



2022 SEMI-ANNUAL REPORT

MIDDLEFIELD
GLOBAL
AGRICULTURE
CLASS

M | M | F

MIDDLEFIELD MUTUAL 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.



2022 MID-YEAR REVIEW AND OUTLOOK

Market conditions were extremely challenging for equity investors during the first half of 2022 (H1). Both the MSCI World and the S&P 500 finished the period in a bear market, down more than 20%, making it the worst start to a year since 1970. The Canadian stock market outperformed most global indices with the S&P/TSX Composite generating a total return of -9.9%.

Market volatility was driven by persistent inflation, which has reached multi-decade highs in most countries throughout the world. One of the biggest contributors has been the sudden increase in global demand. After nearly two years of pandemic-related lockdowns and restrictions, consumers started spending again. This made it challenging for providers of goods and services to ramp up capacity fast enough to meet demand and placed additional strain on global supply chains. Russia's unexpected invasion of Ukraine in late February further exacerbated inflationary forces. The attack spurred a swift response from the global community in the form of unprecedented economic sanctions in an effort to isolate Russia from the global economy. This effectively removed Russian supplies of a number of critical commodities from global markets, including oil, wheat, base metals and fertilizers. WTI crude oil and NYMEX natural gas prices both increased by approximately 46% in H1.

In response to higher-than-expected inflation, global central banks quickly pivoted to hawkish monetary policies which have led to a rapid increase in interest rates and bond yields. Both the US Federal Reserve and the Bank of Canada raised short-term borrowing rates three times in H1 by a total of 1.5% and 1.25%, respectively. US 10-year Treasury Yields rose from 1.5% at the start of the year to over 3% at the end of June while Canadian 10-Year Bond yields went from 1.4% to 3.2%. The impacts of these moves have been pervasive, including a 9.4% increase in the DXY US Dollar Index and a -14% return in Investment-Grade Credit.

Increasing interest rates have had an outsized impact on growth stocks. The Russell 1000 Value index returned -13%, significantly outperforming the Russell 1000 Growth index return of -28%. The Nasdaq Composite returned -29%, marking its worst H1 return since its inception in 1971. Defensive sectors such as utilities, consumer staples and healthcare significantly outperformed the broader market while communication services, information technology and consumer discretionary lagged. Energy, which returned 31.6%, was the only sector in the S&P 500 to post a positive return. While the market environment continues to be challenging for technology stocks, we remain highly optimistic on the long-term potential of the sector and view the current setup as attractive for patient investors. We are confident in the durability of various investment themes such as online advertising and e-commerce which are supported by structural changes in spending patterns. We are also bullish on enterprise software though we are choosing our exposures carefully. Our tech exposures are anchored by high quality industry leaders with sustainable competitive advantages.

Canadian equities performed well in H1 on a relative basis. The energy sector generated a total return of 26.3% and was the biggest positive contributor to performance. Generating unprecedented levels of cash flow, Canadian energy companies have been returning substantial amounts of excess cash to shareholders in the form of dividends and share buybacks. Utilities were the only other sector in the TSX to generate a positive return, adding 1.3%. Although the global economic outlook is uncertain, we believe Canadian equities are uniquely positioned to continue outperforming as it is a net exporter of oil and electricity.

Several of Middlefield's mutual funds benefitted from exposure to Canadian equities in H1. Canadian Dividend Growers Class (F Series) generated a total return of -2.0%, outperforming the S&P/TSX Canadian Dividend Aristocrats Index return of -7.2%. INDEXPLUS Income Fund (F Series), which is predominantly allocated to Canadian equities, generated a total return of -0.5%. Finally, Income Plus Class (F Series) returned -2.9% in H1, building upon its longstanding track record of strong risk-adjusted returns. For the month ending May 31st, Income Plus was recognized for outstanding performance and received the FundGrade A rating from Fundata.

The S&P 500 healthcare sector generated a total return of -8.3%, outperforming the S&P 500 by 11.7% and finishing as the fourth best performing sector in the index. Defensive sub-industries such as pharmaceuticals and managed care led to the upside while more cyclical industries such as medical equipment & life science tools lagged significantly. Biopharma companies sell needs-based products which benefit from inelastic demand, and are therefore more insulated from market downturns. Middlefield Healthcare Dividend Fund generated a total return of -6.4%, outperforming its benchmark, the MSCI World Healthcare Index, by 3.7%. The Fund invests in a portfolio of leading companies diversified across the global healthcare sector which are predominantly large-cap, dividend-paying issuer. Over the course of the year, and particularly during Q1, the Fund's asset allocation was shifted towards more defensive and value-oriented industries and exposure to higher growth segments such as medical equipment & services was reduced. We believe large-cap biopharma stocks are poised to outperform against the backdrop of a slowing economy but we may gradually increase exposure in H2 to some of our preferred medical equipment names that have experienced significant drawdowns.

