



2022 ANNUAL REPORT

**MINT**  
**INCOME**  
FUND

 **MIDDLEFIELD**  
**CLOSED-END 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 REVIEW AND OUTLOOK

2022 was a challenging year for equity investors. The S&P 500, MSCI World Index and TSX Composite generated total returns of -18.1%, -17.7% and -5.8%, respectively. Global central banks enacted aggressive interest rate hikes to combat the highest inflation in decades, sending both stocks and bonds lower in tandem. 2022 marked the first year where both the US 10-year Treasury note and the S&P 500 Index lost more than 10% on a total-return basis in a given calendar year.

Index returns were consistent with the ubiquitous trend of value outperforming growth in 2022. In the US, value topped growth by more than 20% (-9.6% vs. -29.8%) while the Canadian market, which has a higher concentration in cyclical and value stocks relative to the S&P 500, outperformed the US by more than 12%. Energy (+65.4%) and utilities (+1.6%) were the only two sectors in the S&P 500 that were able to generate positive returns, while communication services (-39.9%), consumer discretionary (-37%) and information technology (-28.2%) experienced outsized impacts from rising rates and growing concerns of recession. The biggest driver of underperformance for the latter group was multiple compression. Despite rampant inflation and ongoing supply chain issues, S&P 500 earnings were relatively resilient throughout the year. Conversely, average forward price to earnings multiples for the S&P 500 declined by more than 20% which dragged stock prices lower, especially for higher multiple stocks.

Russia's invasion of Ukraine, China's zero-COVID policy and hawkish Fed policy created macro headwinds which culminated in decades-high inflation. These events sent shockwaves throughout the global economy and cast a shadow of uncertainty over the market. Fortunately, many of the headwinds that plagued markets in 2022 are quickly becoming tailwinds for 2023. Inflation is trending lower in most countries as energy, freight and housing prices come down. China has made a notable pivot away from its zero-COVID stance; a development that should ease supply chain constraints and boost global demand. The US dollar Index, which appreciated nearly 9% in 2022, is expected to normalize in 2023 and result in less FX-related earnings headwinds. On balance, we believe the macro outlook is improving and investors will focus more on company-specific fundamentals this year.

In terms of market risks, we are closely following several unresolved issues that have the potential to stall a market recovery. Ongoing geopolitical tensions, persistent tightness of the labour market and elevated consumer debt warrant particular attention. We are cognizant of valuations against this backdrop and remain cautious on more expensive areas of the market.

Our equity income strategies emphasize companies that can maintain or expand margins in the current environment to support dividend growth. We are focused on companies with strong balance sheets that can withstand an economic slowdown as well as opportunistically pursue M&A. This includes sectors where cash flows are underpinned by long-term contracts such as real estate and infrastructure or those with inelastic demand such as healthcare and select areas of technology. In addition, we remain committed to incorporating sustainability principles and ESG data into our investment process, particularly in our suite of sustainable equity mandates.

**Middlefield Healthcare Dividend ETF and Middlefield Health & Wellness ETF** were defensively positioned throughout the year, which contributed to their outperformance. In 2022, the funds generated total returns of -0.7% and -3.9%, respectively, while its benchmark, MSCI World Health Care Index, generated a total return of -5% in local currency. Healthcare companies have defensive attributes as they sell needs-based products that benefit from inelastic demand. The sector tends to outperform during periods of economic uncertainty due to its steady demand and insulation from discretionary consumer spending. We expect healthcare companies to perform well again in 2023, particularly those that sell into rapidly growing addressable markets such as obesity, cardiology and diabetes.

In 2022, the real estate sector underperformed the broader market, generating total returns of -21.5% in Canada and -26.2% in the US while Middlefield Real Estate Dividend ETF generated a total return of -21.9%. The rapid and significant rise in interest rates, a widening of credit spreads and concerns about a recession took their toll on real estate sentiment and valuations in 2022. As a result, discounts to NAV are near historic highs which positions the sector attractively for 2023. Moreover, with inflation moderating alongside a softening economic growth outlook, the rise in long-term bond yields should be limited. Despite a slowing economy, we expect REIT earnings to remain largely intact this year due to the contractual nature of rental income and extensive mark-to-market rent opportunities.

**Mint Income Fund** provides an actively managed, high conviction portfolio of primarily equity-income securities in North America. Since its inception in 1997, it has outperformed the S&P 500 and S&P/TSX Composite on a total return basis. In 2022, the fund generated a total return of 8.5%, significantly outperforming the S&P 500 and S&P/TSX Composite total returns of -18.1% and -5.8%, respectively. We have a positive outlook on companies with an established track record of sustainable and consistent dividend growth this year and expect the fund to continue generating attractive total returns for investors.



The Middlefield Family of exchange-listed funds is currently comprised of 17 funds, 16 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.

We continue to see a wealth of long-term opportunities for Middlefield Innovation Dividend ETF in companies with established business models, attractive free cash flow profiles and reasonable valuations. The tech sector underperformed in 2022 with the S&P 500 information technology sector generating a total return of -28.2%. We view this correction as a pricing adjustment on valuations, driven by higher interest rates, but continue to believe multiple growth drivers remain intact. These include cloud migration, software for productivity and increasing semiconductor demand across end markets. Leading players within these verticals are high quality in nature and have many cost levers at their disposal to protect margins.

