2026 SEMI-ANNUAL REPORT

MIDDLEFIELD SHORT DURATION BOND PLUS FUND

(formerly INDEXPLUS Income Fund)

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 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 statements of the investment fund. This report should be read in conjunction with the complete interim financial statements of the investment fund that follow this report. The interim financial report has not been reviewed by investment fund's external auditors.

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

Management's Discussion of Fund Performance

Investment Objectives and Strategies

Middlefield Short Duration Bond Plus Fund (formerly INDEXPLUS Income Fund) (the "Fund") is a mutual fund trust authorized to issue Series A and Series F units. The Fund changed its investment objectives through an amendment dated January 30, 2026, to its Simplified Prospectus dated June 16, 2025. The changed investment objectives are to: (i) generate absolute returns through interest income and capital appreciation while maintaining a low risk profile characterized by lower volatility, and seek to achieve positive performance during any twelve month period (ii) focus on investments in short duration U.S. and Canadian corporate bonds, while having the ability to use the entire range of public fixed income instruments including cash equivalents, government bonds, corporate bonds, syndicated corporate loans and convertible bonds, and generally target a portfolio duration of less than 2.5 years to limit interest rate sensitivity.

Results of Operations

Investment Performance

The net assets of the Fund decreased from $45.3 million at December 31, 2025 to $42.0 million at June 30, 2026. Net assets on a per unit basis for Series A decreased from $12.94 at December 31, 2025 to $12.80 at June 30, 2026. Net assets on a per unit basis for Series F decreased from $14.55 at December 31, 2025 to $14.41 at June 30, 2026. The Fund recorded a $0.3 million net loss 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 $0.4 million, down from revenue of $1.8 million in 2025. The decrease was primarily due to the net loss on the Fund's investments. Operating expenses for the period ended June 30, 2026 amounted to $0.1 million, down from $0.2 million in 2025. The management expense ratio ("MER") in 2026 was 1.71% for Series A and 1.07% for Series F. Distributions for the period ended June 30, 2026 amounted to $0.20 per unit for Series A and $0.25 for Series F.

Trends

June's positive returns were driven by continued income harvesting alongside small price gains as Canadian interest rates moved slightly lower and credit spreads widened by a couple basis points.

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

Effective February 5, 2026, management fees are calculated at 1.00% per annum for Series A units and 0.50% per annum for Series F units, each based on the net asset value of the applicable series. These fees 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 accounting records, executing security trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund. Prior to February 5, 2026, the management fee payable on Series A units was 1.50% per annum. During the period ended June 30, 2026, approximately 43.3% of total management fees were used to pay for trailing commissions.

Financial Highlights

Net Assets Attributable to Holders of Redeemable Units is 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.

The Fund's Net Assets Per Unit (1) – Series A	**June 30 2026(4)**	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	**$ 12.94**	$ 12.14	$ 10.33	$ 10.59	$ 11.75	$ 9.94
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	**0.22**	0.49	0.46	0.49	0.53	0.39
Total Expenses (excluding distributions)	**(0.07)**	(0.24)	(0.22)	(0.20)	(0.25)	(0.22)
Realized Gains (Losses) for the Period	**(0.01)**	6.01	0.30	0.04	0.44	0.37
Unrealized Gains (Losses) for the Period	**(0.08)**	(4.84)	1.84	0.04	(1.26)	1.89
Transaction Costs on Purchase and Sale of Investments	**-**	(0.03)	(0.01)	(0.02)	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS (2)	**0.06**	1.40	2.41	0.34	(0.56)	2.41
DISTRIBUTIONS:						
From Net Investment Income	**0.15**	0.26	0.25	0.28	0.28	0.17
From Capital Gains	**-**	-	0.30	0.04	0.32	0.36
Return of Capital	**0.05**	0.34	0.05	0.28	-	0.07
From Capital Gains (5)	**-**	6.53	-	-	-	-
Unit Consolidation (5)	**-**	(6.53)	-	-	-	-
TOTAL DISTRIBUTIONS (3)	**0.20**	0.60	0.60	0.60	0.60	0.60
Net Assets Attributable to Holders of Redeemable Units, End of Period	**$ 12.80**	$ 12.94	$ 12.14	$ 10.33	$ 10.59	$ 11.75