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

The Canadian real estate sector generated a total return of -21.7% in H1. US REITs performed marginally better, finishing H1 with a total return of -20.1%. We are focused on owning high-quality issuers in the current environment. In particular, REITs that are well positioned to increase rents can act as a useful hedge against inflation. We also place a high emphasis on balance sheet strength, preferring companies with lower leverage and minimal near-term debt maturities. After the recent pullback, Canadian REITs are trading at more than a 20% discount to their net asset values on average – trough valuations that compare to the depths of 2008 and 2020. While we are mindful of the macro economic challenges facing the sector today, we believe REITs are oversold and we encourage investors to opportunistically add exposure.

We continue to believe that infrastructure will remain a highly sought-after and defensive asset class. In our view, end markets with the best long-term outlooks include transportation, energy infrastructure and utilities. Companies in these areas provide highly visible, long-term cash flows and have business models that are inherently resilient against inflation. Infrastructure assets are also supported by scarcity value, with a limited number of world class assets that are viewed as attractive by not only public but also private investors across private equity and pensions. We are finding great risk / reward opportunities in the renewables space, following a period of sustained underperformance during the recent commodity bull market. With energy security top of mind, we expect that renewable additions will continue to accelerate as countries further distance themselves from Russia and aim to become more self-sufficient.

Middlefield's Global Infrastructure Fund generated a total return of -6.2% in H1. Since its inception in June 2013, the fund has generated an annualized total return of 6.7%. The Fund actively invests in high-quality, dividend-paying infrastructure companies with critical assets spanning across toll roads & airports, energy infrastructure and utilities.

We expect natural gas prices will remain elevated over the medium term. Unlike oil, Russia is unable to redirect European supply to other regions, including China, due to pipeline capacity restraints. This effectively removes a meaningful portion of global natural gas supply from the market. In addition, the European Union recently voted to keep some specific uses of natural gas and nuclear energy in its taxonomy of sustainable sources of energy. As a result, European countries will need to rely more heavily on LNG imports.

Enbridge (ENB) has long been bullish on the outlook for natural gas, starting with its acquisition of Spectra back in 2016. The outlook is more positive today now that the Russia/Ukraine conflict has placed a greater emphasis on energy security as part of the energy transition equation. ENB is well positioned to capitalize on the natural gas renaissance from expansion projects on the US Gulf Coast as well as its gas pipelines in British Columbia to support new West Coast LNG opportunities (Woodfibre LNG, Cedar LNG). This LNG buildout will benefit ENB as its footprint expands in both regions.

Outlook

We believe we are in a cyclical bear market which is a function of rising rates and inflation combined with lower profit expectations. Given the impacts that inflation and higher interest rates will have on demand, we expect a mild slowdown in economic activity this year. Much of this is already being priced in to markets today, reflected in the S&P 500 forward earnings multiple declining from 21x to below 16x. As a result, we believe downside in broad market indices should be limited from current levels and are seeing an increasingly attractive setup for equities in the latter part of the year.

Although it may not show up in near-term inflation reports given the lagging nature of data, we believe we are at peak inflation and should start to get some data points that are incrementally less hawkish throughout H2. Sell-side earnings estimates have started to come down and we do expect a deceleration in growth over the coming quarters; however, household and corporate balance sheets remain strong which backstops our view of only a mild slowdown. Against this backdrop, we are focused on companies with high margins, strong balance sheets and stable dividends.



Dean Orrico
President and CEO
Middlefield Capital Corporation



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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

This interim management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. This report should be read in conjunction with the complete interim financial report of the investment fund that follows this report. The interim financial report has not been reviewed by the investment fund's external auditors.

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

Management's Discussion of Fund Performance

Investment Objective and Strategies

Middlefield Global Agriculture Class (the "Fund") is a mutual fund class of Middlefield Mutual Funds Limited. The Fund is authorized to issue series of shares designated as Series A and F. The Fund's objective is to provide long-term growth of capital. The Fund invests in equity securities of issuers with high growth potential operating in the agricultural sector.

Results of Operations Investment Performance

The net assets of the Fund decreased from \$13.9 million at December 31, 2021 to \$13.0 million at June 30, 2022. Net assets on a per share basis for Series A decreased from \$26.39 at December 31, 2021 to \$24.09 at June 30, 2022. Net assets on a per share basis for Series F decreased from \$29.52 at December 31, 2021 to \$27.09 at June 30, 2022. The Fund recorded a \$1.3 million net loss on its investment portfolio during the six months ended June 30, 2022.

