2021 ANNUAL REPORT

INTERNATIONAL CLEAN POWER
DIVIDEND FUND

MIDDLEFIELD
TSX-LISTED FUNDS

MIDDLEFIELD CORPORATE PROFILE

The Middlefield Group was established in 1979 and is a Specialty Investment Manager which creates investment products designed to balance risk and return to meet the demanding requirements of Financial Advisors and their clients. These financial products include Exchange-Traded Funds, Mutual Funds, Private and Public Resource Funds, Split Share Corporations, Venture Capital Assets, TSX Publicly Traded Funds and Real Estate Investment Funds and Partnerships.

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.

2021 REVIEW AND OUTLOOK

Global equity markets performed extremely well in 2021. The TSX generated a total return of 25.2%, its best annual performance since 2009. The S&P 500 returned 28.7% and recorded 70 record highs throughout the year. Even more impressive is the 113% return the S&P 500 generated since it bottomed on March 23, 2020. The MSCI World Index generated a total return of 22.4%, slightly underperforming major North American indices due to weakness in Asian markets.

The demand for sustainable investing, which is designed to better understand a company's Environmental, Social, and Governance (ESG)-related risks and opportunities, accelerated in 2021. While traditional financial analysis remains core to our investment decisions, incorporating ESG data provides us with a more holistic view of the companies we invest in and also enhances our ability to determine which are more likely to achieve their long-term growth objectives. To support our capabilities in sustainable investing, Steve Erlichman joined Middlefield as Chair, ESG in 2021. Together with Steve, we have refreshed our ESG policy and have established Stewardship Principles which, among other things, guide how Middlefield monitors its portfolio companies and votes corporate proxies.

Elevated geopolitical tensions are contributing to supply chain disruptions, rising costs and increasing concern among investors. Despite the operational challenges associated with these conditions, we believe the leading management teams will be able to mitigate the impact of inflation and supply chain bottlenecks. While it will likely take several quarters for these issues to be resolved, corporations have demonstrated success in allocating capital more efficiently and in technologies which are enhancing productivity.

We are optimistic that the COVID-19 pandemic will gradually become endemic in 2022 as the economic reopening gains momentum with travel restrictions, vaccine requirements and mask mandates gradually being lifted in multiple jurisdictions. The OECD has forecasted GDP growth of 3.9% in Canada and 3.7% in the U.S. for 2022 – both well-above pre-pandemic trends. In terms of market risks, we are closely following the high levels of inflation and its derivative impacts on market fundamentals. Specifically, inflation is contributing to an accelerated withdrawal of monetary stimulus around the world as central banks begin to prioritize containing inflationary pressures. While the exact number and timing of rate hikes is not certain, it is clear that central banks around the world are on the cusp of a prolonged tightening cycle. The Bank of England has been the first major central bank to initiate liftoff, imposing back-to-back rate hikes for the first time since 2004. Jerome Powell, Chair of the FOMC, has recently stressed the strength of the U.S. labour market and reiterated the Fed's intention to use multiple tools to temper inflation. These tools are likely to include a runoff of Treasuries and mortgage backed securities from the Fed's balance sheet beginning in the latter half of 2022, an issue that is quickly growing in importance for investors. Similar to interest rate hikes, we believe the market will be able to absorb a balance sheet runoff as long as it is done at a gradual pace and is appropriately communicated. The Bank of Canada has signaled its hiking cycle is likely to begin at the March 2022 meeting but with inflation being lower in Canada and less upside to commodity prices than this time last year, we believe the BoC will likely remain less hawkish than its US counterpart.

Cyclical sectors such as financials and energy are expected to benefit the most from earnings tailwinds as the economy continues to recover from the COVID-19 pandemic. We are also constructive on quality growth businesses with predictable revenue and cash flow generation whose share prices have declined during late December 2021 and early 2022. Valuations for several high-quality growth industries have significantly corrected in recent weeks and we believe this represents an excellent entry point for select companies within the software, clean power and biotechnology sectors.

Real estate investment trusts (REITs) provide an optimal solution against this backdrop and can serve as a useful tool to dampen the impacts of inflation and rising interest rates. This is due to the fact that real estate owners have the ability to pass on rising costs via higher rents and many leases also include inflation-linked escalators. Although forward earnings growth for REITs is expected to be well above historical averages, many Canadian REITs still trade at a discount to their net asset values. Increasing cash flows from rising rental income also supports distribution growth, a core tenet of long-term investing. We expect many REITs to increase their distributions in 2022 which are taxed efficiently in Canada, making them an attractive source of stable and growing income.

Real Estate Split Corp. is comprised of an actively managed portfolio of high conviction real estate issuers positioned to benefit from the rapid adoption of e-commerce, the growth of data infrastructure as well as attractive valuations in various areas of the real estate sector. In August 2021, the Fund announced an increase to its monthly distribution rate from $0.10 per unit to $0.13 per unit. Class A shares generated a total return of 54.8% in 2021, significantly outperforming the benchmark. Middlefield REIT Indexplus ETF has consistently delivered attractive total returns over its 10+ year history. The Fund generated a total return of 35.4% in 2021, outperforming its benchmark and building upon its longstanding track record. We expect REITs to generate solid performance in 2022 with operating metrics trending more positively as landlords recover from the pandemic.