**Middlefield Sustainable Infrastructure Dividend ETF, International Clean Power Dividend Fund and Global Real Asset Fund** provide exposure to high-quality global infrastructure companies. Infrastructure assets generate stable and predictable cash flows due to their long-term contracts which underpin consistent income streams for investors. The long-term outlook for infrastructure improved in 2022. Build Back Better, the Inflation Reduction Act and RePowerEU represent three monumental pieces of infrastructure-related legislation that will drive trillions in infrastructure spending over the coming years. In addition, the Russia-Ukraine war elevates the issue of energy security and underscores the need for investments in energy infrastructure. Due to increasingly ambitious climate goals, many of these investments will likely take place in the fields of clean energy, energy efficiency and grid modernization.

**E Split Corp. – Class A** shares generated a total return of 17.5% in 2022. Geopolitical tensions brought energy security to the forefront of global priorities this year. North American energy offers a logical solution to displaced Russian supply and Enbridge provides unique exposure to this opportunity. Several liquified natural gas (LNG) terminals are currently under construction on the US Gulf coast which should more than double North America's export capacity over the next 5 years. This additional export capacity will require significant investments in gathering, processing and transportation infrastructure to bring molecules from the ground to coastal terminals. Enbridge is extremely well positioned to benefit from the growth capital that will be invested over the coming years.

### Outlook

We hold a cautiously optimistic view for 2023 and expect positive market returns this year. In light of the growing possibility of a mild recession, we believe earnings estimates to start the year are too high and vulnerable to negative revisions. That said, markets are forward-looking and partially priced in slower economic and earnings growth during 2022. Markets also typically bottom six to nine months before earnings trough. We expect a market bottom to form in the first half of 2023 with better performance expected in the latter half as the market looks ahead to rebounding earnings during 2024. We anticipate opportunities to arise in areas we are currently underweight and intend to opportunistically add to our highest long-term conviction growth names on weakness. We prefer value over growth in the short-term with an emphasis on quality factors.

We believe equity income-based strategies are positioned to outperform in 2023 as the current central bank tightening cycle nears completion and the market grapples with recession risks. Dividend-paying stocks, and dividend-growers in particular, typically outperform non-dividend payers during periods of declining inflation and after the end of central bank tightening cycles. In 2022, dividends per share in the TSX Composite were up nearly 18% in nominal terms and 10% in real terms. Dividend growth is a core tenet of our investment strategy and we expect further dividend increases in 2023. Our core holdings in dividend-payers should provide greater stability during this period of market uncertainty while enhancing total returns from consistent income.



**Dean Orrico**  
President and CEO  
Middlefield Capital Corporation



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

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2022

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](http://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 MINT Income Fund (the "Fund") are to provide unitholders with: (i) a high level of sustainable income; and (ii) a cost effective method of minimizing the risk of investing in high income securities. The Fund invests in a diversified portfolio of securities consisting primarily of high yielding equity securities of issuers operating in various industries and geographic regions.

### 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 July 30, 2013. During the past year, the overall risk level of the Fund may have been impacted as follows:

#### 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 macroeconomic uncertainties, ongoing global trade disputes, as well as the uncertain impact from the ongoing conflict in Ukraine. The Fund seeks to mitigate risk through active management and portfolio diversification.

### Results of Operations

#### Investment Performance

During 2022, the net assets of the Fund decreased to \$83.4 million at December 31, 2022 from \$88.1 million at December 31, 2021. On a per unit basis, the net assets of the Fund increased from \$6.85 at December 31, 2021 to \$6.92 at December 31, 2022. The Fund recorded a net gain on its investment portfolio of approximately \$6.3 million or \$0.47 per unit during the year.

#### Revenue and Expenses

Revenue before expenses for the year ended December 31, 2022 amounted to \$9.7 million, down from \$26.6 million in 2021 as a result of a change in unrealized losses on the Fund's portfolio investments. Operating expenses for the year ended December 31, 2022 amounted to \$1.7 million, up from \$1.3 million in 2021. The operating expenses contributed to the management expense ratio ("MER") of 1.76% in 2022, up from 1.54% in 2021. Excluding issuance and borrowing costs, the

MER was 1.60% in 2022. As a result, profit after tax amounted to \$7.9 million or \$0.59 per unit, down from \$25.1 million or \$1.80 per unit in the prior year. Distributions for the year ended December 31, 2022 amounted to \$0.48 per unit.

### Trends

2022 was a challenging year for equity investors. The S&P 500, MSCI World Index and TSX Composite generated total returns of -18.1%, -17.7% and -5.8%, respectively. Global central banks enacted aggressive interest rate hikes to combat the highest inflation in decades, sending both stocks and bonds lower in tandem.

### 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. As at December 31, 2022, the Fund held investments in other investment funds managed by the Manager. All management fees charged by the underlying investment funds held by the Fund were rebated to the Fund. For further details, please see the notes to the financial statements.

