

2026 SEMI-ANNUAL REPORT

MIDDLEFIELD INCOME PLUS 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.

TABLE OF CONTENTS

	Corporate Profile
2	2026 Mid-Year Review and Outlook
4	Interim Management Report of Fund Performance
11	Interim Financial Statements
17	Notes to Financial Statements Middlefield Funds Family

A NOTE ON FORWARD LOOKING STATEMENTS

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



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.

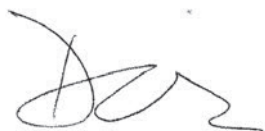
infrastructure hub and opening the door to further announcements. **Middlefield's Global Infrastructure Fund (MID 510 / MID 501)** generated a total Series F return of 19.2% in the first half of 2026.

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 Income Plus 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 objective is to provide a stable level of income while emphasizing capital preservation. The Fund invests in a diversified portfolio of equity and fixed income securities.

Results of Operations

Investment Performance

The net assets of the Fund increased from \$215.2 million at December 31, 2025 to \$252.7 million at June 30, 2026. Net assets on a per share basis for Series A increased from \$18.87 at December 31, 2025 to \$20.45 at June 30, 2026. Net assets on a per share basis for Series F increased from \$23.97 at December 31, 2025 to \$26.24 at June 30, 2026. Net assets on a per share basis for ETF Series increased from \$10.00 at the commencement date of the ETF Series on March 16, 2026 to \$10.69 at June 30, 2026. The Fund recorded a \$23.0 million net gain on its investment portfolio during the six months ended June 30, 2026.

Revenue and Expenses

Revenue for the six months ended June 30, 2026, amounted to \$26.7 million, up from a loss of \$2.0 million in 2025. The increase was primarily due to the net gain on the Fund's investments. Operating expenses for the period ended June 30, 2026 amounted to \$1.7 million, up from \$1.4 million in 2025. The management expense ratio ("MER") in 2026 was 2.01% for Series A, 0.89% for Series F and 1.21% for the ETF Series. Distributions for the period ended June 30, 2026 amounted to \$0.45 per share for Series A, \$0.45 per share for Series F and \$0.12 per share for the ETF Series.

Trends

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.

Related Party Transactions

Pursuant to a management agreement, Middlefield Limited (the "Manager" and the "Advisor") receives a management fee. For further details please see the "Management Fees" section of this report. Middlefield Limited also acts as the advisor to the Fund who receives advisory fees out of the management fee from the Fund. As at June 30, 2026, the Fund held investments in other investment funds managed by the Manager. All management fees charged by the underlying investment fund held by the Fund were rebated to the Fund. For further details please see the notes to the financial statements.

Management Fees

Management fees are calculated at 1.5% per annum for the Series A shares, 0.5% per annum for the Series F shares and 0.5% per annum for the ETF Series shares, of the net asset value of each Series and are split between the Manager, the Advisor and investment dealers who receive trailing commissions. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees 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 39.7% 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 periods. 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 ⁽⁵⁾	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 18.87	\$ 18.64	\$ 15.91	\$ 15.93	\$ 16.95	\$ 13.87
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.30	0.57	0.54	0.62	0.65	0.41
Total Expenses (excluding distributions)	(0.19)	(0.36)	(0.32)	(0.32)	(0.35)	(0.33)
Realized Gains (Losses) for the Period	0.56	1.92	0.03	(0.66)	1.30	1.14
Unrealized Gains (Losses) for the Period	1.37	(0.96)	3.40	1.16	(1.65)	2.78
Transaction Costs on Purchase and Sale of Investments	(0.02)	(0.03)	(0.01)	(0.04)	(0.02)	(0.02)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	2.03	1.13	3.63	0.88	(0.12)	3.98
DISTRIBUTIONS:						
From Net Investment Income ⁽³⁾	0.11	0.23	0.22	0.29	0.30	0.08
From Capital Gains ⁽³⁾	0.34	0.67	0.03	-	0.60	0.82
From Capital Gains ⁽⁴⁾	1.01	-	-	0.47	0.58	-
Share Consolidation ⁽⁴⁾	(1.01)	-	-	(0.47)	(0.58)	-
Return of Capital	-	-	0.65	0.61	-	-
TOTAL DISTRIBUTIONS ⁽³⁾	0.45	0.90	0.90	0.90	0.90	0.90
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 20.45	\$ 18.87	\$ 18.64	\$ 15.91	\$ 15.93	\$ 16.95