MIDDLEFIELD TSX-LISTED FUNDS |

The Middlefield Family of exchange-listed funds is currently comprised of 18 funds, 17 of which trade on the Toronto Stock Exchange and one of which is based in Jersey, Channel Islands and trades on the London Stock Exchange. The fund mandates differ by asset mix including both Canadian and International equity securities.

Mint Income Fund generated a total return of 33.8% in 2021, outperforming both the S&P 500 Index and S&P/TSX Composite Index. The Fund is invested in a diversified portfolio of equity income securities as well as non-dividend paying securities which have capital appreciation potential. Energy and Financials, two cyclical sectors expected to benefit from ongoing economic reopening, finished 2021 as the top two sector weights in the portfolio. We expect both sectors will perform well in 2022 against an inflationary backdrop and are expected to raise dividends throughout the year. Elevated commodity prices are expected to boost free cash flow generation for Canadian energy producers which can be put towards growth investments, debt repayment, dividend increases and share buybacks. The forthcoming rate hiking cycle will also provide a significant profitability tailwind for the lending business of banks and other financial services, thus improving their net interest margins.

Class A shares of E-Split Corp. generated a total return of 52.7% in 2021. This compares to the 30.1% total return generated by Enbridge Inc., the Fund's sole underlying asset. The impressive performance in E-Split shares demonstrates the outsized capital gain potential embedded in the Corporation's split share structure. In addition, E-Split shares provide robust levels of income to investors. The Class A shares pay monthly distributions of $0.13 and the Corporation's Preferred Shares pay quarterly distributions of $0.13125. E-Split completed four successful overnight offerings during the year on March 2nd, April 27th, August 11th, November 9th and December 20th, raising gross proceeds of $273 million in aggregate. Enbridge operates critical energy infrastructure assets that are in high demand as well as a premier North American utility franchise and we have a positive outlook for the company in 2022.

Middlefield Healthcare & Life Sciences ETF and Middlefield Health & Wellness ETF both generated total returns of 14.5% in 2021. We are bullish on healthcare in 2022 and believe it is an excellent time to add exposure. Past headwinds for the biopharma industry, including drug pricing, regulatory uncertainty and lack of M&A, are gradually turning into tailwinds. The share prices of many innovative biotechnology companies have declined by more than 50% from recent highs while a number of large-cap incumbents are sitting on record amounts of cash. Medtech companies are also well-positioned to benefit from declining COVID-19 hospitalizations and pent-up demand for elective surgeries. The healthcare sector finished the year trading at a forward P/E multiple of just 17.3x, more than 4 turns cheaper than the S&P 500 multiple of 21.6x. In addition, Canadians are typically underexposed to healthcare which is the second largest sector in the S&P 500 behind Information technology.

Outlook

Although inflation is elevated and interest rates are rising, we expect a gradual easing of supply chain bottlenecks and labour shortages and expect management teams to continue to identify methods to employ new and innovative technologies to suppress rising costs. That said, with central bankers pivoting to tight from easy monetary policy and Russia's invasion of Ukraine impacting already high oil and gas prices, market volatility is expected to remain high.

As a result, unlike 2021 where "a rising tide lifted all boats", we believe active management and careful stock selection are critical in the current market environment. In addition, investing in stable businesses with competent management teams should prove to be beneficial to performance. Rising interest rates are likely to have an outsized impact on companies with limited earnings visibility or excessive leverage. Our conviction lies in identifying the highest quality businesses who possess predictable streams of cash flow and healthy balance sheets. Dividend-paying and dividend-growing equities fit this description and will continue to form the foundation of Middlefield's portfolios.

Dean Orrico
President and CEO
Middlefield Capital Corporation

Robert F. Lauzon
Managing Director and Chief Investment Officer
Middlefield Capital Corporation

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

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
The investment objectives of International Clean Power Dividend Fund (the "Fund") are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from renewable power and related sectors. In addition, the Advisor (as defined below) considers and incorporates environmental, social and governance ("ESG") criteria in the investment process to help screen and evaluate potential issuers.

Risk
The Fund is exposed to several risks that may affect its performance. The overall risk of the Fund is as described in its prospectus dated February 11, 2021. Since commencement of operations on March 18, 2021, the risk factors have not changed.

Market Risk
Market risk describes the Fund's exposure to volatility in the market value of its underlying securities. Equity markets continue to exhibit volatility due to high levels of inflation, supply chain bottlenecks, labour shortages, as well as the uncertain recovery from the Coronavirus outbreak. The Fund seeks to mitigate risk through active management and diversification.