### Management Fees

Management fees are calculated at 1.0% 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 prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. At December 31, 2022, the Fund had a loan payable in the amount of \$5.0 million representing approximately 5.6% of total assets and 6.0% of total equity. The minimum and maximum amounts borrowed during the year ended December 31, 2022 were \$nil and \$9.8 million, respectively. The loan proceeds were used primarily to purchase securities for the investment portfolio.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

## FOR THE YEAR ENDED DECEMBER 31, 2022

### 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 years. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

The Fund's Total Equity per Unit<sup>(1)</sup>

	2022	2021	2020	2019	2018
Total Equity, Beginning of Year	\$ 6.85	\$ 5.52	\$ 6.50	\$ 5.98	\$ 7.16
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total Revenue	0.26	0.21	0.18	0.29	0.33
Total Expenses (excluding distributions)	(0.12)	(0.09)	(0.10)	(0.12)	(0.14)
Realized Gains (Losses) for the Year	1.15	0.77	(0.64)	0.33	-
Unrealized (Losses) Gains for the Year	(0.68)	0.92	0.05	0.46	(0.79)
Transaction Costs on Purchase and Sale of Investments	(0.02)	(0.01)	(0.02)	(0.02)	(0.03)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>0.55</b>	<b>1.81</b>	<b>(0.50)</b>	<b>1.00</b>	<b>(0.70)</b>
<b>DISTRIBUTIONS:</b>					
From Net Investment Income	0.14	0.12	0.09	0.17	0.19
From Capital Gains	0.34	0.36	-	0.31	-
Return of Capital	-	-	0.39	-	0.29
<b>TOTAL DISTRIBUTIONS<sup>(3)</sup></b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>
Total Equity, End of Year	\$ 6.92	\$ 6.85	\$ 5.52	\$ 6.50	\$ 5.98

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

<sup>(2)</sup> 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 year. This schedule is not a reconciliation of Total Equity since it does not reflect unitholder transactions as shown on the Statements of Changes in Equity and accordingly columns may not add.

<sup>(3)</sup> Distributions were paid in cash/reinvested in additional units of the Fund, or both.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2022

## Ratios and Supplemental Data

	2022	2021	2020	2019	2018
Total Assets (000s) <sup>(1)</sup>	\$ 89,063	\$ 98,494	\$ 77,164	\$ 126,521	\$ 121,684
Total Net Asset Value (000s) <sup>(1)</sup>	\$ 83,383	\$ 88,077	\$ 76,420	\$ 100,612	\$ 110,654
Number of Units Outstanding <sup>(1)</sup>	12,052,748	12,861,261	13,845,077	15,490,507	18,508,526
Management Expense Ratio ("MER") <sup>(2)</sup>	1.76%	1.54%	1.80%	1.70%	1.77%
MER (excluding interest expense and issuance costs) <sup>(2)</sup>	1.60%	1.39%	1.54%	1.38%	1.38%
Trading Expense Ratio <sup>(3)</sup>	0.30%	0.17%	0.45%	0.36%	0.40%
Portfolio Turnover Rate <sup>(4)</sup>	122.00%	89.46%	121.69%	121.06%	109.03%
Net Asset Value per Unit	\$ 6.92	\$ 6.85	\$ 5.52	\$ 6.50	\$ 5.98

<sup>(1)</sup> This information is provided as at December 31 of the year shown.

<sup>(2)</sup> The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average Net Asset Value during the year. 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. Where a Fund invests in securities of another investment funds managed by the Manager, the total expenses include the pro-rata share of the expenses of the underlying funds.

<sup>(3)</sup> 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 year. Where a Fund invests in securities of another investment funds managed by the Manager, the total commissions and other portfolio transaction costs include the pro-rata share of these costs from the underlying funds.

<sup>(4)</sup> 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 year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.



# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

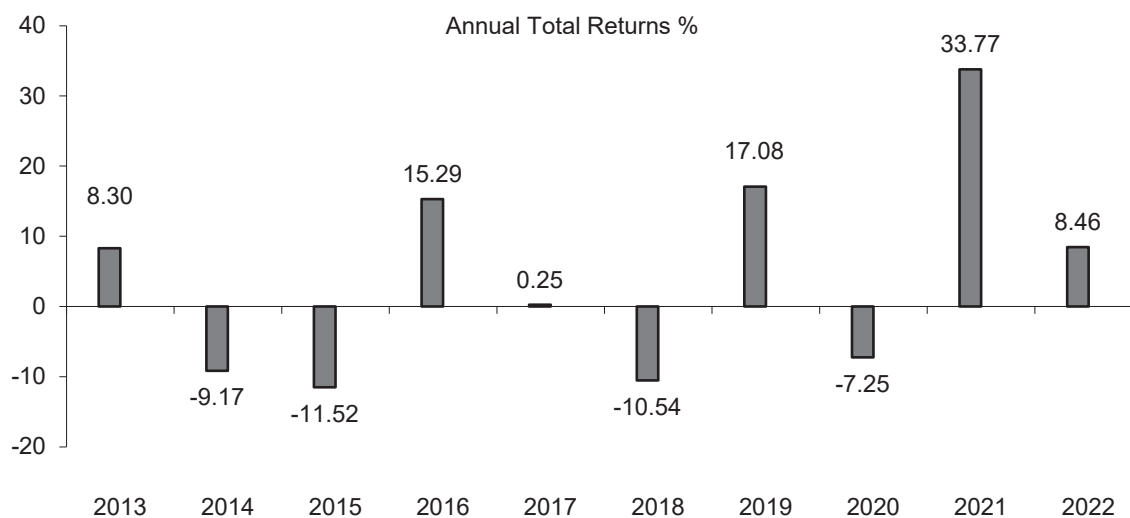
FOR THE YEAR ENDED DECEMBER 31, 2022

## Past Performance

The performance information shown, which is based on Net Asset Value, diluted where applicable, assumes that all distributions paid by the Fund in the years shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

## Year-By-Year Returns

The bar chart shows how the Fund's performance has varied from year to year for each of the years shown. The chart indicates, in percentage terms, how much an investment made the first day of each financial year would have grown or decreased by the last day of the financial year.