The Fund's Net Assets Per Unit [1] – Series F	**June 30 2026[4]**	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	**$ 14.55**	$ 13.43	$ 11.25	$ 11.36	$ 12.42	$ 10.37
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	**0.25**	0.55	0.51	0.54	0.56	0.41
Total Expenses (excluding distributions)	**(0.03)**	(0.12)	(0.11)	(0.10)	(0.12)	(0.11)
Realized Gains (Losses) for the Period	**(0.01)**	6.75	0.33	0.04	0.47	0.39
Unrealized Gains (Losses) for the Period	**(0.09)**	(5.47)	1.99	0.03	(1.35)	2.00
Transaction Costs on Purchase and Sale of Investments	**-**	(0.01)	(0.01)	(0.01)	-	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS[2]	**0.11**	1.72	2.78	0.49	(0.46)	2.65
DISTRIBUTIONS:						
From Net Investment Income	**0.21**	0.43	0.40	0.43	0.44	0.31
From Capital Gains	**-**	0.17	0.20	0.04	0.16	0.29
Return of Capital	**0.04**	-	-	0.13	-	-
From Capital Gains [5]	**-**	6.53	-	-	-	-
Unit Consolidation [5]	**-**	(6.53)	-	-	-	-
TOTAL DISTRIBUTIONS [3]	**0.25**	0.60	0.60	0.60	0.60	0.60
Net Assets Attributable to Holders of Redeemable Units, End of Period	**$ 14.41**	$ 14.55	$ 13.43	$ 11.25	$ 11.36	$ 12.42

(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 Units and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This schedule is not a reconciliation of 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 Units and accordingly columns may not add.
(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.
(4) For the six-month period ended June 30, 2026.
(5) On December 30, 2025, a capital gains distribution amounting to $6.53 per unit was paid and immediately thereafter the outstanding units of the Fund were consolidated.

Ratios and Supplemental Data – Series A	**June 30 2026(4)(5)**	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Total Net Asset Value (000s)	**$ 9,043**	$ 8,619	$ 8,306	$ 7,345	$ 8,027	$ 9,029
Number of Units Outstanding	**706,421**	666,017	684,065	710,860	757,972	768,453
Management Expense Ratio (“MER”)(1)	**1.71%**	2.04%	2.09%	2.10%	2.22%	2.18%
Trading Expense Ratio(2)	**0.03%**	0.13%	0.06%	0.10%	0.04%	0.06%
Portfolio Turnover Rate(3)	**19.83%**	9.25%	6.88%	26.88%	13.52%	11.65%
Net Asset Value Per Unit	**$ 12.80**	$ 12.94	$ 12.14	$ 10.33	$ 10.59	$ 11.75

Ratios and Supplemental Data – Series F	**June 30 2026(4),(5)**	December 31 2025	December 31 2024	December 31 2023	December 31 2022	December 31 2021
Total Net Asset Value (000s)	**$ 32,932**	$ 36,632	$ 35,311	$ 33,879	$ 37,113	$ 43,234
Number of Units Outstanding	**2,284,797**	2,517,853	2,628,477	3,010,637	3,267,255	3,480,354
Management Expense Ratio (“MER”)(1)	**1.07%**	0.95%	1.00%	1.01%	1.09%	1.09%
Trading Expense Ratio(2)	**0.03%**	0.13%	0.06%	0.10%	0.04%	0.06%
Portfolio Turnover Rate(3)	**19.83%**	9.25%	6.88%	26.88%	13.52%	11.65%
Net Asset Value Per Unit	**$ 14.41**	$ 14.55	$ 13.43	$ 11.25	$ 11.36	$ 12.42

(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 a 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 costs 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) The management fee for Series A was changed from 1.50% per annum to 1.00% per annum effective February 6, 2026. The management fee for Series F is 0.50% per annum.

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

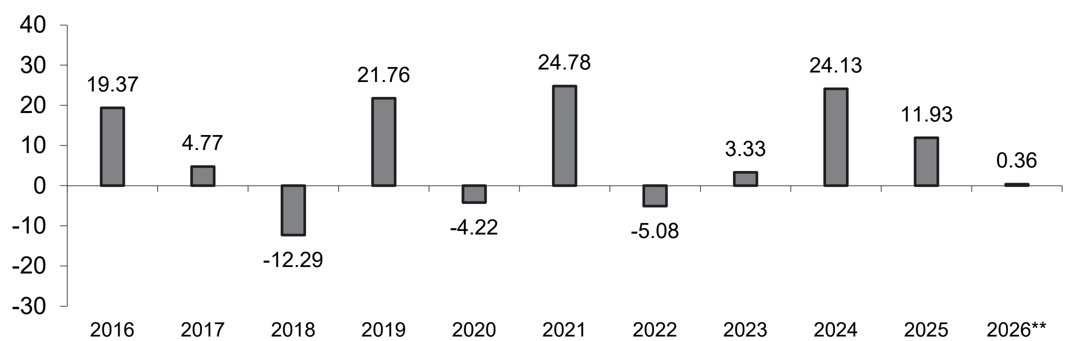
Past Performance

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.