The Fund's Net Assets Per Share ⁽¹⁾ – Series F	June 30 2026 ⁽⁵⁾	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 23.97	\$ 23.17	\$ 19.38	\$ 19.01	\$ 19.84	\$ 15.93
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.38	0.72	0.67	0.73	0.76	0.47
Total Expenses (excluding distributions)	(0.10)	(0.18)	(0.16)	(0.17)	(0.19)	(0.17)
Realized Gains (Losses) for the Period	0.70	2.39	(0.01)	(0.80)	1.45	1.32
Unrealized Gains (Losses) for the Period	1.72	(1.12)	4.22	1.40	(2.06)	3.18
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	2.72	1.70	4.69	1.27	0.07	4.81
DISTRIBUTIONS:						
From Net Investment Income ⁽³⁾	0.28	0.54	0.51	0.56	0.58	0.30
From Capital Gains ⁽³⁾	0.17	0.36	-	-	0.32	0.60
From Capital Gains ⁽⁴⁾	1.01	-	-	0.47	0.58	-
Share Consolidation ⁽⁴⁾	(1.01)	-	-	(0.47)	(0.58)	-
Return of Capital	-	-	0.39	0.34	-	-
TOTAL DISTRIBUTIONS ⁽³⁾	0.45	0.90	0.90	0.90	0.90	0.90
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 26.24	\$ 23.97	\$ 23.17	\$ 19.38	\$ 19.01	\$ 19.84

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 ⁽⁶⁾
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	10.00
INCREASE (DECREASE) FROM OPERATIONS:	
Total Revenue	0.10
Total Expenses (excluding distributions)	(0.03)
Realized Gains (Losses) for the Period	0.07
Unrealized Gains (Losses) for the Period	0.68
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	0.81
DISTRIBUTIONS:	
From Net Investment Income ⁽³⁾	0.06
From Capital Gains ⁽³⁾	0.06
TOTAL DISTRIBUTIONS ⁽³⁾	0.12
Net Assets Attributable to Holders of Redeemable Shares, End of Period	10.69

⁽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 and distributions 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 Statements 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⁾ On January 23, 2026, a capital gains dividend amounting to \$1.01 per share was paid and immediately thereafter the outstanding shares of the Fund were consolidated. On February 14, 2023, a capital gains dividend amounting to \$0.47 per share was paid and immediately thereafter the outstanding shares of the Fund were consolidated. On February 25, 2022, a capital gains dividend amounting to \$0.58 per share was paid and immediately thereafter the outstanding shares of the Fund were consolidated.

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

⁽⁶⁾ For the period March 16, 2026 (commencement date of ETF Series) to June 30, 2026.

Ratios and Supplemental Data – Series A	June 30 2026 ⁽⁴⁾	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Total Net Asset Value (000s)	\$ 123,029	\$ 110,078	\$ 104,865	\$ 83,245	\$ 71,797	\$ 82,364
Number of Shares Outstanding	6,016,609	5,832,333	5,626,321	5,233,560	4,507,616	4,859,632
Management Expense Ratio ("MER") ⁽¹⁾	2.01%	1.97%	1.97%	2.07%	2.21%	2.08%
Trading Expense Ratio ⁽²⁾	0.13%	0.14%	0.07%	0.20%	0.10%	0.11%
Portfolio Turnover Rate ⁽³⁾	18.41%	63.31%	24.29%	63.97%	60.57%	51.79%
Net Asset Value Per Share	\$ 20.45	\$ 18.87	\$ 18.64	\$ 15.91	\$ 15.93	\$ 16.95

Ratios and Supplemental Data – Series F	June 30 2026 ⁽⁴⁾	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Total Net Asset Value (000s)	\$ 128,314	\$ 105,101	\$ 86,544	\$ 58,646	\$ 46,710	\$ 40,319
Number of Shares Outstanding	4,890,303	4,385,497	3,735,312	3,026,195	2,457,358	2,032,584
Management Expense Ratio ("MER") ⁽¹⁾	0.89%	0.85%	0.85%	0.95%	1.11%	1.10%
Trading Expense Ratio ⁽²⁾	0.13%	0.14%	0.07%	0.20%	0.10%	0.11%
Portfolio Turnover Rate ⁽³⁾	18.41%	63.31%	24.29%	63.97%	60.57%	51.79%
Net Asset Value Per Share	\$ 26.24	\$ 23.97	\$ 23.17	\$ 19.38	\$ 19.01	\$ 19.84

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Ratios and Supplemental Data – ETF Series

	June 30 2026 ⁽⁵⁾
Total Net Asset Value (000s)	\$ 1,336
Number of Shares Outstanding	125,000
Management Expense Ratio ("MER") ⁽¹⁾	1.21%
Trading Expense Ratio ⁽²⁾	0.13%
Portfolio Turnover Rate ⁽³⁾	18.41%
Net Asset Value Per Share	\$ 10.69

⁽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. Where the Fund invests in securities of another investment fund managed by the Manager, the total expenses include the pro-rata share of the expenses of the underlying fund. All management fees charged by the underlying investment fund held by the Fund are rebated to the Fund.

⁽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. Where a Fund invests in securities of another investment fund managed by the Manager, the total commission and other portfolio transaction cost includes the pro-rata share of those costs from the underlying fund.