## Annual Compound Returns

	Periods Ended December 31, 2022			
	One Year	Three Years	Five Years	Ten Years
MINT Income Fund	8.46%	10.38%	7.10%	3.55%
S&P/TSX Composite High Dividend Index	-3.95%	3.05%	2.07%	2.18%

The S&P/TSX Composite High Dividend Index is a strategy index focused on dividend income and is made up of 50 to 75 stocks selected from the S&P/TSX Composite Index.

The Fund's total return in 2022 outperformed the return generated by Index. The Fund's performance in 2022 was benefitted by the conservative positioning of the investment portfolio during the year.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2022

## Summary of Investment Portfolio

AS AT DECEMBER 31, 2022

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 Middlefield Healthcare Dividend ETF	4.9
2 Blackstone Core+ Real Estate LP <sup>1</sup>	4.6
3 Middlefield Health & Wellness ETF	4.5
4 Canadian Apartment Properties Real Estate Investment Trust	4.4
5 TransAlta Corp.	4.1
6 Topaz Energy Corp.	4.1
7 Freehold Royalties Ltd.	3.8
8 Brookfield Super-Core Infrastructure Partners LP	3.8
9 Tourmaline Oil Corp.	3.7
10 Capital Power Corp.	3.6
11 Secure Energy Services Inc.	3.4
12 Keyera Corp.	3.3
13 Westshore Terminals Investment Corp.	3.2
14 Citizens Financial Group Inc.	3.2
15 AltaGas Ltd.	3.1
16 Peyto Exploration & Development Corp.	2.9
17 Cargojet Inc.	2.8
18 Morgan Stanley	2.8
19 Boardwalk Real Estate Investment Trust	2.7
20 Boralex Inc.	2.6
21 ARC Resources Ltd.	2.6
22 Whitecap Resources Inc.	2.6
23 Enbridge Inc.	2.5
24 Innergex Renewable Energy Inc.	2.5
25 Huntington Bancshares Inc.	2.3

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

ASSET CLASS	% OF NET ASSET VALUE
Energy	23.0
Real Estate	20.9
Utilities	15.9
Financials	9.6
Healthcare	9.4
Pipelines	8.2
Industrials	6.0
Materials	2.1
Metals and Mining	1.4
Corporate Debt	0.6
Cash and Short-Term Investments	9.2
Other Net Assets Liabilities	(6.3)
	100.0

TOTAL NET ASSET VALUE \$ 83,383,214

TOTAL ASSETS \$ 89,062,982

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions. The Prospectus of any investment funds owned by the Fund can be found online at [www.sedar.com](http://www.sedar.com).

Please visit [www.middlefield.com](http://www.middlefield.com) for the most recent quarter-end Summary of Investment Portfolio.

<sup>1</sup> The Fund submitted a redemption request for Blackstone Core+ Real Estate LP on July 20, 2022, and remains in the payment queue as per the Limited Partnership Agreement.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements MINT Income 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



Jeremy Brasseur  
Director

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.



Craig Rogers  
Director

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of  
MINT Income Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended 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 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 and the Annual Report 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 Michael Darroch.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP" in a simpler, sans-serif font.

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
March 31, 2023

# **FINANCIAL STATEMENTS**





# FINANCIAL STATEMENTS

## Statements of Financial Position

AS AT DECEMBER 31  
(In Canadian Dollars)

	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Investments at Fair Value through Profit or Loss	\$ 81,003,959	\$ 95,075,150
Cash	7,689,803	3,088,436
Income and Interest Receivable	367,138	298,555
Accounts Receivable	2,082	1,996
Prepaid Interest	-	29,597
<b>Total Assets</b>	<b>89,062,982</b>	<b>98,493,734</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Loan Payable (Note 11)	5,000,000	9,750,000
Distributions Payable (Note 14)	486,798	517,742
Accounts Payable and Accrued Liabilities	192,970	148,930
<b>Total Liabilities</b>	<b>5,679,768</b>	<b>10,416,672</b>
<b>Net Assets</b>	<b>\$ 83,383,214</b>	<b>\$ 88,077,062</b>
<b>EQUITY</b>		
Unitholders' Capital (Note 7)	\$ 82,014,876	\$ 90,109,084
Retained Earnings (Deficit)	1,368,338	(2,032,022)
<b>Total Equity</b>	<b>\$ 83,383,214</b>	<b>\$ 88,077,062</b>
<b>Units Issued and Outstanding</b>	<b>12,052,748</b>	<b>12,861,261</b>
<b>Total Equity per Unit</b>	<b>\$ 6.92<sup>1</sup></b>	<b>\$ 6.85</b>

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

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



Director: Jeremy Brasseur



Director: Craig Rogers

<sup>1</sup>The The Total Equity per Unit reflects the valuation of Blackstone Core+ Real Estate LP as at December 31, 2022 that was made available on March 17, 2023. As such, the Total Equity per Unit in the above Statement of Financial Position is different from the Total Equity per Unit published on [www.middlefield.com](http://www.middlefield.com) for December 30, 2022.