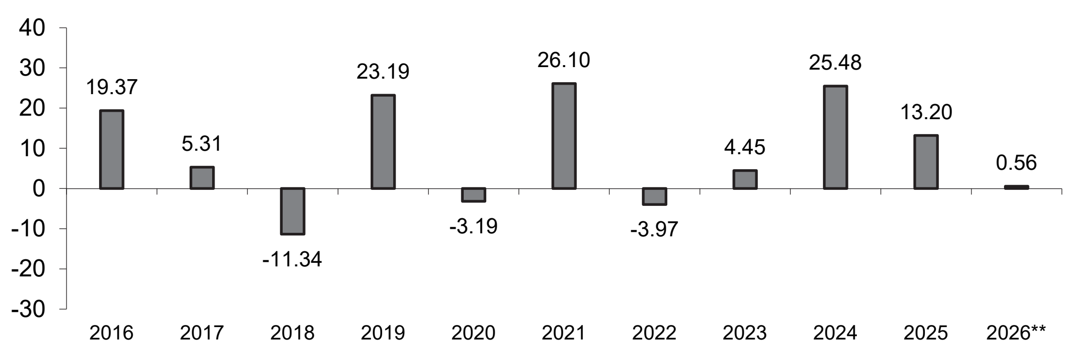
Year-By-Year Returns

The bar charts show how the Fund's performance has varied from year to year for each of the years shown. The performance for 2026 represents the period beginning February 5, 2026, when the Fund was repositioned as a fixed income focused strategy, to June 30, 2026. 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.

Annual Total Returns % - Series A



Annual Total Returns % - Series F



*The Fund was converted into an open-end mutual fund trust on June 5, 2017. Prior to the conversion, the units of the Fund were not considered to be separated into different series. Series A units were first distributed on June 23, 2017. Until then, Series A units shared the same value as Series F units.

**For the period February 5, 2026 to June 30, 2026.

Summary of Investment Portfolio

AS AT JUNE 30, 2026

Top Twenty-Five Holdings*

DESCRIPTION		% OF NET ASSET VALUE
1	Middlefield Short Duration Bond Plus ETF	98.9

"Top Twenty-Five Holdings" excludes any temporary cash investments.
*The Fund has only 1 holding.

ASSET CLASS	% OF NET ASSET VALUE
Exchange Traded Fund(s)	98.9
Cash and Short-Term Investments	0.8
Other Assets (Liabilities)	0.3
	100.0
TOTAL NET ASSET VALUE	$ 41,974,600

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 Short Duration Bond Plus Fund (formerly Indexplus Income Fund) 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

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	**$**	**41,507,400**	$	-
Cash		**335,024**		45,320,704
Income and Interest Receivable		**139,488**		5,850
Subscriptions Receivable		**122,918**		1,812
Prepaid Expenses		**-**		5,456
Total Assets		**42,104,830**		45,333,822
LIABILITIES				
Current Liabilities				
Redemptions Payable		**82,020**		2,120
Accounts Payable and Accrued Liabilities		**36,329**		57,639
Management Fee Payable (Note 7)		**11,881**		22,166
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Units)		**130,230**		81,925
Net Assets Attributable to Holders of Redeemable Units	**$**	**41,974,600**	$	45,251,897
Net Assets Attributable to Holders of Redeemable Units – Series A	**$**	**9,042,509**	$	8,619,499
Net Assets Attributable to Holders of Redeemable Units – Series F	**$**	**32,932,091**	$	36,632,398
Mutual Fund Units Issued and Outstanding – Series A (Note 6)		**706,421**		666,017
Mutual Fund Units Issued and Outstanding – Series F (Note 6)		**2,284,797**		2,517,853
Net Assets Attributable to Holders of Redeemable Units per Unit – Series A	**$**	**12.80**	$	12.94
Net Assets Attributable to Holders of Redeemable Units per Unit – Series F	**$**	**14.41**	$	14.55