Results of Operations
Investment Performance
In respect of the investment portfolio, the asset mix by sector has remained materially consistent since commencement of operations. The Fund commenced operations on March 18, 2021 when it raised $200 million in an initial public offering. As a result, there are no comparative figures for the period ended December 31, 2020. The total equity of the Fund was $177.2 million as at December 31, 2021. On a per unit basis, the total equity of the Fund was $9.12 at December 31, 2021.

Revenue and Expenses
Revenue for the period ended December 31, 2021 amounted to $2.4 million. Operating expenses for the period ended December 31, 2021 amounted to $3.0 million which contributed to the management expense ratio ("MER") of 7.19%. The MER is high as a result of the inclusion of issuance costs as part of the expenses used to calculate the ratio in the period of in the initial public offering. Excluding issuance and borrowing costs, the MER was 1.70% for the period. Distributions for the period ended December 31, 2021 amounted to $0.33 per unit.

Related Party Transactions
Pursuant to a management agreement, Middlefield Limited (the "Manager") receives a management fee. For further details, please see the "Management Fees" section of this report. Middlefield Capital Corporation ("MCC" or the "Advisor"), the advisor to the Fund and a company under common control with the Manager, receives advisory fees from the Manager out of the management fee. MCC also receives brokerage commissions from the Fund in connection with securities transactions. All brokerage commissions paid by the Fund to MCC were at or below market rates. In addition, MCC received an agency fee from the Fund in respect of units sold in 2021. For further details, please see the notes to the financial statements.

Management Fees
Management fees are calculated at 1.25% per annum of the net asset value of the Fund and are split between the Manager and the Advisor. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund.

Credit Facility
The Fund has a revolving demand credit facility that enables the Fund to borrow up to an amount not exceeding 25% of total assets. At December 31, 2021, the Fund had a loan payable in the amount of $50 million representing approximately 21.9% of total assets. The minimum and maximum amounts borrowed during the year ended December 31, 2021 were $nil and $50 million, respectively. The loan proceeds were used primarily to purchase securities for the investment portfolio. The credit facility provides the lender with a security interest over the assets of the Fund.

Trends
Inflation is contributing to an accelerated withdrawal of monetary stimulus around the world as central banks begin to prioritize containing inflationary pressures. While the exact number and timing of rate hikes is not certain, it is clear that central banks around the world are on the cusp of a prolonged tightening cycle..

Financial Highlights

Total Equity is calculated in accordance with International Financial Reporting Standards ("IFRS").

"Net Asset Value" is calculated in accordance with section 14.2 of National Instrument 81-106 "Investment Fund Continuous Disclosure" ("NI 81-106") and is used for transactional pricing purposes. The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the indicated period. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

The Fund's Total Equity per Unit[(1)]

		2021[(3)]
Total Equity, Beginning of Period	$	**9.53**
INCREASE (DECREASE) FROM OPERATIONS:		
Total Revenue		**0.16**
Total Expenses		**(0.16)**
Realized Loss for the Period		**(0.52)**
Unrealized Gain for the Period		**0.48**
Transaction Costs on Purchase and Sale of Investments		**(0.02)**
TOTAL DECREASE FROM OPERATIONS[(2)]		**(0.08)**
DISTRIBUTIONS:		
Return of Capital		**0.33**
TOTAL DISTRIBUTIONS[(4)]		**0.33**
Total Equity, End of Period	$	**9.12**

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

(2) Total Equity 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 Total Equity since it does not reflect unitholder transactions as shown on the Statement of Changes in Equity and accordingly columns may not add.

(3) For the period March 18, 2021 (date of commencement of operations) to December 31, 2021.

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

*Initial issue price, net of agents' fees and initial issue costs.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE PERIOD ENDED DECEMBER 31, 2021

Ratios and Supplemental Data

	2021[5]
Total Assets (000s)[1]	**$ 228,599**
Total Net Asset Value (000s)[1]	**$ 177,227**
Number of Units Outstanding[1]	**19,422,900**
Management Expense Ratio ("MER")[2]	**7.19%**
MER (excluding interest expense and issuance costs)[2]	**1.70%**
Trading Expense Ratio[3]	**0.29%**
Portfolio Turnover Rate[4]	**14.77%**
Net Asset Value per Unit	**$ 9.12**

(1) This information is provided as at December 31 of the period shown.

(2) The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. The MER excluding interest expense and issuance costs has been presented separately as it expresses only the ongoing management and administrative expenses of the Fund as a percentage of average Net Asset Value. Issuance costs are one-time costs incurred at inception, and the inclusion of interest expense does not consider the additional revenues that have been generated from the investment of the leverage in income-generating assets.

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

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

(5) For the Period March 18, 2021 (date of commencement of operations) to December 31, 2021.

Past Performance

The Fund has not presented its historical performance because it commenced operations on March 18, 2021 and accordingly has been in existence for less than one year.