# FINANCIAL STATEMENTS

## Statements of Comprehensive Income

FOR THE YEARS ENDED DECEMBER 31  
(In Canadian Dollars)

	2022	2021
<b>REVENUE (LOSS)</b>		
Income from Investments	\$ 3,385,978	\$ 2,945,300
Interest Income for Distribution Purposes	88,268	11,198
Foreign Exchange Loss on Cash	(4,536)	(162,469)
<b>Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>		
Net Realized Gain from Investment Transactions excluding Derivatives	14,129,549	10,979,105
Net Realized Gain from Derivatives Transactions	1,236,780	-
Change in Net Unrealized (Loss) Gain on Investments excluding Derivatives	(9,097,059)	12,761,119
Change in Net Unrealized Gain on Derivatives Transactions	-	-
Change in Net Unrealized Gain on Foreign Currency Transactions	1,226	28,051
<b>Total Revenue</b>	<b>9,740,206</b>	<b>26,562,304</b>
<b>OPERATING EXPENSES (Note 8)</b>		
Audit Fees	60,902	23,161
Custodial Fees	10,233	9,674
Fund Administration Costs	267,758	126,466
Legal Fees	30,752	-
Management Fee	977,209	906,485
Transaction Costs (Note 9)	274,681	148,295
Unitholder Reporting Costs	59,136	61,463
<b>Total Operating Expenses</b>	<b>1,680,671</b>	<b>1,275,544</b>
Operating Profit	8,059,535	25,286,760
Finance Costs (Note 11)	149,247	136,118
Profit before Tax	7,910,288	25,150,642
Withholding Taxes	54,656	60,570
Profit after Tax	\$ 7,855,632	\$ 25,090,072
Profit after Tax per Unit (Note 7)	\$ 0.59	\$ 1.80

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

# FINANCIAL STATEMENTS

## Statements of Changes in Equity

FOR THE YEARS ENDED DECEMBER 31 (In Canadian Dollars)	Unitholders' Capital	Retained Earnings (Deficit)	Total
Balance at January 1, 2021	\$ 99,947,244	\$ (23,527,415)	\$ 76,419,829
Profit after Tax	-	25,090,072	25,090,072
Distributions to Unitholders	-	(6,706,784)	(6,706,784)
Repurchase of Trust Units	(730,000)	313,071	(416,929)
Payment on Redemption of Trust Units	(20,602,160)	6,748,031	(13,854,129)
Proceeds from Issue of Trust Units	11,494,000	(3,948,997)	7,545,003
Balance at December 31, 2021	\$ 90,109,084	\$ (2,032,022)	\$ 88,077,062
<b>Balance at January 1, 2022</b>	<b>\$ 90,109,084</b>	<b>\$ (2,032,022)</b>	<b>\$ 88,077,062</b>
Profit after Tax	-	7,855,632	7,855,632
Distributions to Unitholders	-	(6,371,841)	(6,371,841)
Repurchase of Trust Units	(739,000)	235,674	(503,326)
Payment on Redemption of Trust Units	(19,673,030)	5,407,722	(14,265,308)
Proceeds from Issue of Trust Units	12,317,822	(3,726,827)	8,590,995
<b>Balance at December 31, 2022</b>	<b>\$ 82,014,876</b>	<b>\$ 1,368,338</b>	<b>\$ 83,383,214</b>

## Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31  
(In Canadian Dollars)

	2022	2021
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Profit after Tax	\$ 7,855,632	\$ 25,090,072
Adjustments:		
Purchases of Investments	(153,781,550)	(82,326,800)
Proceeds from Sale of Investments	174,122,011	85,106,015
Foreign Exchange Loss	3,310	134,418
Net Realized Gain from Investment Transactions	(15,366,329)	(10,979,105)
Change in Net Unrealized Loss (Gain) on Investments	9,097,059	(12,761,119)
	21,930,133	4,263,481
Net Change in Non-Cash Working Capital	124,346	114,924
Net Cash from Operating Activities	22,054,479	4,378,405
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from Issue of Trust Units	8,590,995	7,545,003
Repurchase of Trust Units	(503,326)	(416,929)
Payment on Redemption of Trust Units	(14,265,308)	(13,854,129)
Proceeds from Loans	37,382,668	56,850,515
Repayment of Loans	(42,250,000)	(47,250,000)
Distributions Paid to Unitholders	(6,404,831)	(6,745,247)
Net Cash used in Financing Activities	(17,449,802)	(3,870,787)
Net Increase in Cash	4,604,677	507,618
Foreign Exchange Loss	(3,310)	(134,418)
Cash at Beginning of Year	3,088,436	2,715,236
Cash at End of Year	\$ 7,689,803	\$ 3,088,436