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

Approved by the Board of Directors of Middlefield Limited, as Manager:

Director: Jeremy Brasseur

Director: Craig Rogers

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)		**2026**		2025
REVENUE (LOSS)				
Income from Investments	**$**	**601,283**	$	1,061,044
Interest Income for Distribution Purposes		**120,013**		12,681
Foreign Exchange Gain (Loss) on Cash		**(83)**		(3,336)
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		**(21,607)**		2,299,353
Change in Net Unrealized Gain (Loss) on Investments		**(253,577)**		(1,585,679)
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions		**(9)**		(122)
Total Revenue		**446,020**		1,783,941
OPERATING EXPENSES (Note 7)				
Audit Fees		**10,559**		11,202
Custodial Fees		**2,310**		2,247
Fund Administration Costs		**46,428**		52,756
Independent Review Committee Fees		**3,300**		6,581
Legal Fees		**1,523**		2,270
Management Fee (Note 7)		**52,531**		140,485
Transaction Costs (Note 8)		**4,500**		10,550
Unitholder Reporting Costs		**8,485**		13,741
Total Operating Expenses		**129,636**		239,832
Profit (Loss) before Tax		**316,384**		1,544,109
Withholding Taxes		**152**		33
Profit (Loss) after Tax		**316,232**		1,544,076
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	**$**	**316,232**	$	1,544,076
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Series A	**$**	**41,904**	$	261,499
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Series F	**$**	**274,328**	$	1,282,577
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit – Series A (Note 6)	**$**	**0.06**	$	0.38
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit – Series F (Note 6)	**$**	**0.12**	$	0.49

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

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

FOR THE SIX MONTHS ENDED JUNE 30, 2026

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	**$ 8,619,499**	**$ 36,632,398**	**$ 45,251,897**
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	**41,904**	**274,328**	**316,232**
DISTRIBUTIONS TO UNITHOLDERS:			
From Net Investment Income	**(99,868)**	**(496,140)**	**(596,008)**
Return of Capital	**(36,682)**	**(95,290)**	**(131,972)**
	(136,550)	**(591,430)**	**(727,980)**
REDEEMABLE UNIT TRANSACTIONS:			
Proceeds from Issue of Units	**3,325,258**	**2,631,846**	**5,957,104**
Reinvested Distributions	**107,030**	**487,670**	**594,700**
Payment on Redemption of Units	**(2,914,632)**	**(6,502,721)**	**(9,417,353)**
	517,656	**(3,383,205)**	**(2,865,549)**
Net Assets Attributable to Holders of Redeemable Units at End of Period	**$ 9,042,509**	**$ 32,932,091**	**$ 41,974,600**

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	$ 8,305,893	$ 35,310,562	$ 43,616,455
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	261,499	1,282,577	1,544,076
DISTRIBUTIONS TO UNITHOLDERS:			
From Net Investment Income	(126,643)	(717,766)	(844,409)
From Capital Gains	(76,757)	(58,003)	(134,760)
	(203,400)	(775,769)	(979,169)
REDEEMABLE UNIT TRANSACTIONS:			
Proceeds from Issue of Units	56,809	52,163	108,972
Reinvested Distributions	149,960	641,026	790,986
Payment on Redemption of Units	(298,940)	(1,351,650)	(1,650,590)
	(92,171)	(658,461)	(750,632)
Net Assets Attributable to Holders of Redeemable Units at End of Period	$ 8,271,821	$ 35,158,909	$ 43,430,730

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 Units	**$**	**316,232**	$	1,544,076
Adjustments:				
Proceeds from Sale of Investments		**5,924,504**		5,027,817
Purchases of Investments		**(47,707,088)**		(3,604,893)
Foreign Exchange (Gain) Loss on Cash		**92**		3,458
Net Realized (Gain) Loss from Investment Transactions		**21,607**		(2,299,353)
Change in Net Unrealized (Gain) Loss on Investments		**253,577**		1,585,679
		(41,191,076)		2,256,784
Net Change in Non-Cash Working Capital		**(159,777)**		1,101
Net Cash from (used in) Operating Activities		**(41,350,853)**		2,257,885
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
Proceeds from Issue of Units		**5,835,998**		109,655
Payment on Redemption of Units		**(9,337,453)**		(1,676,613)
Distributions Paid		**(133,280)**		(188,183)
Net Cash from (used in) Financing Activities		**(3,634,735)**		(1,755,141)
Net Increase (Decrease) in Cash		**(44,985,588)**		502,744
Net Foreign Exchange Gain (Loss) on Cash		**(92)**		(3,458)
Cash at Beginning of Period		**45,320,704**		681,952
Cash at End of Period	**$**	**335,024**	$	1,181,238