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

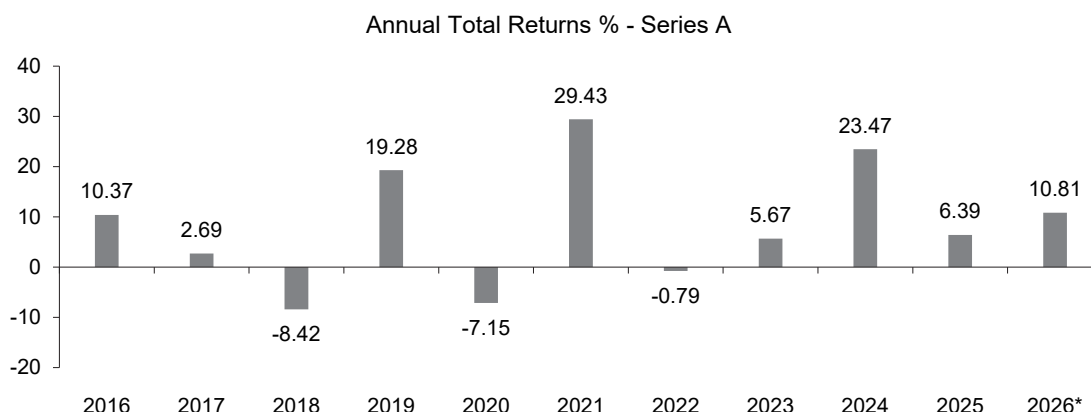
⁽⁵⁾ For the period March 16, 2026 (commencement date of ETF Series) to June 30, 2026.

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.

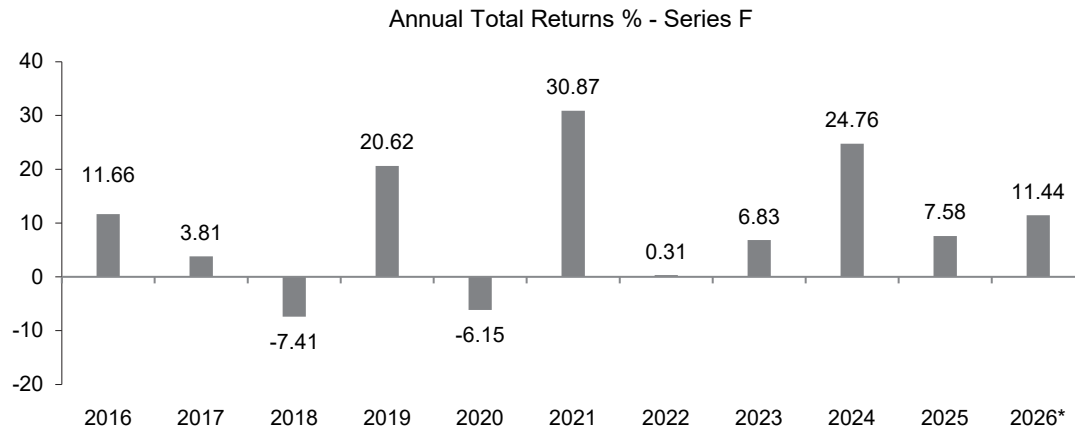
Year-By-Year Returns

The bar charts show how the Fund's performance has varied from year to year for each of the years shown. The return for the ETF Series for the period ended June 30, 2026 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 Middlefield Healthcare Dividend ETF	7.3
2 Morgan Stanley	4.5
3 Valley National Bancorp	4.2
4 Topaz Energy Corp.	4.1
5 First Horizon Corp.	4.0
6 Wintrust Financial Corp.	3.9
7 Killam Apartment Real Estate Investment Trust	3.9
8 Dream Industrial Real Estate Investment Trust	3.6
9 Canadian Natural Resources Ltd.	3.6
10 Tourmaline Oil Corp.	3.4
11 Enbridge Inc.	3.3
12 Precision Drilling Corp., 6.875%, 15 January 2029	3.1
13 AltaGas Ltd.	3.0
14 Chartwell Retirement Residences	2.8
15 Old Second Bancorp Inc.	2.6
16 Boardwalk Real Estate Investment Trust	2.6
17 TransAlta Corporation	2.6
18 AGF Management Ltd.	2.6
19 International Business Machines Corp.	2.5
20 Microsoft Corporation	2.5
21 Sunoco LP, 5.875%, 15 July 2027	2.5
22 Nutrien Ltd.	2.5
23 Enerflex Inc., 6.875%, 15 January 2031	2.4
24 Apple Inc.	2.4
25 Sagicor Financial Company Ltd.	2.3

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

ASSET CLASS	% OF NET ASSET VALUE
Financials	25.2
Real Estate	16.7
Energy	12.7
Technology	11.7
Corporate Debt	10.3
Healthcare	7.2
Utilities	5.6
Pipelines	3.3
Materials	2.5
Consumer Discretionary	1.9
Industrials	1.4
Cash and Short-Term Investments	1.7
Other Assets (Liabilities)	(0.2)
	100.0
TOTAL NET ASSET VALUE	\$ 252,679,732

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions. The Prospectus of any investment funds owned by the Fund can be found online at www.sedarplus.ca.