Revenue and Expenses

Loss before operating expenses for the six months ended June 30, 2022, amounted to \$1.1 million, down from revenue of \$0.8 million in 2021. The decrease was primarily due to the net loss on the Fund's investments. Operating expenses for the period ended June 30, 2022, increased slightly to \$0.2 million from \$0.1 million in the prior year period. The management expense ratio ("MER") in 2022 was 2.53% for Series A and 1.50% for Series F.

Trends

Russia's unexpected invasion of Ukraine in late February 2022 further exacerbated inflationary forces. The attack spurred a swift response from the global community in the form of unprecedented economic sanctions in an effort to isolate the Russia from the global economy. This effectively removed Russian supplies of a number of critical commodities from global markets, including oil, wheat, base metals and fertilizers.

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. For further details please see the notes to the financial statements.

Management Fees

Management fees are calculated at 2.0% per annum for the Series A shares and 1.0% per annum for the Series F shares, of the net asset value of each Series and are split between the Manager, the Advisor and investment dealers who receive trailing commissions. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees from the Manager for providing investment advice in respect of the portfolio in accordance with the investment objectives and strategies of the Fund.

Financial Highlights

Net Assets Attributable to Holders of Redeemable Shares are 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 periods. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

The Fund's Net Assets Per Share ⁽¹⁾ – Series A	June 30 2022 ⁽⁴⁾	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 26.39	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39	\$ 19.32
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.39	0.36	0.31	0.37	0.38	0.36
Total Expenses ⁽³⁾	(0.34)	(0.62)	(0.51)	(0.52)	(0.54)	(0.49)
Realized Gains (Losses) for the Period	0.67	0.06	0.25	(0.16)	1.04	0.03
Unrealized Gains (Losses) for the Period	(2.99)	3.33	1.09	2.63	(3.25)	2.18
Transaction Costs on Purchase and Sale of Investments	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	(2.30)	3.62	1.49	2.30	(2.41)	2.07
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 24.09	\$ 26.39	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39

The Fund's Net Assets Per Share ⁽¹⁾ – Series F	June 30 2022 ⁽⁴⁾	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	\$ 29.52	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90	\$ 20.46
INCREASE (DECREASE) FROM OPERATIONS:						
Total Revenue	0.42	0.40	0.34	0.40	0.41	0.39
Total Expenses ⁽³⁾	(0.22)	(0.40)	(0.32)	(0.32)	(0.33)	(0.29)
Realized Gains (Losses) for the Period	0.63	0.43	0.22	(0.17)	1.02	0.02
Unrealized Gains (Losses) for the Period	(3.62)	3.82	1.78	2.62	(3.64)	2.34
Transaction Costs on Purchase and Sale of Investments	(0.01)	(0.01)	(0.01)	-	(0.01)	(0.01)
TOTAL INCREASE (DECREASE) FROM OPERATIONS ⁽²⁾	(2.43)	4.33	1.90	2.74	(2.35)	2.44
Net Assets Attributable to Holders of Redeemable Shares, End of Period	\$ 27.09	\$ 29.52	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90

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

⁽²⁾ Net Assets Attributable to Holders of Redeemable Shares and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. This schedule is not a reconciliation of Net Asset Value since it does not reflect shareholder transactions as shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and accordingly columns may not add.

⁽³⁾ There were no distributions paid by the Fund.

⁽⁴⁾ For the six month period ended June 30, 2022.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

Ratios and Supplemental Data – Series A	June 30 2022 ⁽⁴⁾	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total Net Asset Value (000s)	\$ 7,358	\$ 8,193	\$ 4,420	\$ 4,851	\$ 4,579	\$ 5,507
Number of Shares Outstanding	305,444	310,521	194,134	227,989	241,273	257,426
Management Expense Ratio (“MER”) ⁽¹⁾	2.53%	2.55%	2.58%	2.53%	2.58%	2.45%
Trading Expense Ratio ⁽²⁾	0.13%	0.06%	0.08%	0.03%	0.10%	0.04%
Portfolio Turnover Rate ⁽³⁾	35.02%	19.45%	32.47%	4.83%	27.63%	6.57%
Net Asset Value Per Share	\$ 24.09	\$ 26.39	\$ 22.77	\$ 21.28	\$ 18.98	\$ 21.39

Ratios and Supplemental Data – Series F	June 30 2022 ⁽⁴⁾	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total Net Asset Value (000s)	\$ 5,644	\$ 5,709	\$ 5,054	\$ 5,336	\$ 3,028	\$ 2,481
Number of Shares Outstanding	208,355	193,397	200,617	229,081	147,394	108,320
Management Expense Ratio (“MER”) ⁽¹⁾	1.50%	1.47%	1.49%	1.44%	1.49%	1.34%
Trading Expense Ratio ⁽²⁾	0.13%	0.06%	0.08%	0.03%	0.10%	0.04%
Portfolio Turnover Rate ⁽³⁾	35.02%	19.45%	32.47%	4.83%	27.63%	6.57%
Net Asset Value Per Share	\$ 27.09	\$ 29.52	\$ 25.19	\$ 23.29	\$ 20.55	\$ 22.90

⁽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.