Summary of Investment Portfolio

AS AT DECEMBER 31, 2021

Top Twenty-Five Holdings

DESCRIPTION		% OF NET ASSET VALUE
1	IBERDROLA, SA	5.4
2	Tesla Inc.	5.3
3	RWE AG	5.2
4	Enel SpA	5.1
5	Drax Group PLC	5.0
6	SSE PLC	4.8
7	National Grid PLC	4.6
8	Orsted A/S	4.6
9	EDP - Energias de Portugal SA	4.3
10	NVIDIA Corporation	4.2
11	China Longyuan Power Group Corp Ltd.	3.7
12	SolarEdge Technologies Inc.	3.6
13	Atlantica Sustainable Infrastructure PLC	3.6
14	Enphase Energy Inc.	3.3
15	Anaergia Inc.	3.1
16	EDP Renovaveis SA	3.1
17	Plug Power Inc.	3.0
18	Siemens Energy AG	3.0
19	TransAlta Corporation	2.8
20	Tidewater Renewables Ltd.	2.7
21	Vestas Wind Systems A/S	2.7
22	Toyota Motor Corp.	2.6
23	Volkswagen AG	2.6
24	Generac Holdings Inc.	2.5
25	Linde plc	2.5

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

ASSET CLASS	% OF NET ASSET VALUE
Utilities	69.0
Industrials	20.4
Technology	13.2
Consumer Discretionary	10.5
Energy	4.6
Materials	2.5
Cash and Short-Term Investments	8.7
Other Net Liabilities	(28.9)
	100.0

TOTAL NET ASSET VALUE	$ 177,226,819
TOTAL ASSETS	$ 228,599,197

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions.
Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of International Clean Power Dividend Fund (the "Fund") have been prepared by Middlefield Limited (the "Manager"), the manager of Fund and approved by the Board of Directors. The Manager is responsible for the information and representations contained in these financial statements and other financial information contained in this report. The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies applicable to the Fund are described in the notes to the financial statements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

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

Jeremy Brasseur
Director

Craig Rogers
Director

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of International Clean Power Dividend Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2021, and the statements of comprehensive income, changes in equity and cash flows for the period from March 18, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021, and its financial performance and its cash flows for the period from March 18, 2021 to December 31, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 24, 2022

FINANCIAL STATEMENTS

Statement of Financial Position

AS AT DECEMBER 31, 2021
(In Canadian Dollars)

ASSETS		
Current Assets		
Investments at Fair Value through Profit or Loss	$	**212,920,548**
Cash		**15,452,945**
Income and Interest Receivable		**195,998**
Prepaid Interest		**27,931**
Accounts Receivable		**1,775**
Total Assets		**228,599,197**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities		**560,251**
Distribution Payable		**812,127**
Loan Payable (Note 14)		**50,000,000**
Total Liabilities		**51,372,378**
Net Assets	$	**177,226,819**
EQUITY		
Unitholders' Capital (Note 9)	$	**194,229,000**
Deficit		**(17,002,181)**
Total Equity	$	**177,226,819**
Units Issued and Outstanding		**19,422,900**
Total Equity per Unit	$	**9.12**

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

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

Director: Jeremy Brasseur

Director: Craig Rogers

FINANCIAL STATEMENTS

Statement of Comprehensive Income

FOR THE PERIOD MARCH 18, 2021 (DATE OF COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2021
(In Canadian Dollars)

		2021
REVENUE (LOSS)		
Income from Investments	$	**3,058,255**
Interest Income for Distribution Purposes		**42,190**
Foreign Exchange Loss on Cash		**(481,929)**
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss		
Net Realized Loss from Investment Transactions excluding Derivatives		**(9,527,847)**
Net Realized Loss from Derivatives Transactions		**(216,678)**
Net Unrealized Gain on Investments excluding Derivatives		**9,477,347**
Net Unrealized Gain on Derivatives Transactions		**-**
Net Unrealized Gain on Foreign Currency Transactions		**3,878**
Total Revenue		**2,355,216**
OPERATING EXPENSES (Note 7)		
Audit Fees		**38,364**
Custodial Fees		**19,554**
Fund Administration Costs		**176,790**
Legal Fees		**19,799**
Management Fee		**2,046,182**
Transaction Costs (Note 10)		**436,880**
Unitholder Reporting Costs		**224,067**
Total Operating Expenses		**2,961,636**
Operating Loss		**(606,420)**
Finance Costs (Note 14)		**290,597**
Loss before Tax		**(897,017)**
Withholding Taxes		**352,183**
Loss after Tax	$	**(1,249,200)**
Loss after Tax per Unit (Note 9)	$	**(0.06)**

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

Statement of Changes in Equity

FOR THE PERIOD MARCH 18, 2021 (DATE OF COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2021

(In Canadian Dollars)	Unitholders' Capital	Deficit	Total
Balance at March 18, 2021	**$ -**	**$ -**	**$ -**
Loss after Tax	**-**	**(1,249,200)**	**(1,249,200)**
Distributions to Unitholders	**-**	**(6,580,968)**	**(6,580,968)**
Repurchase of Trust Units	**(7,771,000)**	**727,457**	**(7,043,543)**
Proceeds from Issue of Trust Units	**202,000,000**	**-**	**202,000,000**
Payment of Agents' Fees	**-**	**(9,090,000)**	**(9,090,000)**
Payment of Issue Costs	**-**	**(809,470)**	**(809,470)**
Balance at December 31, 2021	**$ 194,229,000**	**$ (17,002,181)**	**$ 177,226,819**