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 Income Plus 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	\$ 248,857,405	\$ 213,271,598
Cash	4,340,625	1,341,912
Income and Interest Receivable	1,287,032	1,004,725
Subscriptions Receivable	410,972	123,494
Prepaid Expenses	-	24,903
Total Assets	254,896,034	215,766,632
LIABILITIES		
Current Liabilities		
Accounts Payable – Portfolio Securities Purchased	1,235,463	-
Management Fee Payable (Note 7)	405,784	317,463
Redemptions Payable	350,568	47,092
Accounts Payable and Accrued Liabilities	145,531	147,560
Income Tax Payable	75,081	75,081
Distributions Payable	3,875	-
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Shares)	2,216,302	587,196
Net Assets Attributable to Holders of Redeemable Shares	\$ 252,679,732	\$ 215,179,436
Net Assets Attributable to Holders of Redeemable Shares – Series A	\$ 123,029,410	\$ 110,078,088
Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ 128,314,348	\$ 105,101,348
Net Assets Attributable to Holders of Redeemable Shares – ETF Series	\$ 1,335,974	\$ -
Mutual Fund Shares Issued and Outstanding– Series A (Note 6)	6,016,609	5,832,333
Mutual Fund Shares Issued and Outstanding – Series F (Note 6)	4,890,303	4,385,497
Mutual Fund Shares Issued and Outstanding – ETF Series (Note 6)	125,000	-
Net Assets Attributable to Holders of Redeemable Shares per Share – Series A	\$ 20.45	\$ 18.87
Net Assets Attributable to Holders of Redeemable Shares per Share – Series F	\$ 26.24	\$ 23.97
Net Assets Attributable to Holders of Redeemable Shares per Share – ETF Series	\$ 10.69	\$ -

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	\$ 2,833,566	\$ 1,954,740
Interest Income for Distribution Purposes	836,268	735,910
Foreign Exchange Gain (Loss) on Cash	7,014	(405,030)
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	6,490,449	10,946,188
Net Realized Gain (Loss) from Derivatives Transactions	118,894	(1,889,432)
Change in Net Unrealized Gain (Loss) on Investments	16,375,605	(13,304,517)
Change in Net Unrealized Gain (Loss) on Derivatives	(33,945)	-
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	35,171	(4,554)
Total Revenue (Loss)	26,663,022	(1,966,695)
OPERATING EXPENSES (Note 7)		
Audit Fees	19,347	18,697
Custodial Fees	12,910	10,384
Fund Administration Costs	163,650	157,593
Independent Review Committee Fees	19,446	14,100
Legal Fees	91,312	8,724
Management Fee (Note 7)	1,214,263	1,012,038
Securityholder Reporting Costs	65,671	54,040
Transaction Costs (Note 8)	141,652	80,381
Total Operating Expenses	1,728,251	1,355,957
Profit (Loss) before Tax	24,934,771	(3,322,652)
Withholding Taxes	86,677	60,858
Profit (Loss) after tax	24,848,094	(3,383,510)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ 24,848,094	\$ (3,383,510)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series A	\$ 11,998,936	\$ (2,089,577)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ 12,765,074	\$ (1,293,933)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – ETF Series (Note 6)	\$ 84,084	\$ -
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series A (Note 6)	\$ 2.02	\$ (0.37)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series F (Note 6)	\$ 2.69	\$ (0.33)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – ETF Series (Note 6)	\$ 0.82	\$ -

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

INTERIM FINANCIAL REPORT

UNAUDITED

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

FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Canadian Dollars)

	Series A	Series F	ETF Series ⁽¹⁾	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 110,078,088	\$ 105,101,348	\$ -	\$ 215,179,436
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	11,998,936	12,765,074	84,084	24,848,094
DISTRIBUTIONS TO SHAREHOLDERS:				
From Net Investment Income	(653,960)	(1,335,766)	(6,832)	(1,996,558)
From Capital Gains	(2,020,434)	(818,076)	(6,343)	(2,844,853)
	(2,674,394)	(2,153,842)	(13,175)	(4,841,411)
REDEEMABLE SHARE TRANSACTIONS:				
Proceeds from Issue of Shares	7,489,589	16,365,276	1,265,065	25,119,930
Reinvested Distributions	1,838,579	1,038,457	-	2,877,036
Payment on Redemption of Shares	(5,701,388)	(4,801,965)	-	(10,503,353)
	3,626,780	12,601,768	1,265,065	17,493,613
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 123,029,410	\$ 128,314,348	\$ 1,335,974	\$ 252,679,732

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Canadian Dollars)