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

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

⁽⁴⁾ As at June 30, 2022 or for the six month period ended June 30, 2022, as applicable.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

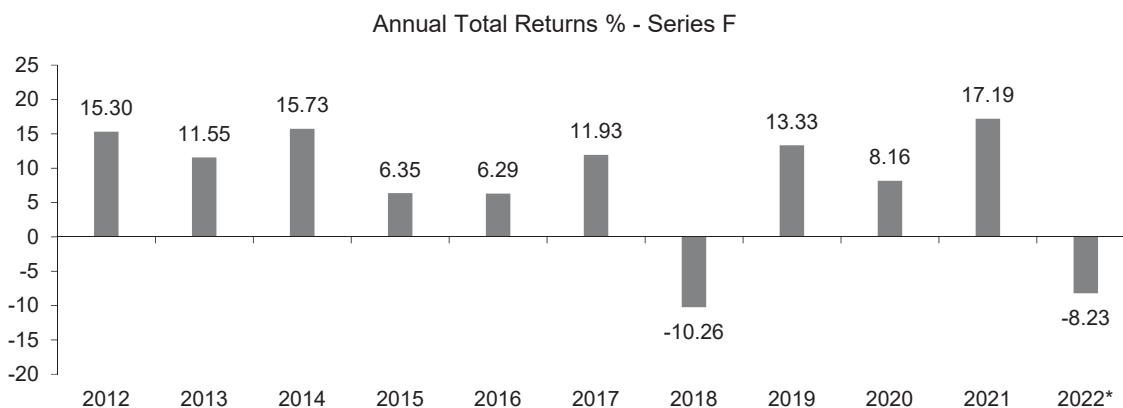
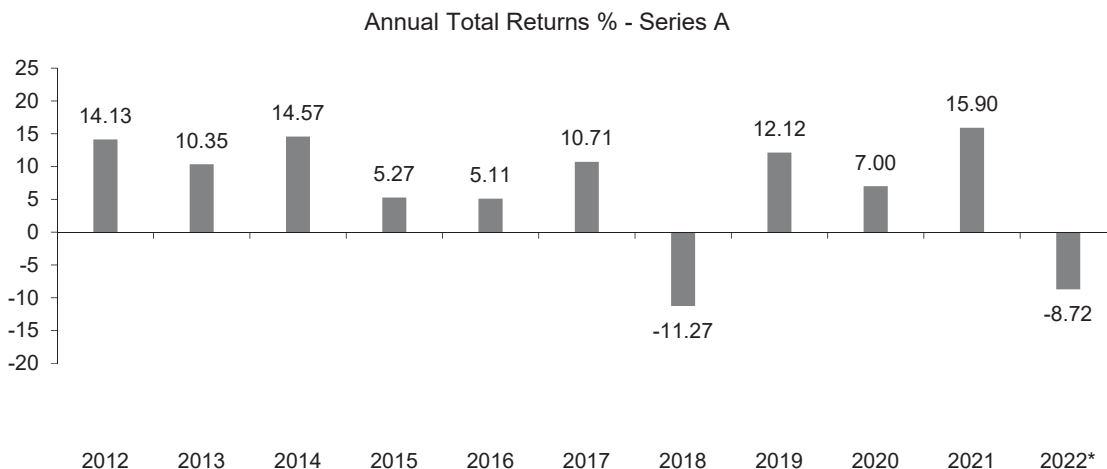
FOR THE SIX MONTHS ENDED JUNE 30, 2022

Past Performance

The performance information shown, which is based on Net Asset Value, 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 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.



* For the six month period ended June 30, 2022.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022

Summary of Investment Portfolio

AS AT JUNE 30, 2022

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 Olin Corp.	4.3
2 Zoetis Inc.	4.3
3 Ball Corp.	4.3
4 Archer-Daniels-Midland Co.	4.2
5 George Weston Ltd.	4.0
6 Sociedad Quimica y Minera de Chile SA	3.9
7 Maple Leaf Foods Inc.	3.9
8 Tractor Supply Co.	3.8
9 Tyson Foods Inc.	3.8
10 Corteva Inc.	3.7
11 Nutrien Ltd.	3.7
12 The Mosaic Co.	3.7
13 Chemtrade Logistics Income Fund	3.7
14 Deere & Company	3.6
15 Caterpillar Inc	3.5
16 AGCO Corp.	3.4
17 Darling Ingredients Inc.	3.3
18 IDEXX Laboratories Inc.	3.1
19 Superior Plus Corp.	3.1
20 CNH Industrial NV	2.9
21 US Foods Holding Corp.	2.7
22 Trimble Inc.	2.6
23 Constellation Brands Inc.	2.5
24 FMC Corp.	2.3
25 AG Growth International Inc.	2.1

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

ASSET CLASS	% OF NET ASSET VALUE
Materials	31.8
Consumer Staples	24.6
Industrials	21.2
Healthcare	7.3
Utilities	3.1
Technology	2.6
Cash and Short-Term Investments	9.6
Other Assets (Liabilities)	(0.2)
	100.0
TOTAL NET ASSET VALUE	\$ 13,001,251

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.