Statement of Cash Flows

FOR THE PERIOD MARCH 18, 2021 (DATE OF COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2021
(In Canadian Dollars)

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Loss after Tax	**$ (1,249,200)**
Adjustments:	
Purchases of Investments	**(256,176,247)**
Proceeds from Sale of Investments	**42,988,521**
Foreign Exchange Loss	**478,051**
Net Realized Loss from Investment Transactions	**9,744,525**
Net Unrealized Gain on Investments	**(9,477,347)**
	(213,691,697)
Net Change in Non-Cash Working Capital	**652,905**
Net Cash used in Operating Activities	**(213,038,792)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Proceeds from Issue of Trust Units	**202,000,000**
Payment of Agents' Fees	**(9,090,000)**
Payment of Issue Costs	**(809,470)**
Proceeds from Loans	**109,681,642**
Repayment of Loans	**(60,000,000)**
Repurchase of Trust Units	**(7,043,543)**
Distributions Paid to Unitholders	**(5,768,841)**
Net Cash from Financing Activities	**228,969,788**
Net Increase in Cash	**15,930,996**
Foreign Exchange Loss	**(478,051)**
Cash at Beginning of Period	**-**
Cash at End of Period	**$ 15,452,945**

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

Schedule of Investment Portfolio

AS AT DECEMBER 31, 2021
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
American Electric Power Company, Inc.	35,000	$ 3,679,627	$ 3,933,394
Atlantica Sustainable Infrastructure PLC	140,000	5,884,372	6,323,847
Boralex Inc.	100,000	3,710,997	3,468,000
China Longyuan Power Group Corp Ltd.	2,200,000	3,636,006	6,487,257
Drax Group PLC	850,000	6,396,518	8,798,118
EDP - Energias de Portugal SA	1,100,000	8,071,877	7,635,026
EDP Renovaveis SA	175,000	4,808,987	5,505,200
Enel SpA	900,000	10,721,974	9,109,114
IBERDROLA, SA	635,000	10,214,155	9,495,446
Innergex Renewable Energy	200,000	3,869,559	3,720,000
National Grid PLC	450,000	6,749,651	8,159,281
NextEra Energy, Inc.	30,000	2,735,772	3,537,838
Northland Power Inc.	100,000	4,372,455	3,795,000
Orsted A/S	50,000	9,318,749	8,065,326
RWE AG	180,000	8,702,600	9,235,808
Solaria Energia y Medio Ambiente SA	175,000	4,510,088	4,303,608
SSE PLC	300,000	7,453,092	8,463,644
Sunnova Energy International Inc.	100,000	4,261,054	3,526,722
The AES Corporation	125,000	3,993,812	3,836,826
TransAlta Corporation	350,000	4,210,220	4,917,500
UTILITIES: 53.6%		117,301,565	122,316,955
Anaergia Inc.	275,000	3,845,320	5,555,000
Ballard Power Systems Inc.	15,000	373,426	238,350
Bloom Energy Corp.	100,000	3,273,173	2,770,094
Generac Holdings Inc.	10,000	3,866,670	4,445,287
Nel ASA	1,300,000	3,706,761	2,832,329
Plug Power Inc.	150,000	5,770,094	5,348,820
Siemens Energy AG	165,000	6,699,281	5,330,456
Sunrun Inc.	100,000	6,087,846	4,332,613
TPI Composites, Inc.	25,000	1,392,987	472,419
Vestas Wind Systems A/S	125,000	5,526,094	4,828,380
INDUSTRIALS: 15.8%		40,541,652	36,153,748
Enphase Energy Inc.	25,000	4,705,624	5,777,028
NVIDIA Corporation	20,000	3,341,015	7,430,116
SolarEdge Technologies Inc.	18,000	6,030,449	6,379,249
Xinyi Solar Holdings Ltd.	1,750,000	3,874,405	3,748,319
TECHNOLOGY: 10.2%		17,951,493	23,334,712
Tesla Inc.	7,000	5,849,042	9,344,121
Toyota Motor Corp.	20,000	3,874,281	4,681,243
Volkswagen AG	12,500	5,282,293	4,639,738
CONSUMER DISCRETIONARY: 8.2%		15,005,616	18,665,102
Renewable Energy Group, Inc.	60,000	4,702,843	3,216,492
Tidewater Renewables Ltd.	330,000	4,942,087	4,857,600
ENERGY: 3.5%		9,644,930	8,074,092
Linde plc	10,000	3,349,265	4,375,939
MATERIALS: 1.9%		3,349,265	4,375,939
TRANSACTION COSTS (Note 10)		(351,320)	-
TOTAL INVESTMENTS: 93.2%		203,443,201	212,920,548
CASH: 6.8%		15,452,945	15,452,945
Total Investment Portfolio, Including Cash		$ 218,896,146	$ 228,373,493

1. International Clean Power Dividend Fund

International Clean Power Dividend Fund (the "Fund") is a closed-ended investment trust established under the laws of the Province of Alberta on February 11, 2021. Middlefield Limited, a company incorporated in Alberta, is both the manager and trustee of the Fund (the "Manager") and Middlefield Capital Corporation ("MCC"), a company under common control with the Manager, is the advisor to the Fund (the "Advisor"). The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on March 18, 2021 when it first issued units through an initial public offering. The address of the Fund's registered office is 812 Memorial Drive N.W., Calgary, Alberta. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on March 24, 2022.