	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 104,865,407	\$ 86,544,426	\$ 191,409,833
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(2,089,577)	(1,293,933)	(3,383,510)
DISTRIBUTIONS TO SHAREHOLDERS:			
From Net Investment Income	(461,110)	(893,106)	(1,354,216)
From Capital Gains	(2,087,041)	(906,548)	(2,993,589)
	(2,548,151)	(1,799,654)	(4,347,805)
REDEEMABLE SHARE TRANSACTIONS:			
Proceeds from Issue of Shares	6,411,979	12,294,127	18,706,106
Reinvested Distributions	1,754,462	1,077,794	2,832,256
Payment on Redemption of Shares	(6,653,950)	(4,661,896)	(11,315,846)
	1,512,491	8,710,025	10,222,516
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 101,740,170	\$ 92,160,864	\$ 193,901,034

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

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 Shares	\$ 24,848,094	\$ (3,383,510)
Adjustments:		
Proceeds from Sale of Investments	92,982,509	68,682,260
Purchases of Investments	(105,617,313)	(75,897,876)
Foreign Exchange (Gain) Loss on Cash	(42,185)	409,584
Net Realized (Gain) Loss from Investment Transactions	(6,609,343)	(9,056,756)
Change in Net Unrealized Gain (Loss) on Derivatives	33,945	-
Change in Net Unrealized (Gain) Loss on Investments	(16,375,605)	13,304,517
	(10,779,898)	(5,941,781)
Net Change in Non-Cash Working Capital	1,068,226	(237,861)
Net Cash from (used in) Operating Activities	(9,711,672)	(6,179,642)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	24,832,452	18,631,738
Payment on Redemption of Shares	(10,199,877)	(11,225,583)
Distributions Paid	(1,964,375)	(1,515,549)
Net Cash from (used in) Financing Activities	12,668,200	5,890,606
Net Increase (Decrease) in Cash	2,956,528	(289,036)
Net Foreign Exchange Gain (Loss) on Cash	42,185	(409,584)
Cash at Beginning of Period	1,341,912	1,379,324
Cash at End of Period	\$ 4,340,625	\$ 680,704

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/Par Value	Average Cost	Fair Value
AGF Management Ltd.	320,000	\$ 4,066,112	\$ 6,451,200
Ares Management Corp.	20,000	3,044,362	3,158,403
First Horizon Corp.	275,000	6,448,338	10,003,547
Morgan Stanley	38,000	4,174,229	11,269,802
Old Second Bancorp Inc.	200,000	5,501,338	6,617,011
Sagcor Financial Company Ltd.	660,000	5,761,382	5,689,200
Valley National Bancorp	510,000	8,642,532	10,600,128
Wintrust Financial Corp.	43,000	5,074,399	9,804,866
FINANCIALS: 25.1%		42,712,692	63,594,157
Boardwalk Real Estate Investment Trust	100,000	4,569,995	6,475,000
BSR Real Estate Investment Trust	325,000	5,732,534	5,394,765
Chartwell Retirement Residences	315,000	2,270,780	7,040,250
Dream Industrial Real Estate Investment Trust	650,000	6,191,999	9,093,500
GO Residential Real Estate Investment Trust	335,000	5,297,742	4,548,415
Killam Apartment Real Estate Investment Trust	525,000	8,606,556	9,738,750
REAL ESTATE: 16.7%		32,669,606	42,290,680
Canadian Natural Resources Ltd.	160,000	5,125,032	8,979,200
PrairieSky Royalty Ltd.	130,000	3,621,244	4,126,200
Topaz Energy Corp.	345,000	6,659,998	10,274,100
Tourmaline Oil Corp.	145,000	8,927,723	8,598,500
ENERGY: 12.6%		24,333,997	31,978,000
Apple Inc.	15,000	753,405	6,157,906
International Business Machines Corp.	16,000	2,869,119	6,383,429
Microsoft Corporation	12,000	2,439,553	6,350,628
Nokia Oyj	265,000	2,903,404	4,992,835
NVIDIA Corp.	20,000	4,958,039	5,677,520
TECHNOLOGY: 11.7%		13,923,520	29,562,318
Canada Cartage Corp., 9.75%, 8 May 2031	1,000,000	1,354,068	1,372,632
Enerflex Inc., 6.875%, 15 January 2031	4,250,000	5,991,178	6,174,647
Precision Drilling Corp., 6.875%, 15 January 2029	5,500,000	7,704,711	7,848,734
Sunoco LP, 5.875%, 15 July 2027	4,450,000	6,302,492	6,313,888
Superior Plus LP, 4.25%, 18 May 2028	2,750,000	2,650,625	2,734,553
Surge Energy Inc., 8.5%, 5 September 2029	1,500,000	1,520,625	1,558,750
CORPORATE DEBT: 10.3%		25,523,699	26,003,204
Middlefield Healthcare Dividend ETF	1,525,000	13,819,624	18,338,124
HEALTHCARE: 7.2%		13,819,624	18,338,124
AltaGas Ltd.	145,000	2,618,998	7,596,550
TransAlta Corporation	330,000	2,740,151	6,474,600
UTILITIES: 5.6%		5,359,149	14,071,150
Enbridge Inc.	110,000	4,762,317	8,460,100
PIPELINES: 3.3%		4,762,317	8,460,100
Nutrien Ltd.	70,000	5,461,889	6,254,500
MATERIALS: 2.5%		5,461,889	6,254,500
Dick's Sporting Goods Inc.	15,000	4,748,734	4,826,772
CONSUMER DISCRETIONARY: 1.9%		4,748,734	4,826,772
Mullen Group Ltd.	160,000	2,375,983	3,478,400
INDUSTRIALS: 1.4%		2,375,983	3,478,400
TRANSACTION COSTS (NOTE 8)		(216,047)	-
TOTAL INVESTMENTS: 98.3%		175,475,163	248,857,405
CASH: 1.7%		4,340,625	4,340,625
Total Investment Portfolio, including Cash		\$179,815,788	\$253,198,030

