000	259,530	227,600
Birchcliff Energy Ltd.	35,000	224,135	216,650
Black Diamond Group Ltd.	15,000	258,194	277,050
Calfrac Well Services Ltd.	45,000	254,664	289,800
Canadian Natural Resources Ltd.	3,500	210,447	196,420
Cenovus Energy Inc.	6,600	256,356	232,254
Coelacanth Energy Inc.	101,500	83,890	81,200
Enerflex Ltd.	3,000	65,967	104,490
Ensign Energy Services Inc.	23,000	72,393	76,360
EQT Corp.	1,500	122,013	113,152
Headwater Exploration Inc.	14,000	162,680	165,620
Kelt Exploration Ltd.	40,000	370,625	350,000
Logan Energy Corp.	100,000	80,135	84,000
Lotus Creek Exploration Inc.	57,000	165,003	190,950
Mattr Corp.	10,000	96,558	128,700
NG Energy International Corp.	100,000	159,830	142,000
Ovintiv Inc.	2,000	161,529	149,380
Paramount Resources Ltd.	6,300	182,093	170,982
Parex Resources Inc.	6,400	179,923	136,896
PrairieSky Royalty Ltd.	3,900	118,982	123,786
Precision Drilling Corp.	2,000	258,845	217,840
Rubellite Energy Inc.	28,000	82,673	91,000
SLB Ltd.	2,000	144,209	131,915
Source Energy Services Ltd.	5,000	73,119	69,650
Spartan Delta Corp.	20,000	260,024	229,000
Strathcona Resources Ltd.	4,000	177,673	150,680
Surge Energy Inc.	27,000	251,771	249,210
Tamarack Valley Energy Ltd.	23,000	229,678	284,510
Tenaz Energy Corp.	3,000	153,061	138,750
Topaz Energy Corp.	5,000	144,392	148,900
Total Energy Services Inc.	3,800	68,138	83,904
Tourmaline Oil Corp.	6,000	381,473	355,799
Trican Well Service Ltd.	13,500	84,453	90,720
Valeura Energy Inc.	20,000	271,292	208,000
Vermilion Energy Inc.	6,000	92,963	79,620
Whitecap Resources Inc.	11,200	154,988	164,976
ENERGY: 97.2%		6,928,704	6,748,117
TransAlta Corporation	7,000	115,401	137,340
UTILITIES: 2.0%		115,401	137,340
TRANSACTION COSTS (NOTE 8)		(14,127)	-
TOTAL INVESTMENTS: 99.2%		7,029,978	6,885,457
CASH: 0.8%		57,370	57,370
Total Investment Portfolio, including Cash		\$ 7,087,348	\$ 6,942,827

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

1. Middlefield ActivEnergy Dividend Class

Middlefield ActivEnergy Dividend Class (the "Fund") is one of nine classes of issued mutual fund shares of Middlefield Mutual Funds Limited (the "Corporation", "MMFL"), a mutual fund corporation continued under the laws of Alberta. Switches between classes of a mutual fund corporation are considered a disposition at fair market value for tax purposes, resulting in the recognition of capital gains or losses for investors. Switches between Series A and Series F of the same Mutual Fund class do not trigger capital gains or losses and is a tax-free event. Switches between classes of MMFL and the ETF Series are not permitted. Switches between the ETF Series and either Series A or Series F of the same Mutual Fund class are also not permitted. The Fund is authorized to issue series of shares designated as Series A and F. The Fund also offers ETF Series shares, created through an amendment to the Articles of MMFL dated March 12, 2026. Each series has a different management fee rate. The Fund first issued Series A shares on November 26, 2025, Series F shares on May 31, 2022 and ETF Series shares on March 16, 2026. The Fund changed its investment objectives which are reflected in its prospectus dated June 5, 2025. The changed investment objectives of the Fund are to provide a stable level of income and maximize long-term total return through investment in dividend-paying securities of global companies that are making investments in or derive a significant portion of their revenue or earnings from, products or services related to the energy sector. Middlefield Limited is the both the manager and advisor of the Fund (the "Manager" and the "Advisor"). Effective April 1, 2025, Middlefield Limited became the Advisor of the Fund. Prior to April 1, 2025, Middlefield Capital Corporation was the Advisor of the Fund. The address of the Fund's registered office is 350 7 Ave SW Suite 3400, Calgary, Alberta. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Fund on August 21, 2026.

2. 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.

3. Summary of Material Accounting Policies

A. Basis of Accounting

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

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

Classification, Measurement, Impairment and Hedge Accounting

The Fund classifies its investments in debt and equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken. Consequently, these financial assets are mandatorily measured at FVTPL.