**FINANCIAL
STATEMENTS**





INTERIM FINANCIAL REPORT

NOTICE

The accompanying unaudited financial statements of Middlefield Global Agriculture Class for the period ended June 30, 2022 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 22, 2022

INTERIM FINANCIAL REPORT

UNAUDITED

Statements of Financial Position

AS AT

(In Canadian Dollars)

June 30, 2022

December 31, 2021

ASSETS

Current Assets

Investments at Fair Value Through Profit or Loss	\$	11,776,762	\$	13,237,408
Cash		1,245,840		687,941
Income and Interest Receivable		15,377		19,013
Subscriptions Receivable		10,017		8,938
Total Assets		13,047,996		13,953,300

LIABILITIES

Current Liabilities

Management Fee Payable (Note 7)	26,273		23,040
Redemptions Payable	10,418		9,019
Accounts Payable and Accrued Liabilities	10,054		19,209
Total Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Shares)	46,745		51,268

Net Assets Attributable to Holders of Redeemable Shares	\$	13,001,251	\$	13,902,032
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Net Assets Attributable to Holders of Redeemable Shares - Series A	\$	7,357,598	\$	8,193,227
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Net Assets Attributable to Holders of Redeemable Shares - Series F	\$	5,643,653	\$	5,708,805
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Mutual Fund Shares Issued and Outstanding - Series A (Note 6)	305,444		310,521
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Mutual Fund Shares Issued and Outstanding - Series F (Note 6)	208,355		193,397
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Net Assets Attributable to Holders of Redeemable Shares per Share – Series A	\$	24.09	\$	26.39
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Net Assets Attributable to Holders of Redeemable Shares per Share – Series F	\$	27.09	\$	29.52
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The accompanying notes to financial statements are an integral part of these financial statements.

Approved by the Board of Directors:



Director: Francisco Z. Ramirez



Director: Catherine E. Rebuldela

INTERM FINANCIAL REPORT

UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

	2022	2021
REVENUE (LOSS)		
Income from Investments	\$ 210,206	\$ 118,246
Interest Income for Distribution Purposes	464	810
Foreign Exchange Gain (Loss) on Cash	(8,132)	(7,639)
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	336,101	345,730
Change in Net Unrealized Gain (Loss) on Investments	(1,621,671)	384,348
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	649	(163)
Total Revenue (Loss)	(1,082,383)	841,332
OPERATING EXPENSES (Note 7)		
Audit Fees	2,261	1,812
Custodial Fees	782	692
Fund Administration Costs	17,161	11,092
Legal Fees	620	429
Management Fee	121,157	102,521
Securityholder Reporting Costs	4,551	4,053
Transaction Costs (Note 8)	8,840	5,697
Total Operating Expenses	155,372	126,296
Profit (Loss) before Tax	(1,237,755)	715,036
Withholding Taxes	11,896	16,814
Profit (Loss) after Tax	\$ (1,249,651)	\$ 698,222
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ (1,249,651)	\$ 698,222
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series A	\$ (693,419)	\$ 296,975
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Series F	\$ (556,232)	\$ 401,247
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series A (Note 6)	\$ (2.29)	\$ 1.12
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share – Series F (Note 6)	\$ (2.80)	\$ 1.94

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

INTERIM FINANCIAL REPORT

UNAUDITED

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

FOR THE SIX MONTHS ENDED JUNE 30,
2022

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 8,193,227	\$ 5,708,805	\$ 13,902,032
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(693,419)	(556,232)	(1,249,651)
REDEEMABLE SHARE TRANSACTIONS:			
Proceeds from Issue of Shares	918,116	1,174,845	2,092,961
Payment on Redemption of Shares	(1,060,326)	(683,765)	(1,744,091)
	(142,210)	491,080	348,870
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 7,357,598	\$ 5,643,653	\$ 13,001,251

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

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(In Canadian Dollars)	Series A	Series F	Total
Net Assets Attributable to Holders of Redeemable Shares at Beginning of Period	\$ 4,419,576	\$ 5,054,386	\$ 9,473,962
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	296,975	401,247	698,222
REDEEMABLE SHARE TRANSACTIONS:			
Proceeds from Issue of Shares	3,850,625	680,316	4,530,941
Payment on Redemption of Shares	(836,804)	(729,018)	(1,565,822)
	3,013,821	(48,702)	2,965,119
Net Assets Attributable to Holders of Redeemable Shares at End of Period	\$ 7,730,372	\$ 5,406,931	\$ 13,137,303