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

# FINANCIAL STATEMENTS

## Schedule of Investment Portfolio

AS AT DECEMBER 31, 2022  
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
ARC Resources Ltd.	120,000	\$ 1,790,535	\$ 2,190,000
Freehold Royalties Ltd.	200,000	1,276,686	3,166,000
Peyto Exploration & Development Corp.	175,000	2,006,636	2,427,250
Secure Energy Services Inc.	400,000	2,275,516	2,812,000
Topaz Energy Corp.	160,000	2,399,601	3,380,800
Tourmaline Oil Corp.	45,000	1,506,270	3,074,400
Whitecap Resources Inc.	200,000	1,839,929	2,148,000
<b>ENERGY: 21.6%</b>		13,095,173	19,198,450
Blackstone Core+ Real Estate LP <sup>1</sup>	1,824	3,177,437	3,815,349
Boardwalk Real Estate Investment Trust	45,000	1,393,649	2,224,350
Brookfield Super-Core Infrastructure Partners LP	2,282	2,863,368	3,149,844
Canadian Apartment Properties Real Estate Investment Trust	85,000	3,448,006	3,627,800
Chartwell Retirement Residences	180,000	2,032,639	1,519,200
H&R Real Estate Investment Trust	150,000	1,298,401	1,816,500
Nexus Industrial REIT	136,000	1,395,811	1,311,040
<b>REAL ESTATE: 19.70%</b>		15,609,311	17,464,083
AltaGas Ltd.	110,000	1,880,501	2,571,800
Boralex Inc.	55,000	1,820,500	2,201,100
Capital Power Corp.	65,000	2,511,880	3,011,450
Innergex Renewable Energy Inc.	130,000	2,303,503	2,106,000
TransAlta Corp.	280,000	2,198,360	3,390,800
<b>UTILITIES: 15.0%</b>		10,714,744	13,281,150
Bank of Montreal	8,800	1,043,680	1,079,408
Citizens Financial Group Inc.	50,000	1,862,718	2,667,236
Huntington Bancshares Inc.	100,000	1,941,580	1,910,491
Morgan Stanley	20,000	2,123,754	2,303,971
<b>FINANCIALS: 9.0%</b>		6,971,732	7,961,106
Middlefield Health & Wellness ETF	300,000	3,129,544	3,729,000
Middlefield Healthcare Dividend ETF	365,000	3,246,208	4,102,600
<b>HEALTHCARE: 8.8%</b>		6,375,752	7,831,600
Enbridge Inc.	40,000	1,663,524	2,116,800
Keyera Corp.	94,000	2,746,952	2,781,460
Tidewater Midstream and Infrastructure Ltd.	1,886,000	2,168,825	1,904,860
<b>PIPELINES: 7.7%</b>		6,579,301	6,803,120
Cargojet Inc.	20,000	2,341,436	2,327,000
Westshore Terminals Investment Corp.	120,000	2,651,252	2,691,600
<b>INDUSTRIALS: 5.7%</b>		4,992,688	5,018,600
Nutrien Ltd.	18,000	902,088	1,779,300
<b>MATERIALS: 2.0%</b>		902,088	1,779,300
Labrador Iron Ore Royalty Corp.	35,000	566,922	1,175,300
<b>METALS AND MINING: 1.3%</b>		566,922	1,175,300
Bombardier Inc., 7.35%, 22 December 2026	500,000	477,838	491,250
<b>CORPORATE DEBT: 0.5%</b>		477,838	491,250
TRANSACTION COSTS (Note 9)		(75,960)	-
TOTAL INVESTMENTS: 91.3%		66,209,589	81,003,959
CASH: 8.7%		7,689,803	7,689,803
Total Investment Portfolio, Including Cash		\$ 73,899,392	\$ 88,693,762

<sup>1</sup>The Fund submitted a redemption request for Blackstone Core+ Real Estate LP on July 20, 2022, and remains in the payment queue as per the Limited Partnership Agreement.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 1. MINT Income Fund

MINT Income Fund (the "Fund") is a closed-end investment trust established under the laws of the Province of Alberta. Middlefield Limited, a company incorporated in Alberta, is the trustee and manager 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 Fund was listed on the Toronto Stock Exchange and effectively commenced operations on March 13, 1997, when it first issued units through an initial public offering. The address of the Fund's registered office is 100 King Street West, Suite 5855, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on March 31, 2023.

## 2. Investment Objectives and Strategy

The Fund's investment objectives are (i) to produce a high level of sustainable income and (ii) to minimize the risk of investing in high income securities on a cost effective basis. The Fund invests in a diversified portfolio of securities consisting primarily of high yielding equity securities of issuers operating in various industries and geographic regions.

## 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 or loss ("FVTPL") and amortized cost.

#### Classification, Measurement, Impairment and Hedge Accounting

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

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

IFRS 9 uses the expected credit loss model ("ECL") as the new impairment model for financial assets carried at amortized cost. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime of ECLs. 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.



# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 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 including investment funds managed by the Manager, derivatives (collectively referred to as "investments"), cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, subscriptions receivable, prepaid interest, prepaid expenses, 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 Statements of Comprehensive Income. Realized gains and losses from derivative instruments that are specific economic hedges are accounted for in the same manner as the underlying investments being hedged and are included in the Statements of Comprehensive Income.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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

As disclosed in the Schedule of Investment Portfolio, the Fund invests in investment funds managed by the Manager. Distributions receivable from the investment in these Funds, if any, would be included in the amount of Income and Interest Receivable shown on the Statements of Financial Position. As at December 31, 2022 distributions receivable from investments managed by the Manager amounted to \$30,751 (December 31, 2021 - \$31,376).

### G. Profit or Loss after Tax per Unit

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

### 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 Statements of Comprehensive Income.

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

### I. Foreign Currency Translation

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

### J. Critical Accounting Estimates and Judgments

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

#### 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.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 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 Statements 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 tables below summarize the fair values of the Fund's financial instruments as at December 31, 2022 and 2021, 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.			

#### As at December 31, 2022

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 73,547,516	\$ -	\$ 6,965,193	\$ 80,512,709
Corporate Debt / Bonds	-	491,250	-	491,250
Total	\$ 73,547,516	\$ 491,250	\$ 6,965,193	\$ 81,003,959

#### As at December 31, 2021

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 91,707,325	\$ -	\$ 3,367,825	\$ 95,075,150

All fair value measurements above are recurring. The carrying values of cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, subscriptions receivable, prepaid interest, loan payable, accounts payable and accrued liabilities and distributions payable, 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.

#### Equities

The Fund's equity positions are classified as Level 1 when the securities are actively traded and a reliable price is observable.