Financial assets or financial liabilities held for trading are those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit taking. All derivatives and short positions are included in this category and mandatorily measured at FVTPL. The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 uses the expected credit loss model ("ECL"), as the new impairment model for financial assets carried at amortized cost. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime of ECLs. Due to the high quality and short-term nature of the trade receivables, there are no expected credit losses associated with them and they are not considered impaired at the reporting dates.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

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

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

D. Redeemable Shares and Net Assets Attributable to Holders of Redeemable Shares

The Fund has three series of redeemable shares in issue: Series A, Series F and the ETF Series. They all rank *pari passu* in all material respects and have the same terms and conditions other than the management fee rate, which is 2.0% for Series A, 1.0% for Series F and 1.0% for the ETF Series.

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

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

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

Distributions are declared at the discretion of the board of directors of the Corporation. The board of directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring distributions including, if applicable, capital gains dividends to refund tax which would otherwise be payable by the Corporation. Distributions to holders of redeemable shares are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. Income not distributed is included in Net Assets Attributable to Holders of Redeemable Shares.

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

E. 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

E. Fair Value Measurement (continued)

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

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

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.

F. Investment Transactions and Income Recognition

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

G. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares Per Share

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

H. Income Taxes

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

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

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income. Distributions received from investments in trust units that are treated as a return of capital for tax purposes are used to reduce the average cost of the underlying investments on the Schedule of Investment Portfolio.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

I. Foreign Currency Translation

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

J. Critical Accounting Estimates and Judgments

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

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

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

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

4. Fair Value Disclosure

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

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

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3	Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgement 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, accounts receivable, subscriptions receivable, distributions payable, management fee payable, accounts payable and accrued liabilities and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximates their fair values due to their short-term nature.

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

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. No transfers between levels occurred during the periods ended June 30, 2026 or the year ended December 31, 2025.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

5. Financial Risk Management

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

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

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	\$ 6,885,457	\$ 1,371,817

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 \$688,546 (December 31, 2025 – \$137,182) increase or decrease in net assets of the Fund, with all other factors held constant.

B. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to daily cash redemptions of its shares. The shares of the Fund are issued and redeemed on demand at the NAV per share. All other obligations of the Fund are due within one year. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

The Fund may invest in securities that are not traded on a public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through active management, which involves detailed analysis of such private entities to ensure they are financially sound and would be attractive to potential investors if a sale is necessary. The Fund's investment policies and securities legislation limit the amount invested in illiquid securities and these limits are monitored. The Fund did not hold any illiquid securities as at June 30, 2026 or December 31, 2025.

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

As at June 30, 2026

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	\$ 9,900	\$ -	\$ -	\$ 9,900
Management Fee Payable	9,156	-	-	9,156
Accounts Payable and Accrued Liabilities	266	-	-	266
Net Assets Attributable to Holders of Redeemable Shares	6,934,797	-	-	6,934,797
Total	\$ 6,954,119	\$ -	\$ -	\$ 6,954,119

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

5. Financial Risk Management (continued)

B. Liquidity Risk (continued)

As at December 31, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 2,169	\$ -	\$ -	\$ 2,169
Accounts Payable and Accrued Liabilities	282	-	-	282
Net Assets Attributable to Holders of Redeemable Shares	1,405,107	-	-	1,405,107
Total	\$ 1,407,558	\$ -	\$ -	\$ 1,407,558

C. 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 presentation currency. Foreign investments, commodities, 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 risk relates primarily to its investment in securities, which are denominated in various 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:

As at December June 30, 2026

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 329,819	\$ 2,626	\$ 837	\$ 333,282
Total	\$ 329,819	\$ 2,626	\$ 837	\$ 333,282

As at December 31, 2025

Currency	Investments at FVTPL	Cash	Total Exposure
U.S. Dollar	\$ 51,959	\$ 826	\$ 52,785
Total	\$ 51,959	\$ 826	\$ 52,785

Based on the above exposure at June 30, 2026, a 10% increase or decrease in the Canadian dollar against the respective currencies would result in a \$33,328 (December 31, 2025 - \$5,279) decrease or increase in net assets of the Fund, with all other factors held constant.