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

Schedule of Investment Portfolio

AS AT JUNE 30, 2026
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Middlefield Short Duration Bond Plus ETF	4,180,000	$ 41,762,290	$ 41,507,400
EXCHANGE TRADED FUND(S): 99.2%		41,762,290	41,507,400
TRANSACTION COSTS (NOTE 8)		(1,313)	-
TOTAL INVESTMENT: 99.2%		41,760,977	41,507,400
CASH: 0.8%		335,024	335,024
Total Investment Portfolio, including Cash		$ 42,096,001	$ 41,842,424

*The Fund held 88.5% of the net assets of Middlefield Short Duration Bond Plus ETF (the Underlying Fund). Middlefield Limited is the trustee and the manager for both the Fund and the Underlying Fund.

1. Middlefield Short Duration Bond Plus Fund (formerly INDEXPLUS Income Fund)

Middlefield Short Duration Bond Plus Fund (formerly INDEXPLUS Income Fund) (the “Fund”) is an unincorporated open-ended investment trust established by Middlefield Limited, a corporation existing under the laws of the Province of Alberta, pursuant to a supplemental declaration of trust dated June 5, 2017. From August 15, 2003 to June 4, 2017, the Fund operated as a closed-end investment trust established under the laws of the Province of Alberta. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on August 15, 2003, when it first issued units through an initial public offering. As part of the process of converting to an open-ended unit trust, the Fund was delisted from the Toronto Stock Exchange on June 2, 2017. On January 30, 2026, unitholders approved amendments to the Fund’s fundamental investment objectives and investment strategies together with the change of name from INDEXPLUS Income Fund to Middlefield Short Duration Bond Plus Fund and to lower the management fee for the Series A units from 1.50% to 1.00%, which became effective on February 5, 2026. Following the effective date, the Fund transitioned from its former dividend-oriented equity mandate to a short duration fixed income strategy focused primarily on U.S. and Canadian corporate bonds and other public fixed income instruments. The Fund is authorized to issue series of units designated as Series A and F. Each series has a different management fee rate. Middlefield Limited, a company incorporated in Alberta, is the manager, trustee and advisor of the Fund (the “Manager”, the “Trustee” 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 The Well, 8 Spadina Ave., Suite 3100, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on August 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.

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

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

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

The Fund has two series of redeemable units in issue: Series A and Series F. Both rank pari passu in all material respects and have the same terms and conditions other than the management fee rate, which is 1.0% for Series A and 0.5% for Series F.

Redeemable units 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 unit class. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Redeemable units are issued and redeemed based on the Fund's NAV per unit, calculated by dividing the net assets of the Fund, calculated in accordance with the Fund's Simplified Prospectus, by the number of redeemable units 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 unit 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 Trustee and are distributed by the Fund. The Trustee has adopted a policy of declaring distributions monthly. The Trustee intends to distribute any excess income and capital gains annually in December such that the Fund will not have any liability for taxes (other than those that are immediately refundable). Distribution payments may be adjusted without notice at any time as market conditions change. If the Fund does not earn enough income and capital gains to meet the distributions, it may return capital to make up the difference. Distributions to holders of redeemable units are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

Net assets are calculated for each series of units of the Fund. The net assets of a particular series of units are 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.

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.

3. Summary of Material Accounting Policies (continued)

E. Fair Value Measurement

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

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 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 interest from bank deposits received by the Fund, and, if the Fund holds fixed income investments, coupon interest accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax. Income distributions received are treated consistently with dividends and interest and recorded in income in the Statements of Comprehensive Income.

G. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per unit in the Statements of Comprehensive Income represents the increase (decrease) in Net Assets Attributable to Holders of Redeemable Units for each series divided by the average units outstanding for each series during the period.

H. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) and accordingly, is subject to tax on its income, including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Accordingly, no provision for income taxes is required.

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

Distributions received from 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.

3. Summary of Material Accounting Policies (continued)

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 judgment or estimation.

The Fund’s investment at fair value as at June 30, 2026 trades in active markets and is therefore classified as Level 1. The Fund held only cash as at December 31, 2025.