Certain of the equities held by the Fund do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 5. Fair Value Disclosure (continued)

### Debt Securities

Debt securities include primarily government or corporate bonds and are classified as Level 1 when the securities are actively traded. Debt securities which are valued using models with inputs including interest rate curves, credit spreads and volatilities are generally observable and therefore these debt securities have been classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at December 31, 2022, the Fund held \$6,965,193 (2021 – \$3,367,825) of Level 3 securities. The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the issuer, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuate similarly. The Fund's level 3 investments in Blackstone Core+ Real Estate LP and Brookfield Super-Core Infrastructure Partners LP represent 8.6% of the Fund's investment portfolio and are measured at the NAV of Blackstone Core+ Real Estate LP and Brookfield Super-Core Infrastructure Partners LP as at December 31, 2022. The Blackstone Core+ Real Estate LP and Brookfield Super-Core Infrastructure Partners LP primarily hold level 2 and level 3 investments and the inputs to the NAV require significant management judgement or estimation. The Fund submitted a redemption request for Blackstone Core+ Real Estate LP on July 20, 2022, and remains in the payment queue as per the Limited Partnership Agreement.

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

The reconciliation of investments measured at fair value using unobservable inputs (Level 3) for the year ended December 31, 2022 and 2021 is as follows:

#### Year Ended December 31, 2022

Balance at January 1	\$	3,367,825
Investment Purchases during the Year		2,863,368
Investment Sales during the Year		(120,801)
Realized Gain		25,849
Unrealized Gain		828,952
Balance at December 31	\$	6,965,193
Total Change in Unrealized Gain during the Year for Assets held at December 31	\$	464,940

#### Year Ended December 31, 2021

Balance at January 1	\$	3,015,707
Investment Purchases during the Year		-
Investment Sales during the Year		(11,356)
Realized Loss		(538)
Unrealized Gain		364,012
Balance at December 31	\$	3,367,825

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

## 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, foreign exchange rate risk, liquidity risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Fund's risks and related exposures are consistent with its objectives and risk tolerance.

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.

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 6. Financial Risk Management (continued)

### 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:

	2022	2021
Investments at FVTPL	\$ 80,512,709	\$ 95,075,150

Based on the above exposure at December 31, 2022, a 10% increase or decrease in the prices of the Fund's investments would result in a \$8,051,271 (December 31, 2021 - \$9,507,515) increase or decrease in net assets of the Fund, with all other factors held constant.

### B. Interest Rate Risk

Interest rate risk describes the Fund's exposure to changes in the general level of interest rates. Interest rate risk arises when the Fund invests in interest-bearing financial assets such as cash and debt securities 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 is also exposed to the risk that the value of financial assets such as corporate and government debt will fluctuate due to changes in the prevailing levels of market interest rates. The value of such financial assets is negatively correlated to interest rates. The Fund 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:

	2022	2021
Cash	\$ 7,689,803	\$ 3,088,436
Loan Payable	(5,000,000)	(9,750,000)
Debt Securities	(491,250)	-
Net Exposure	\$ 2,198,553	\$ (6,661,564)

Based on the above exposure at December 31, 2022, a 1% per annum increase or decrease in interest rates would result in a \$10,625 increase or decrease (2021 - \$66,616 decrease or increase) in net assets of the Fund, with all other factors held constant.

### C. Foreign Exchange Rate Risk

Foreign exchange rate risk describes the impact on the underlying value of financial instruments due to foreign exchange rate movements. The Canadian dollar is the Fund's functional and 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 instrument:

As at December 31, 2022

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 13,846,891	\$ 116,507	\$ 16,170	\$ 13,979,568

As at December 31, 2021

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	\$ 26,505,514	\$ 27,885	\$ 17,431	\$ 26,550,830



# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 6. Financial Risk Management (continued)

### C. Foreign Exchange Rate Risk (continued)

Based on the above exposure at December 31, 2022, a 10% increase or decrease in the Canadian dollar against respective foreign currencies would result in a \$1,397,957 (2021 – \$2,655,083) decrease or increase in total equity of the Fund, with all other factors held constant.

### D. 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 20 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 prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. 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 and by borrowing under its prime brokerage services agreement. 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 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 Fund's investment in Blackstone Core+ Real Estate LP and Brookfield Super-Core Infrastructure Partners LP are subject to a 24 month period redemption lock-up from the date of the initial capital contribution; however, the Fund has the ability to sell its units of Blackstone Core+ Real Estate LP and Brookfield Super-Core Infrastructure Partners LP to certain other purchasers prior to the expiration of the lock-up period. Subsequent to the redemption lock-up period, the Fund can redeem part or all of its investment on a quarterly basis.

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, 2022

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	\$ 486,798	\$ -	\$ -	\$ 486,798
Accounts Payable and Accrued Liabilities	192,970	-	-	192,970
Loan Payable	5,000,000	-	-	5,000,000
Total	\$ 5,679,768	\$ -	\$ -	\$ 5,679,768

As at December 31, 2021

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	\$ 517,742	\$ -	\$ -	\$ 517,742
Accounts Payable and Accrued Liabilities	148,930	-	-	148,930
Loan Payable	-	9,750,000	-	9,750,000
Total	\$ 666,672	\$ 9,750,000	\$ -	\$ 10,416,672

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.

### E. Credit Risk

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

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 6. Financial Risk Management (continued)

### E. Credit Risk (continued)

The Fund's credit risk is primarily attributable to its investment in debt instruments because the issuer of the instrument may be unable to make interest payments or repay the principal amount on maturity. The concentration of credit risk of investments in debt instruments is minimal since the Fund invests in a variety of debt instruments issued by numerous issuers.