*The Fund held 11.8% of the net assets of Middlefield Healthcare Dividend ETF (the "Underlying Fund"). Middlefield Limited is the manager of both the Fund and the Underlying Fund.

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

1. Middlefield Income Plus Class

Middlefield Income Plus 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. Effective January 1, 2017, 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. The changes have not affected switches between Series A and Series F securities of the same Mutual Fund class. 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 September 21, 2000, Series F shares on June 21, 2011 and ETF Series shares on March 16, 2026. The investment objective of the Fund is to provide a stable level of income while emphasizing capital preservation by investing in a diversified portfolio of equity and fixed income securities. Middlefield Limited is 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.

On January 23, 2026, dividends totalling \$10.7 million or \$1.01 per share were paid to shareholders of record of the Fund as at January 22, 2026 and automatically reinvested in additional shares. Following reinvestment, the shares were consolidated such that the number of shares remained unchanged from the number outstanding immediately prior to the dividend payment and the NAV per share was equal to the pre-dividend NAV.

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

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

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 1.5% for Series A, 0.5% for Series F and 0.5% 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

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.

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 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.

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 for each series divided by the average shares outstanding for each series 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

3. Summary of Material Accounting Policies (continued)

H. Income Taxes (continued)

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.

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 tables below summarize the fair value of the Fund's financial instruments as at June 30, 2026 and December 31, 2025 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

4. Fair Value Disclosure (continued)

As at June 30, 2026

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 222,854,201	\$ -	\$ -	\$ 222,854,201
Debt Securities	-	26,003,204	-	26,003,204
Total	\$ 222,854,201	\$ 26,003,204	\$ -	\$ 248,857,405

As at December 31, 2025

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 191,226,556	\$ -	\$ -	\$ 191,226,556
Debt Securities	-	22,010,565	-	22,010,565
Derivative Assets	-	33,945	-	33,945
Warrants	-	532	-	532
Total	\$ 191,226,556	\$ 22,045,042	\$ -	\$ 213,271,598

All fair value measurements above are recurring. The carrying values of cash, income and interest receivable, subscriptions receivable, prepaid expenses, accounts payable - portfolio securities purchased, management fee payable, redemptions payable, accounts payable and accrued liabilities, income tax payable, distributions payable 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.

Equities

The Fund's equity positions, which include investments in other investment funds managed by the Manager, are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities and warrants do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Debt Securities

Debt securities include primarily government or corporate bonds and are classified as Level 1 when the securities are actively traded. Securities which are valued using models with inputs including interest rate curves, credit spreads and volatilities are generally observable and therefore these securities are classified as Level 2.

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at June 30, 2026, and December 31, 2025 the fund did not hold any Level 3 securities. The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the issuer, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuate similarly.

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting year 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 period ended June 30, 2026 or the year ended December 31, 2025.

There is no reconciliation of investments measured at fair value using unobservable inputs as at June 30, 2026. The reconciliation of investments measured at fair value using unobservable inputs (Level 3) for the year ended December 31, 2025 are as follows:

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

4. Fair Value Disclosure (continued)

Year Ended December 31, 2025

Balance at January 1, 2025	\$	4,306,807
Sales		(3,997,206)
Realized Gain (Loss)		635,862
Change in Unrealized Gain (Loss)		(945,463)
Balance at December 31, 2025	\$	-

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

5. 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, 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	\$ 222,854,201	\$ 191,261,033

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 \$22,285,420 (December 31, 2025 – \$19,126,103) increase or decrease in net assets of the Fund, with all other factors held constant.