2. Investment Objectives and Strategy

The investment objectives of International Clean Power Dividend Fund (the "Fund") are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from renewable power and related sectors. In addition, the Advisor considers and incorporates environmental, social and governance ("ESG") criteria in the investment process to help screen and evaluate potential issuers.

3. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

4. Summary of Significant 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 the liabilities are classified at fair value through profit and 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. Given the short-term nature and high credit quality 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.

4. Summary of Significant Accounting Policies (continued)

B. Financial Instruments

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

C. 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 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.

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. Investments in other investment funds are valued based on the number of units held and their closing NAV per unit as provided by the investment funds' manager or general partner.

D. Unitholders' Capital

The Fund's units are classified as equity as the Fund has full discretion with respect to the extent and timing of the repurchase of the units and in the determination of whether distributions will be made in cash or units. Incremental costs directly attributable to the issue or redemption of units are recognized directly in equity as a deduction from the proceeds or part of the acquisition cost. Where the Fund repurchases its own units, the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Fund's equity holders until the units are cancelled, re-issued or disposed of. Where such units are subsequently sold or reissued, any consideration received is included in equity attributable to the Fund's equity holders.

E. Derivative Transactions

The Fund may use derivatives, such as forward currency contracts, to hedge against losses caused by changes in exchange rates. The value of forward currency contracts is the gain or loss that would be realized, if on the valuation date, the positions were to be closed out. The change in value of forward currency contracts is included in the Statement of Comprehensive Income – Net Unrealized Gain (Loss) on Investments. 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 Statement of Comprehensive Income – Net Realized Gain (Loss) from Investment Transactions.

4. Summary of Significant Accounting Policies (continued)

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

G. Profit or Loss after Tax per Unit

Profit or loss after tax per unit in the Statement of Comprehensive Income represents the profit or loss after tax divided by the average units outstanding during the period.

H. Taxation

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada). Under the terms of the Declaration of Trust, any taxable income of the Fund is distributable monthly to unitholders of record date. The Fund is not subject to tax on the income distributed to unitholders. 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 Statement of Comprehensive Income.

Distributions received from investment trust units that are treated as a return of capital for tax purposes are used to reduce the average cost of the underlying investments on the Schedule of Investment Portfolio.

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:

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Fund's transactions are denominated in Canadian dollars. Investor subscriptions and redemptions are also received and paid in Canadian dollars. Accordingly, management has determined that the functional currency of the Fund is Canadian dollars.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

4. Summary of Significant Accounting Policies (continued)

J. Critical Accounting Estimates and Judgments (continued)

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

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5 for further information about the fair value measurement of the Fund's financial instruments.

K. Securities Lending

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and is included in the Statement of Comprehensive Income.

5. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value of the Fund's financial instruments is classified into levels using the following fair value hierarchy:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3	Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The Fund's investments at fair value as at December 31, 2021 trade in active markets and are therefore classified as Level 1.

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

No transfers between levels have occurred during the period ended December 31, 2021.

6. Financial Risk Management

In the normal course of business, the Fund is exposed to a variety of financial risks: price risk, interest rate risk, liquidity risk, foreign exchange rate risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, 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.

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:

		2021
Investments at FVTPL	$	212,920,548

Based on the above exposure at December 31, 2021, a 10% increase or decrease in the prices of the Fund's investments would result in a $21,292,055 increase or decrease in total equity of the Fund, with all other factors held constant.

B. Interest Rate Risk

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

		2021
Cash	$	15,452,945
Loan Payable		(50,000,000)
Net Exposure	$	(34,547,055)

Based on the above exposure at December 31, 2021, a 1% per annum increase or decrease in interest rates would result in a $345,471 decrease or increase in total equity of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to liquidity risk through its annual and monthly redemptions. The Fund receives 45 business days notice prior to the redemption date and has up to 15 business days after the redemption date to settle the redemption. This enables the Manager to sell securities held by the Fund to generate cash to settle the redemption, if necessary. The Fund's obligations are due within one year. The Fund has a revolving demand credit facility in the amount of $65 million which is secured by a general security agreement. Borrowed amounts under the credit facility are usually due within 30 to 120 days. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

6. Financial Risk Management (continued)

C. Liquidity Risk (continued)

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

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

As at December 31, 2021

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	$ 812,127	$ -	$ -	$ 812,127
Accounts Payable and Accrued Liabilities	560,251	-	-	560,251
Loan Payable	50,000,000	-	-	50,000,000
Total	$ 51,372,378	$ -	$ -	$ 51,372,378

The Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments, specifically Loan Payable, typically retain them for a longer period.