D. Credit Risk

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

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

E. Concentration Risk

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

NOTES TO FINANCIAL STATEMENTS

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5. Financial Risk Management (continued)

E. Concentration Risk (continued)

Sector	As a % of Net Assets	
	June 30, 2026	December 31, 2025
Energy	97.3	97.6
Utilities	2.0	-
Total	99.3	97.6

6. Share Capital

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

	Number of Shares – Series A	
	June 30, 2026	December 31, 2025
Shares Outstanding at Beginning of Period	4,429	-
Shares Issued	21,921	4,409
Reinvested Distributions	141	20
Total	22,062	4,429
Net Increase (Decrease)	22,062	4,429
Shares Outstanding at End of Period	26,491	4,429

	Number of Shares – Series F	
	June 30, 2026	December 31, 2025
Shares Outstanding at Beginning of Period	88,785	81,666
Shares Issued	21,920	8,640
Reinvested Distributions	704	2,920
Total	22,624	11,560
Shares Redeemed	(48,224)	(4,441)
Net Increase (Decrease)	(25,600)	7,119
Shares Outstanding at End of Period	63,185	88,785

	Number of Shares – ETF Series	
	June 30, 2026	
Shares Outstanding at Beginning of Period	-	
Shares Issued	550,000	
Total	550,000	
Net Increase	550,000	
Shares Outstanding at End of Period	550,000	

The average number of shares outstanding during the period ended June 30, 2026 for Series A was 11,739 (June 30, 2025 – nil), Series F was 68,054 (June 30, 2025 – 86,465) and the ETF Series was 369,104 (June 30, 2025 – nil). These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share.

7. Related Party Transactions

A. Management Fee

The Manager provides investment and administrative services to the Fund. In consideration for such services the Manager receives a monthly fee in arrears based on each series of shares as a percentage of the average daily NAV of the series. The management fee for Series A is 2.00% per annum, Series F is 1.00% per annum and the ETF Series is 1.00% per annum. For the period ended June 30, 2026, management fees before the absorption of expenses amounted to approximately \$20,780 (June 30, 2025 - \$4,899).

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, legal fees and expenses, custodian and transfer agency fees and costs relating to securityholder reporting. Certain services in the normal course of business may be provided by the Manager or an affiliate of the Manager in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*. Examples of these services include the preparation and filing of tax returns, the preparation and filing of financial statements and related reports and maintaining and updating the Fund's website. In aggregate, these fees amounted to approximately \$1,163 (June 30, 2025 - \$272) throughout the period. Included in this amount is \$358 (December 31, 2025 - \$86) payable 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

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8. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2026 amounted to \$18,050 (June 30, 2025 - \$1,516). During the period ended June 30, 2026, \$210 (June 30, 2025 - \$98) 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.

9. Capital Management

The Fund's capital is its Net Assets Attributable to Holders of Redeemable Shares, representing shareholders' equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, maximize shareholder value and maintain financial strength.

The Fund is not subject to any externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the period ended December 31, 2025.

10. Loss Carryforwards

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

11. Distributions to Shareholders

Distributions to shareholders from the Fund are made to minimize income taxes payable by the Fund. Accordingly, distributions will vary from the accounting income reflected in these financial statements. Distributions of the Fund, unless otherwise specified by the shareholder, are automatically reinvested in additional shares of the Fund at the per share NAV without sales charge. Distributions per Series A share of \$0.21 (June 30, 2025 - \$nil) and Series F share of \$0.21 (June 30, 2025 - \$0.21) were paid to shareholders of the Fund during the six-month period ended June 30, 2026. Distributions per ETF Series share amounted to \$0.07 (June 30, 2025 - \$nil) during the period ended June 30, 2026.

Distributions to Shareholders – Series A		June 30, 2026
From Capital Gains		
Total		\$ 2,681
Per Share		0.21

	June 30, 2026	June 30, 2025
Distributions to Shareholders – Series F		
From Net Investment Income		
Total	\$ -	\$ 9,655
Per Share	-	0.11
From Capital Gains		
Total	13,589	8,564
Per Share	0.21	0.10

Distributions to Shareholders – ETF Series		June 30, 2026
From Capital Gains		
Total		\$ 27,098
Per Share		0.06
Return of Capital		
Total		4,402
Per Share		0.01

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

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Jeremy T. Brasseur

Executive Chairman

Robert F. Lauzon, CFA

Chief Investment Officer

Independent Review Committee**H. Roger Garland, CPA, CA**Former Vice-Chairman
Four Seasons Hotels Inc.**Christine Helsdon Tekker, MBA, LLM, ICD.D**Senior Vice President, Lending
Infrastructure Ontario**Edward V. Jackson (Chairman)**Former Managing Director
RBC Capital Markets**Abby Sears, MHSc, BSc**

Healthcare Administrator

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

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Investment Analyst

Maxim Kislitsyn

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Cassandra Coleman

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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