All fair value measurements are recurring. The carrying values of cash, income and interest receivable, subscriptions receivable, prepaid expenses, redemptions payable, accounts payable and accrued liabilities, management fee payable and the Fund’s obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

Fair values of the Fund’s investments 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 have occurred during the period ended June 30, 2026 or the year ended December 31, 2025.

5. Financial Risk Management

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

5. Financial Risk Management (continued)

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.

As at June 30, 2026, the Fund had no significant direct exposure to price risk, foreign exchange rate risk, liquidity risk, credit risk and concentration risk but it does bear the risks of the underlying Middlefield Short Duration Bond Plus ETF. For more information on the risks of Middlefield Short Duration Bond Plus ETF, please visit our website at www.middlefield.com/funds/fund-documents.

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. As at June 30, 2026 the Fund was exposed to price risk through the following financial instrument. The Fund held only cash as at December 31, 2025.

	June 30, 2026
Investments at FVTPL	$ 41,507,400

Based on the above exposure as at June 30, 2026, a 10% increase or decrease in the prices of the Fund's investments would result in a $4,150,740 (December 31, 2025 – $nil) increase or decrease in net assets of the Fund, with all other factors held constant.

B. Foreign Exchange Rate Risk

Foreign exchange rate risk describes the impact on the underlying value of financial instruments due to foreign exchange rate movements. The Canadian dollar is the Fund's functional and reporting currency. Foreign investments, commodities, cash, receivables and payables denominated in foreign currencies are affected by changes in the value of the Canadian dollar compared to foreign currencies. As a result, financial assets may depreciate/appreciate in the short-term due to the strengthening/weakening of the Canadian dollar against other currencies, and the reverse would be true for financial liabilities. The Fund's exposure to foreign exchange rate risk relates primarily to its cash 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 instrument:

	June 30, 2026	December 31, 2025
Cash	$ 3	$ 37,240
Total Exposure	$ 3	$ 37,240

Based on the above exposure at June 30, 2026, a 10% increase or decrease in the Canadian dollar against the U.S. Dollar would result in a $nil (December 31, 2025 – $3,724) 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 units. The units of the Fund are issued and redeemed on demand at the NAV per unit. 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.

5. Financial Risk Management (continued)
C. Liquidity Risk (continued)
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
Redemptions Payable	$ 82,020	$ -	$ -	$ 82,020
Accounts Payable and Accrued Liabilities	36,329	-	-	36,329
Management Fee Payable	11,881	-	-	11,881
Net Assets Attributable to Holders of Redeemable Units	41,974,600	-	-	41,974,600
Total	$ 42,104,830	$ -	$ -	$ 42,104,830

As at December 31, 2025

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Redemptions Payable	$ 2,120	$ -	$ -	$ 2,120
Accounts Payable and Accrued Liabilities	57,639	-	-	57,639
Management Fee Payable	22,166	-	-	22,166
Net Assets Attributable to Holders of Redeemable Units	45,251,897	-	-	45,251,897
Total	$ 45,333,822	$ -	$ -	$ 45,333,822

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.

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.

As at June 30, 2026, the Fund's only investment was in an Exchange Traded Fund. The fund held only cash as at December 31, 2025.

E. Concentration Risk
As at June 30, 2026 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
Corporate Debt	96.2
Mortgage-Backed Securities	2.2
Treasury Bills	1.1
Foreign Exchange Forward Contracts	(0.6)
Total	98.9

*Sector allocation is based on the holdings of the Exchange Traded Fund.

6. Unitholders' Equity

The capital of the Fund is divided into Series A and Series F with each series having an unlimited number of securities. Changes in issued mutual fund units of the Fund are summarized as follows:

	Number of Units – Series A	
	June 30, 2026	December 31, 2025
Units Outstanding at Beginning of Period	666,017	684,065
Units Issued	259,063	9,455
Reinvested Distributions	8,339	24,263
Total	267,402	33,718
Units Redeemed	(226,998)	(51,766)
Net Increase (Decrease)	40,404	(18,048)
Units Outstanding at End of Period	706,421	666,017

	Number of Units – Series F	
	June 30, 2026	December 31, 2025
Units Outstanding at Beginning of Period	2,517,853	2,628,477
Units Issued	182,115	6,309
Reinvested Distributions	33,750	92,869
Total	215,865	99,178
Units Redeemed	(448,921)	(209,802)
Net Increase (Decrease)	(233,056)	(110,624)
Units Outstanding at End of Period	2,284,797	2,517,853

The average number of Series A and Series F units outstanding during the period ended June 30, 2026 were 656,748 and 2,370,382 (June 30, 2025 – 679,684 and 2,593,650), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per unit.