B. Interest Rate Risk

Interest rate risk describes the Fund's exposure to changes in the general level of interest rates. Interest rate risk arises when the Fund invests in interest-bearing financial assets such as cash and debt securities. The earnings of the Fund are positively correlated to interest rates as they relate to interest on cash balances. Rising interest rates serve to increase the Fund's earnings while the reverse is true in a declining interest rate environment. The Fund is also exposed to the risk that the value of financial assets such as corporate and government debt will fluctuate due to changes in the prevailing levels of market interest rates. The value of such financial assets is negatively correlated to interest rates. The Fund seeks to mitigate this risk through active management, which involves analysis of economic indicators to forecast Canadian and global interest rates. The tables below summarize the Fund's exposure to interest rate risk by remaining term to maturity:

As at June 30, 2026

	Less than 1 Year	1 to 5 Years	Greater than 5 Years	Total
Cash	\$4,340,625	\$ -	\$ -	\$ 4,340,625
Debt Securities	-	26,003,204	-	26,003,204
Total Exposure	\$4,340,625	\$26,003,204	\$ -	\$30,343,829

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

5. Financial Risk Management (continued)

B. Interest Rate Risk (continued)

As at December 31, 2025

	Less than 1 Year	1 to 5 Years	Greater than 5 Years	Total
Cash	\$ 1,341,912	\$ -	\$ -	\$ 1,341,912
Debt Securities	-	16,051,245	5,959,320	22,010,565
Total Exposure	\$ 1,341,912	\$ 16,051,245	\$ 5,959,320	\$ 23,352,477

Based on the above exposure at June 30, 2026, a 1% per annum increase or decrease in interest rates would result in a \$102,178 (December 31, 2025 – \$364,170) decrease or increase 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 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
Accounts Payable – Portfolio Securities Purchased	\$1,235,463	\$ -	\$ -	\$ 1,235,463
Management Fee Payable	405,784	-	-	405,784
Redemptions Payable	350,568	-	-	350,568
Accounts Payable and Accrued Liabilities	145,531	-	-	145,531
Income Tax Payable	75,081	-	-	75,081
Distributions Payable	3,875	-	-	3,875
Net Assets Attributable to Holders of Redeemable Shares	252,679,732	-	-	252,679,732
Total	\$254,896,034	\$ -	\$ -	\$ 254,896,034

As at December 31, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 317,463	\$ -	\$ -	\$ 317,463
Redemptions Payable	47,092	-	-	47,092
Accounts Payable and Accrued Liabilities	147,560	-	-	147,560
Income Tax Payable	75,081	-	-	75,081
Net Assets Attributable to Holders of Redeemable Shares	215,179,436	-	-	215,179,436
Total	\$215,766,632	\$ -	\$ -	\$ 215,766,632

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

5. 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 Funds may enter into foreign exchange forward contracts for economic hedging purposes or to establish an exposure to a particular currency. 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 U.S. dollars. 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 June 30, 2026

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 117,495,927	\$ 2,290,385	\$ 620,741	\$ 120,407,053
Total	\$ 117,495,927	\$ 2,290,385	\$ 620,741	\$ 120,407,053

As at December 31, 2025

Currency	Investments at FVTPL	Cash	Interest Receivable	Total Exposure
U.S. Dollar	\$ 84,407,199	\$ (55)	\$ 358,880	\$ 84,766,024
Total	\$ 84,407,199	\$ (55)	\$ 358,880	\$ 84,766,024

Based on the above exposure at June 30, 2026, a 10% increase or decrease in Canadian dollar against U.S. dollar would result in a \$12,040,705 (December 31, 2025 – \$8,476,602) 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's credit risk is primarily attributable to its investment in debt instruments because the issuer of the instrument may be unable to make interest payments or repay the principal amount on maturity. The concentration of credit risk of investments in debt instruments is minimal since the Fund invests in a variety of debt instruments issued by numerous issuers.

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

5. Financial Risk Management (continued)

E. Credit Risk (continued)

As at June 30, 2026 and December 31, 2025, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments by Credit Rating*	As a % of Net Assets	
	June 30, 2026	December 31, 2025
B+	3.8	2.8
BB	2.4	2.8
BB-	1.1	1.1
NR	3.0	3.5
Total	10.3	10.2

*Credit ratings from Standard & Poor's.

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 total net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2026	December 31, 2025
Financials	25.2	20.9
Real Estate	16.7	24.2
Energy	12.7	12.9
Technology	11.7	9.5
Corporate Debt	10.3	10.2
Healthcare	7.2	8.5
Utilities	5.6	5.6
Pipelines	3.3	3.4
Materials	2.5	3.1
Consumer Discretionary	1.9	-
Industrials	1.4	0.8
Total	98.5	99.1

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	5,832,333	5,626,321
Shares Issued	379,236	631,580
Reinvested Distributions	93,036	192,812
Total	472,272	824,392
Shares Redeemed	(287,996)	(618,380)
Net Increase (Decrease)	184,276	206,012
Shares Outstanding at End of Period	6,016,609	5,832,333

	Number of Shares – Series F	
	June 30, 2026	December 31, 2025
Shares Outstanding at Beginning of Period	4,385,497	3,735,312
Shares Issued	654,941	937,139
Reinvested Distributions	41,126	92,818
Total	696,067	1,029,957
Shares Redeemed	(191,261)	(379,772)
Net Increase (Decrease)	504,806	650,185
Shares Outstanding at End of Period	4,890,303	4,385,497

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

6. Share Capital (continued)

	Number of Shares – ETF Series June 30, 2026
Shares Outstanding at Beginning of Period	-
Shares Issued	125,000
Total	125,000
Net Increase (Decrease)	125,000
Shares Outstanding at End of Period	125,000

The average number of Series A, Series F and ETF Series shares outstanding during the period ended June 30, 2026 were 5,931,706, 4,742,037 and 103,066 (June 30, 2025 – 5,661,322, 3,969,165 and nil), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share.