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

INTERM FINANCIAL REPORT

UNAUDITED

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)

2022

2021

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ (1,249,651)	\$ 698,222
Adjustments:		
Proceeds from Sale of Investments	4,692,865	687,475
Purchases of Investments	(4,517,789)	(3,952,792)
Foreign Exchange (Gain) Loss on Cash	7,483	7,802
Net Realized (Gain) Loss from Investment Transactions	(336,101)	(345,730)
Change in Net Unrealized (Gain) Loss on Investments	1,621,671	(384,348)
	218,478	(3,289,371)
Net Change in Non-Cash Working Capital	(2,286)	8,585
Net Cash from (used in) Operating Activities	216,192	(3,280,786)

CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:

Proceeds from Issue of Shares	2,091,882	4,531,165
Payment on Redemption of Shares	(1,742,692)	(1,256,054)
Net Cash from (used in) Financing Activities	349,190	3,275,111
Net Increase (Decrease) in Cash	565,382	(5,675)
Net Foreign Exchange Gain (Loss) on Cash	(7,483)	(7,802)
Cash at Beginning of Period	687,941	581,902
Cash at End of Period	\$ 1,245,840	\$ 568,425

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

INTERIM FINANCIAL REPORT

UNAUDITED

Schedule of Investment Portfolio

AS AT JUNE 30, 2022
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Ball Corp.	3,000	\$ 324,070	\$ 266,131
CF Industries Holdings Inc.	5,000	180,169	552,940
Chemtrade Logistics Income Fund	60,000	453,025	486,600
Corteva Inc.	8,000	364,586	558,706
FMC Corp.	3,500	340,439	483,134
Nutrien Ltd.	5,000	327,686	512,550
Olin Corp.	5,000	367,063	298,496
Sociedad Quimica y Minera de Chile SA	4,500	304,298	484,875
The Mosaic Co.	8,000	291,086	487,397
MATERIALS: 31.7%		2,952,422	4,130,829
Archer-Daniels-Midland Co.	5,500	253,718	550,553
Constellation Brands Inc.	1,100	271,987	330,701
Darling Ingredients Inc.	5,500	112,633	424,267
George Weston Ltd.	3,500	499,319	526,295
Maple Leaf Foods Inc.	20,000	516,170	506,200
Tyson Foods Inc.	4,500	144,799	499,561
US Foods Holding Corp.	9,000	362,729	356,183
CONSUMER STAPLES: 24.5%		2,161,355	3,193,760
AG Growth International Inc.	9,000	339,944	267,210
AGCO Corp.	3,500	545,791	445,615
Caterpillar Inc	2,000	446,026	461,185
CNH Industrial NV	25,000	373,238	373,765
Deere & Company	1,200	93,570	463,564
Kubota Corp.	2,600	109,033	243,593
Tractor Supply Co.	2,000	285,126	500,116
INDUSTRIALS: 21.2%		2,192,728	2,755,048
IDEXX Laboratories Inc.	900	352,918	407,184
Zoetis Inc.	2,500	255,681	554,327
HEALTH CARE: 7.4%		608,599	961,511
Superior Plus Corp.	35,000	398,853	397,600
UTILITIES: 3.0%		398,853	397,600
Trimble Inc.	4,500	409,906	338,014
TECHNOLOGY: 2.6%		409,906	338,014
TRANSACTION COSTS (NOTE 8)		(8,359)	-
TOTAL INVESTMENTS: 90.4%		8,715,504	11,776,762
CASH: 9.6%		1,245,840	1,245,840
Total Investment Portfolio, including Cash		\$ 9,961,344	\$ 13,022,602

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

1. Middlefield Global Agriculture Class

Middlefield Global Agriculture Class (the "Fund") is one of nine classes of issued mutual fund shares of Middlefield Mutual Funds Limited (the "Corporation"), a mutual fund corporation continued under the laws of Alberta. Effective January 1, 2017, switches between classes of a mutual fund corporation are considered a disposition at fair market value for tax purposes, resulting in the recognition of capital gains or losses for investors. The changes have not affected switches between Series A and Series F securities of the same Mutual Fund class. The Fund is authorized to issue series of shares designated as Series A and F. Each series has a different management fee rate. The Fund first issued Series A shares on May 26, 2009 and Series F on June 17, 2011. The investment objective of the Fund is to provide long-term growth of capital by investing in equity securities of issuers with high growth potential operating in the agricultural sector. Middlefield Limited is the manager of the Fund (the "Manager"). The address of the Fund's registered office is 350 7 Ave SW Suite 3400, Calgary, Alberta. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Fund on August 22, 2022.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

3. Summary of Significant Accounting Policies

A. Basis of Accounting

IFRS 9 *Financial Instruments* ("IFRS9")

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") was chosen upon adoption. 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.