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 units as a percentage of the average daily NAV of the series. Effective February 5, 2026 the management fee for Series A is 1.0% per annum. Prior to February 5, 2026, the management fee for Series A was 1.50% per annum. The management fee for Series F is 0.5% per annum. For the period ended June 30, 2026, management fees before the absorption of expenses amounted to approximately $48,400 (June 30, 2025 - $0.1 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 to approximately $10,664 (June 30, 2025 - $15,592) throughout the period. Included in this amount is $6,479 (December 31, 2025 - $10,505) 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 units 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 $121,220 (December 31, 2025 - $nil). Distributions received from investment funds managed by the manager during the period ended June 30,2026, amounted to $609,145 (June 30, 2025 – $146,250) 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 $4,500 (June 30, 2025 – $10,550). During the period ended June 30, 2026 no 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 (June 30, 2025 - $4,975). 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 Units representing unitholders' equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength. The Fund 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.

10. Loss Carryforwards

At December 31, 2025 the Fund had capital losses of $169,954 (December 31, 2024 - $319,578) and no non-capital losses (December 31, 2024 - $nil) available for carryforward for tax purposes.

11. Distributions

Distributions to Unitholders 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 unitholder, are automatically reinvested in additional units of the Fund at the NAV without sales charge. Distributions per Series A unit of $0.20 (June 30, 2025 - $0.30) were paid to unitholders during the six-month period ended June 30, 2026. Distributions per Series F unit of $0.25 (June 30, 2025 - $0.30) were paid to unitholders during the six-month period ended June 30, 2026.

Distributions to Unitholders – Series A	June 30, 2026	June 30, 2025
From Net Investment Income		
Total	$ 99,868	$ 126,643
Per Unit	0.15	0.19
From Capital Gains		
Total	-	76,757
Per Unit	-	0.11
Return of Capital		
Total	36,682	-
Per Unit	0.05	-

Distributions to Unitholders – Series F	June 30, 2026	June 30, 2025
From Net Investment Income		
Total	$ 496,140	$ 717,766
Per Unit	0.21	0.28
From Capital Gains		
Total	-	58,003
Per Unit	-	0.02
Return of Capital		
Total	95,290	-
Per Unit	0.04	-

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 Series A Units	Fund Code 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 Series A Shares	Fund Code FE/LL/DSC
• Middlefield Canadian Dividend Growers Class	MID 148/449/450
• Middlefield Global Agriculture Class	MID 161/163/166
• Middlefield Global Dividend Growers Class	MID 181/183/186
• Middlefield Real Estate Dividend Class	MID 600/649/650
• Middlefield ActivEnergy Dividend Class	MID 265
• Middlefield Innovation Dividend Class	MID 925
• Middlefield High Interest Income Class	MID 400/424/425
• Middlefield Income Plus Class	MID 800/849/850
• Middlefield U.S. Equity Dividend Class	MID 710/719/720

Series F Shares	
• Middlefield Canadian Dividend Growers Class	MID 149
• Middlefield Global Agriculture Class	MID 162
• Middlefield Global Dividend Growers Class	MID 182
• Middlefield Real Estate Dividend Class	MID 601
• Middlefield ActivEnergy Dividend Class	MID 266
• Middlefield Innovation Dividend Class	MID 926
• Middlefield Income Plus Class	MID 801
• Middlefield U.S. Equity Dividend Class	MID 701

RESOURCE FUNDS

- 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

MIDDLEFIELD
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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

Advisors

SSR Health LLC
Paul Sagawa LLC

Middlefield Group

Stephen Erlichman
Chair, ESG
(Environmental, Social, Governance)

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

Mark Aboud
Chief Experience Officer

Dennis da Silva
Senior Portfolio Manager

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Senior Associate, Corporate Development

Auditor

Deloitte LLP, Chartered Professional Accountants
RSM Canada LLP

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Fasken Martineau DuMoulin LLP
McCarthy Tétrault

Bankers

Bank of Montreal
Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Bank of Nova Scotia
The Toronto-Dominion Bank

Custodian

RBC Investor Treasury Services

Transfer Agents

RBC Investor Service Trust
TSX Trust Company

Affiliates

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

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