D. Foreign Exchange Rate Risk

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

As at December 31, 2021

Currency	Investments at FVTPL	Cash	Income and Interest	Total Exposure
U.S. Dollar	$ 79,732,047	$ 202,824	$ -	$ 79,934,871
U.K. Pound Sterling	25,421,044	-	132,498	25,553,542
European Euro	55,254,396	-	-	55,254,396
Norwegian Krone	2,832,329	-	-	2,832,329
Danish Krone	12,893,706	-	-	12,893,706
Hong Kong Dollar	10,235,576	-	-	10,235,576
Total	$ 186,369,098	$ 202,824	$ 132,498	$ 186,704,420

Based on the above exposure at December 31, 2021, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a $18,670,442 decrease or increase in total equity of the Fund, with all other factors held constant.

6. Financial Risk Management (continued)

E. Credit Risk

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

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

F. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At December 31, 2021, the percentages of the Fund's total equity invested in each investment sector were as follows:

Sector	As a % of Total Equity
Utilities	69.0
Industrials	20.4
Technology	13.2
Consumer Discretionary	10.5
Energy	4.6
Materials	2.5
Total	120.2

7. Management Fee and Operating Expenses

The Manager provides investment and administrative services to the Fund. In consideration for such services, the Manager receives a management fee equal to 1.25% per annum of the NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. The Manager is reimbursed for reasonable costs related to maintaining the Fund and preparation and distribution of financial statements and other documents to unitholders. For the period ended December 31, 2021, management fees before the absorption of expenses amounted to $2.0 million. The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business.

8. Capital Management

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

The Fund is not subject to externally imposed capital requirements. However, the Fund is subject to bank covenants in respect of leverage and is in compliance with those covenants in 2021.

9.Unitholders' Equity

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units, each of which represents an equal, undivided interest in the total equity of the Fund. All units have equal rights and privileges.

Commencing July 31, 2021, the unitholders of the Fund can acquire additional units by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables unitholders to reinvest their monthly distributions in additional units of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional units for cash.

9.Unitholders' Equity (continued)
In 2021, the Fund issued 20,200,000 units at $10 per unit for proceeds, net of agents' fees and issue costs, of $192.1 million. During the period ended December 31, 2021, the Fund purchased 710,700 units pursuant to a normal course issuer bid and 66,400 units in the market in accordance with the Declaration of Trust. For the period ended December 31, 2021 16,971 units were distributed under the Plan of which nil units were issued from treasury.

The average number of units outstanding during the period ended December 31, 2021 was 19,825,135. This number was used to calculate the Loss after Tax per Unit.

10. Transaction Costs
Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended December 31, 2021 amounted to $436,880. Included in this amount is $84,703 in brokerage commissions that were paid to MCC. All commissions paid by the Fund to MCC were at or below market rates. Brokerage commissions and other transaction costs are expensed and recorded in the Statement of Comprehensive Income. Agency fees paid to MCC amounted to $88,464 in 2021.

11. Loss Carryforwards
At December 31, 2021, the Fund had capital losses of $10,095,337 and non-capital losses of $1,753,997 available for carry forward for tax purposes. The capital losses can be carried forward indefinitely. The expiry date of the non-capital losses is as follows:

Expiry Date	Amount
December 31, 2041	$ 1,753,997

12. Securities Lending
The Fund has entered into a securities lending program with its custodian, RBC Investor Services Trust, in order to earn additional revenue. The aggregate market value of all securities loaned by the Fund will not exceed 50% of the fair value of the assets of the Fund. The Fund will receive collateral of at least 105% of the fair value of the securities on loan. Collateral held is generally comprised of cash and securities of, or guaranteed by, the Government of Canada or a province thereof, or the United States government or its agencies. Securities lending income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

For the period ended December 31, 2021, the Fund did not earn any securities lending income.

As at December 31, 2021, the Fund had no outstanding securities loaned and hence no collateral held.

13. Distributions
The Fund pays monthly distributions to unitholders in accordance with its investment objectives. Distributions of the Fund, at the discretion of the unitholder, are reinvested in additional units of the Fund under the Distribution Reinvestment Plan, without sales charge. For the period ended December 31, 2021, distributions amounted to $0.33.

14. Loan Payable
In 2021, the Fund entered into a revolving demand credit facility with a maximum principal amount of $65 million which is secured by a general security agreement. As at December 31, 2021, loans outstanding included bankers' acceptances with a face value of $50 million. The minimum and maximum loans outstanding during 2021 were $nil and $50 million, respectively. Finance costs primarily relate to loan interest expenses.

15. Comparative Financial Statements
The Fund commenced operations on March 18, 2021. Accordingly, there are no comparative financial statements for the period ended December 31, 2020.