B. Financial Instruments

The Fund's financial instruments may include: short-term investments, fixed income, equities, structured products including investment funds managed by the Manager, derivatives (collectively referred to as "investments"), cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, subscriptions receivable, prepaid expenses, management fee payable, accounts payable and accrued liabilities. 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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

3. Summary of Significant Accounting Policies (continued)

B. Financial Instruments (continued)

fair value. The Fund's Net Assets Attributable to Holders of Redeemable Shares are measured at fair value. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with shareholders.

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

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

The Fund has two series of redeemable shares 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 2.0% for Series A and 1.0% for Series F.

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

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

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

Distributions are declared at the discretion of the board of directors of the Corporation. The board of directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring distributions including, if applicable, capital gains dividends to refund tax which would otherwise be payable by the Corporation. Distributions to holders of redeemable shares are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. Income not distributed is included in Net Assets Attributable to Holders of Redeemable Shares. No distributions have been paid by the Fund.

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

D. Fair Value Measurement

The Fund's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Investments and futures contracts are valued at fair value using the policies described below.

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

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

3. Summary of Significant Accounting Policies (continued)

D. Fair Value Measurement (continued)

Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

E. Investment Transactions and Income Recognition

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

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

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

G. Income Taxes

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

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

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

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

H. 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.

I. 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:

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

3. Summary of Significant Accounting Policies (continued)

I. Critical Accounting Estimates and Judgments (continued)

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 investments and 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.

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.

J. 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 Statements of Comprehensive Income.

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

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

The Fund's investments at fair value as at June 30, 2022 and 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, management fee payable, redemptions payable, accounts payable and accrued liabilities and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

4. Fair Value Disclosure (continued)

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. No transfers between levels occurred during the period ended June 30, 2022 and the year ended December 31, 2021.

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, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Fund's risks and related exposures are consistent with its objectives and risk tolerance.

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

A. Price Risk

Price risk is the risk that changes in the prices of the Fund's investments will affect the Fund's income or the value of its financial instruments. The Fund's price risk is driven primarily by volatility in commodity and equity prices. Rising commodity and equity prices may increase the price of an investment while declining commodity and equity prices may have the opposite effect. The Fund mitigates price risk by making investing decisions based upon various factors, including comprehensive fundamental analysis prepared by industry experts to forecast future commodity and equity price movements. The Fund's market positions are monitored on a daily basis by the portfolio manager and regular financial reviews of publicly available information related to the Fund's investments are performed to ensure that any risks are within established levels of risk tolerance. The Fund is exposed to price risk through the following financial instrument:

	June 30, 2022	December 31, 2021
Investments at FVTPL	\$ 11,776,762	\$ 13,237,408

Based on the above exposure at June 30, 2022, a 10% increase or decrease in the prices of the Fund's investments would result in a \$1,177,676 (December 31, 2021 – \$1,323,741) 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 presentation 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 risk relates primarily to its investment in securities, which are denominated in various foreign currencies. The Fund has not hedged its exposure to currency fluctuations; however, it closely monitors relevant foreign exchange currency movements. The Fund is exposed to foreign exchange rate risk through the following financial instruments denominated in various foreign currencies:

As at June 30, 2022

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 9,080,306	\$ 21,357	\$ 6,617	\$ 9,108,280
Total	\$ 9,080,306	\$ 21,357	\$ 6,617	\$ 9,108,280

As at December 31, 2021

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 10,930,836	\$ 5,946	\$ 19,013	\$ 10,955,795
European Euro	781,602	-	-	781,602
Total	\$ 11,712,438	\$ 5,946	\$ 19,013	\$ 11,737,397

Based on the above exposure at June 30, 2022, a 10% increase or decrease in the Canadian dollar against the respective currencies would result in a \$910,828 (December 31, 2021 – \$1,173,740) decrease or increase in net assets of the Fund, with all other factors held constant.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

5. Financial Risk Management (continued)

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to daily cash redemptions of its shares. The shares of the Fund are issued and redeemed on demand at the NAV per share. All other obligations of the Fund are due within one period. 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, 2022 and December 31, 2021.