7. Related Party Transactions

A. Management Fee

The Manager provides investment and administrative services to the Fund. In consideration for such services the Manager receives a monthly fee in arrears based on each series of shares as a percentage of the average daily NAV of the series. The management fee for Series A is 1.5% per annum, Series F is 0.5% per annum and the ETF Series is 0.5% per annum. For the period ended June 30, 2026, management fees before the absorption of expenses amounted to \$1.1 million (June 30, 2025 - \$1.0 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, 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 approximately \$80,402 (June 30, 2025 - \$58,817) throughout the period. Included in this amount is \$30,951 (December 31, 2025 - \$25,222) 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. Common expenses incurred by the Fund are allocated among the series on a pro-rata basis among all shares of all series.

C. Distribution Receivable and Distributions Received from Underlying Investments

As disclosed in the Schedule of Investment Portfolio, the Fund invests in investment funds managed by the Manager. Distributions receivable from the investment in these Funds, if any, would be included in the amount of Income and Interest Receivable shown on the Statements of Financial Position. As at June 30, 2026, distributions receivable from investments managed by the Manager amounted to \$76,250 (December 31, 2025 - \$76,250). Distributions received from investment funds managed by the manager during the period ended June 30, 2026, amounted to \$457,500 (June 30, 2025 – \$405,000) and are included in the amount of Income from Investments in the Statements of Comprehensive Income.

8. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2026 amounted to \$141,652 (June 30, 2025 – \$80,381). During the period ended June 30, 2026, \$31,824 (June 30, 2025 – \$23,399) 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 year ended December 31, 2025.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026 | UNAUDITED

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 and Series F share of \$0.45 (June 30, 2025 - \$0.45) were paid to shareholders of the Fund during the six-month period ended June 30, 2026. Distributions per ETF Series share amounted to \$0.12 (June 30, 2025 – \$nil) during the period ended June 30, 2026.

Distributions to Shareholders – Series A	June 30, 2026	June 30, 2025
From Net Investment Income		
Total	\$ 653,960	\$ 461,110
Per Share	0.11	0.08
From Capital Gains		
Total	2,020,434	2,087,041
Per Share	0.34	0.37
Distributions to Shareholders – Series F	June 30, 2026	June 30, 2025
From Net Investment Income		
Total	\$ 1,335,766	\$ 893,106
Per Share	0.28	0.22
From Capital Gains		
Total	818,076	906,548
Per Share	0.17	0.23
Distributions to Shareholders – ETF Series	June 30, 2026	
From Net Investment Income		
Total		\$ 6,832
Per Share		0.06
From Capital Gains		
Total		6,343
Per Share		0.06

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

Investment Strategist

Michael O'Donnell

Portfolio Manager

Liam Schillaci

Senior Analyst

Nancy Tham

Head of Sales

Alexandre Cousineau

Head of Fixed Income

Sean Irvine

Client Portfolio Manager

William Chow

Client Relationship Executive

Stacy Crestohl

Vice President, Operations

Rose Espinoza

Assistant Vice President, Mutual Funds

Catherine Rebuldela, CPA, CGA

Vice President, Operations

Wendy Teo, CPA, CA, CPA (IL)

Senior Vice-President, Exchange Listed Funds

Shiranee Gomez

Senior Vice-President, Mutual Funds

Victor Ngai

Senior Vice-President, Finance

Nicole S. Brasseur

Vice President, Human Resources

Sarah Roberts, CPA, CMA

Senior Vice-President, Finance

Jimmy Xu

Vice-President, Information Technology

Sylvia Casillano, CPA, CGA

Assistant Vice-President

Maggie Vanadero – Chu

Associate

Scott Hu

Associate, Information Technology

Mazhar Ahsan Abdulwahab

Investment Analyst

Maxim Kislitsyn

Investment Associate

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



TORONTO, CANADA
The Well
8 Spadina Avenue, Suite 3100
Toronto, Ontario
Canada M5V 0S8
Telephone (416) 362-0714

LONDON, ENGLAND
288 Bishopsgate London
England EC2M 4QP
Telephone (0207) 814-6644
Fax (0207) 814-6611

www.middlefield.com
invest@middlefield.com
(888) 890-1868