16. The outbreak of the novel coronavirus (COVID-19) has led to governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown. The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at December 31, 2021. The duration and full extent of impact of the COVID-19 pandemic are unknown at the reporting date and it is therefore not possible to reliably estimate the entire impact on the financial results and position of the Fund in future periods.

DISTRIBUTIONS (PER UNIT)

2021							
31-May	$0.04167	31-Jul	$0.04167	30-Sep	$0.04167	30-Nov	$0.04167
30-Jun	0.04167	31-Aug	0.04167	31-Oct	0.04167	31-Dec	0.04167

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

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

2021 TAX INFORMATION (PER UNIT)

International Clean Power Dividend Fund will be issuing T3 Supplementary slips to registered unitholders by March 31, 2022. The following table outlines the allocation of the 2021 distribution for each Unit.

			ALLOCATION
RECORD DATE	PAYABLE DATE	DISTRIBUTION PER UNIT	RETURN OF CAPITAL
May 31, 2021	June 15, 2021	$ 0.041670	$ 0.041670
June 30, 2021	July 15, 2021	0.041670	0.041670
July 31, 2021	August 13, 2021	0.041670	0.041670
August 31, 2021	September 15, 2021	0.041670	0.041670
September 30, 2021	October 15, 2021	0.041670	0.041670
October 31, 2021	November 15, 2021	0.041670	0.041670
November 30, 2021	December 15, 2021	0.041670	0.041670
December 31, 2021	January 14, 2022	0.041670	0.041670
	TOTAL	$ 0.333360	$ 0.333360
		100.00%	100.00%

Holders of Units outside of an RRSP, RRIF or DPSP should have received a T3 tax slip from their investment dealer. T3 tax slips report Capital Gains in Box 21, Other Income in Box 26, Return of Capital in Box 42 and Eligible Dividends in Box 49. Eligible Dividends are subject to the gross-up and federal dividend tax credit rules. The Return of Capital component of the distribution is a non-taxable amount that should be deducted from the adjusted cost base of the Units.

MIDDLEFIELD FUNDS FAMILY |

EXCHANGE - TRADED FUNDS (ETFs)	TSX Stock Symbol
• Middlefield Healthcare Dividend ETF (formerly Healthcare & Life Sciences ETF)	MHCD
• Middlefield Health & Wellness ETF	HWF
• Middlefield Innovation Dividend ETF (formerly Global Innovation Dividend Fund)	MINN
• Middlefield Sustainable Global Dividend ETF (formerly Global Dividend growers Income Fund)	MDIV
• Middlefield Sustainable Infrastructure Dividend ETF (formerly Sustainable Infrastructure Dividend Fund)	MINF
• Middlefield Real Estate Dividend ETF (formerly Middlefield REIT INDEXPLUS ETF)	MREL
• Middlefield U.S. Equity Dividend ETF (formerly Middlefield American Core Dividend ETF)	MUSA

TSX-LISTED FUNDS	
• E Split Corp.	ENS | ENS.PR.A
• International Clean Power Dividend Fund	CLP.UN
• MBN Corporation	MBN
• Middlefield Global Real Asset Fund	RA.UN
• MINT Income Fund	MID.UN
• Real Estate Split Corp. (formerly Real Estate & E-Commerce Split Corp.)	RS | RS.PR.A
• Sustainable Agriculture & Wellness Dividend Fund	AGR.UN
• Sustainable Innovation & Health Dividend Fund	SIH.UN
• Sustainable Real Estate Dividend Fund (commenced March 30, 2022)	MSRE.UN
• Workplace Technology Dividend Fund (commenced November 17, 2021)	WORK.UN

MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS Series A Units	Fund Code FE/LL/DSC
• Global Healthcare Dividend Fund	MID 325/327/330
• INDEXPLUS Income Fund	MID 435/437/440
• Middlefield Global Infrastructure Fund	MID 510/519/520

Series F Units	
• Global Healthcare Dividend Fund	MID 326
• 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 Global Real Estate Class	MID 600/649/650
• Middlefield Global Sustainable Energy Class	MID 125/127/130
• Middlefield High Interest Income Class	MID 400/424/425
• Middlefield Income Plus Class	MID 800/849/850
• Middlefield U.S. Dividend Growers 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 Global Real Estate Class	MID 601
• Middlefield Global Sustainable Energy Class	MID 126
• Middlefield Income Plus Class	MID 801
• Middlefield U.S. Dividend Growers Class	MID 701

RESOURCE FUNDS

- Discovery 2021 Short Duration LP (commenced September 22, 2021)
- MRF 2021 Resource Limited Partnership
- MRF 2022 Resource Limited Partnership (commenced February 17, 2022)

INTERNATIONAL FUNDS	
• Middlefield Canadian Income PCC	London UK Stock Exchange (LSE) Symbol:MCT

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The Bank of Nova Scotia
The Toronto-Dominion Bank

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RBC Investor Treasury Services

Transfer Agents

RBC Investor Service Trust
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