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, 2022

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 26,273	\$ -	\$ -	\$ 26,273
Redemptions Payable	10,418	-	-	10,418
Accounts Payable and Accrued Liabilities	10,054	-	-	10,054
Net Assets Attributable to Holders of Redeemable Shares	13,001,251	-	-	13,001,251
Total	\$ 13,047,996	\$ -	\$ -	\$ 13,047,996

As at December 31, 2021

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Management Fee Payable	\$ 23,040	\$ -	\$ -	\$ 23,040
Redemptions Payable	9,019	-	-	9,019
Accounts Payable and Accrued Liabilities	19,209	-	-	19,209
Net Assets Attributable to Holders of Redeemable Shares	13,902,032	-	-	13,902,032
Total	\$ 13,953,300	\$ -	\$ -	\$ 13,953,300

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 | UNAUDITED

5. Financial Risk Management (continued)

E. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At June 30, 2022 and December 31, 2021, 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, 2022	December 31, 2021
Materials	31.8	30.7
Consumer Staples	24.6	30.7
Industrials	21.2	23.5
Healthcare	7.3	8.0
Utilities	3.1	-
Technology	2.6	2.3
Total	90.6	95.2

6. Share Capital

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

	Number of Shares – Series A	
	June 30, 2022	December 31, 2021
Shares Outstanding at Beginning of Period	310,521	194,134
Shares Issued	33,820	176,447
Shares Redeemed	(38,897)	(60,060)
Net Increase (Decrease)	(5,077)	116,387
Shares Outstanding at End of Period	305,444	310,521

	Number of Shares – Series F	
	June 30, 2022	December 31, 2021
Shares Outstanding at Beginning of Period	193,397	200,617
Shares Issued	38,178	35,452
Shares Redeemed	(23,220)	(42,672)
Net Increase (Decrease)	14,958	(7,220)
Shares Outstanding at End of Period	208,355	193,397

The average number of Series A and Series F shares outstanding during the period ended June 30, 2022 were 302,435 and 198,442 (June 30, 2021 – 264,835 and 206,729), respectively. These numbers were used to calculate the respective Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per share.

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 monthly fee in arrears based on each series of shares as a percentage of the average daily NAV of the series. The management fee for Series A is 2.0% per annum and for Series F is 1.0% per annum. Common expenses incurred by the Fund are allocated among the series on a pro-rata basis among all shares of all series. The Manager is reimbursed for reasonable costs related to maintaining the Fund and preparation and distribution of financial statements and other documents to shareholders. For the period ended June 30, 2022, management fees before the absorption of expenses amounted to \$0.1 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. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2022 amounted to \$8,840 (June 30, 2021 – \$5,697). Included in this amount is \$2,264 (June 30, 2021 – \$1,344) in brokerage commissions that were paid to Middlefield Capital Corporation ("MCC"), a company under common control with the Manager. All brokerage 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 Statements of Comprehensive Income.

NOTES TO FINANCIAL STATEMENTS

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9. 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 reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

There were no securities lending charges during the periods ended June 30, 2022 and June 30, 2021.

There were no securities loaned and collateral held as at June 30, 2022 and December 31, 2021.

10. Capital Management

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

The Fund is not subject to any externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the period ended December 31, 2021.

11. Loss Carryforward

At December 31, 2021, the Corporation had no non-capital losses (December 31, 2020 – \$nil) and no capital losses (December 31, 2020 – \$nil) available for carryforward for tax purposes.

12. 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 June 30, 2022. 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.

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
• 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	MSRE.UN
• Workplace Technology Dividend Fund	WORK.UN

MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS	Fund Code
Series A Units	FE/LL/DSC
• Middlefield Healthcare Dividend Fund (formerly 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	
• Middlefield Healthcare Dividend Fund (formerly Global Healthcare Dividend Fund)	MID 326
• INDEXPLUS Income Fund	MID 436
• Middlefield Global Infrastructure Fund	MID 501

MIDDLEFIELD MUTUAL FUNDS CORPORATE CLASS FUNDS	Fund Code
Series A Shares	FE/LL/DSC
• Middlefield Canadian Dividend Growers Class	MID 148/449/450
• Middlefield Global Agriculture Class	MID 161/163/166
• Middlefield Global Dividend Growers Class	MID 181/183/186
• Middlefield Global Energy Transition Class (commenced May 31, 2022)	MID 265
• Middlefield Real Estate Dividend Class (formerly Middlefield Global Real Estate Class)	MID 600/649/650
• Middlefield High Interest Income Class	MID 400/424/425
• Middlefield Income Plus Class	MID 800/849/850
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 925
• Middlefield U.S. Equity Dividend Class (formerly 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 Energy Transition Class (commenced May 31, 2022)	MID 266
• Middlefield Real Estate Dividend Class (formerly Middlefield Global Real Estate Class)	MID 601
• Middlefield Income Plus Class	MID 801
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 926
• Middlefield U.S. Equity Dividend Class (formerly Middlefield U.S. Dividend Growers Class)	MID 701

RESOURCE FUNDS	
• Discovery 2021 Short Duration LP	
• MRF 2021 Resource Limited Partnership	
• MRF 2022 Resource Limited Partnership	

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

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