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

As at December 31, 2022 and 2021, the Fund invested in debt instruments and preferred shares with the following credit ratings:

Debt Instruments and Preferred Shares by Credit Rating	As a % of Total Equity	
	2022	2021
B-	0.6	-

### 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, 2022 and 2021, the percentages of the Fund's total equity invested in each investment sector were as follows:

Sector	As a % of Total Equity	
	2022	2021
Energy	23.0	22.9
Real Estate	20.9	10.0
Utilities	15.9	11.8
Financials	9.6	18.8
Healthcare	9.4	9.9
Pipelines	8.2	5.7
Industrials	6.0	9.5
Materials	2.1	3.2
Metals and Mining	1.4	2.3
Corporate Debt	0.6	-
Technology	-	6.8
Communication Services	-	3.7
Consumer Discretionary	-	3.4
Total	97.1	108.0

## 7. 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. 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 Fund issued 9.8 million units at \$10 per unit in 1997. During the year ended December 31, 2022, the Fund redeemed 1,967,303 units (2021 – 2,060,216), issued 1,229,700 units (2021- 1,149,400), purchased 73,400 units (2021- 63,800) pursuant to a normal course issuer bid and 500 units (2021 – 9,200) in the market in accordance with the Declaration of Trust. For the year ended December 31, 2022, 36,183 units (2021 – 37,354) were distributed under the Plan, of which 2,990 units (2021- nil) were issued from treasury.

The average number of units outstanding during the year ended December 31, 2022 was 13,330,427 (2021 – 13,968,143). This number was used to calculate the Profit after Tax per Unit.

## 8. 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% per annum of the NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. For the year ended December 31, 2022, management fees before the absorption of expenses amounted to \$1.0 million (2021 - \$0.9 million).

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 8. Management Fee and Operating Expenses (continued)

The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business, including, among other things, audit and legal fees and expenses, custodian and transfer agency fees, and costs relating to securityholder reporting. Certain services in the normal course of business may be provided by the Manager or an affiliate of the Manager in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds*. Examples of these services include the preparation and filing of tax returns, the preparation and filing of financial statements and related reports, acting as transfer agent and registrar for the funds, and maintaining and updating the Fund's website. In aggregate, these fees amounted to less than 0.15% of the fund's average NAV throughout the year. In addition, the Fund would be responsible for reimbursing the Manager for any reasonable out of pocket expenses incurred on the Fund's behalf.

## 9. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the year ended December 31, 2022 amounted to \$274,681 (2021 – \$148,295). Included in this amount is \$93,261 (2021 - \$54,354) in brokerage commissions that were paid to MCC. 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.

## 10. 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.

During the years ended December 31, 2022 and 2021, the Fund did not earn any securities lending income.

As at December 31, 2022 and 2021, the Fund had no outstanding securities loaned and hence no collateral held.

## 11. Loan Payable

In 2022, the Fund entered into a prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund after the Fund terminated its revolving term credit facility with a maximum principal amount of \$10 million (2021 – \$10 million) which was secured by a general security agreement. As at December 31, 2022, loans outstanding was in the amount of \$5.0 million (December 31, 2021 - \$9.8 million). The minimum and maximum loans outstanding during 2022 were \$nil and \$ 9.8 million (December 31, 2021 – \$nil and \$9.8 million), respectively. Finance costs primarily relate to loan interest expenses.

## 12. 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 any externally imposed capital requirements. However, the Fund is subject to bank covenants in respect of leverage and is in compliance with those covenants in both 2022 and 2021. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2021.

## 13. Loss Carryforwards

At December 31, 2022, the Fund had capital losses of \$ 4,470,301 (2021 - \$7,516,886) and had non-capital losses of \$nil (2021 – \$2,448,219 ) available for carryforward for tax purposes. The capital losses can be carried forward indefinitely.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

### 14. 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 year ended December 31, 2022, distributions amounted to \$0.48 per unit (2021 – \$0.48).

15. 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, 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.

## DISTRIBUTIONS (PER UNIT)

1997		1998		1999		2000		2001		2002	
30-Jun	\$ 0.13	31-Mar	\$ 0.22	31-Mar	\$ 0.20	31-Mar	\$ 0.17	31-Mar	\$ 0.17	31-Mar	\$ 0.18
30-Sep	0.17	30-Jun	0.22	30-Jun	0.20	30-Jun	0.17	30-Jun	0.17	30-Jun	0.18
31-Dec	0.20	30-Sep	0.22	30-Sep	0.20	30-Sep	0.17	30-Sep	0.18	30-Sep	0.18
		31-Dec	0.22	31-Dec	0.20	31-Dec	0.17	31-Dec	0.18	31-Dec	0.18
2003		2004									
31-Mar	\$ 0.18	30-Sep	\$ 0.20	31-Mar	\$ 0.20	31-Jul	\$ 0.07	30-Sep	\$ 0.07	30-Nov	\$ 0.07
30-Jun	0.18	31-Dec	0.20	30-Jun	0.20	31-Aug	0.07	31-Oct	0.07	31-Dec	0.07
2005											
31-Jan	\$ 0.07	31-Mar	\$ 0.07	31-May	\$ 0.10	31-Jul	\$ 0.10	30-Sep	\$ 0.10	30-Nov	\$ 0.10
28-Feb	0.07	30-Apr	0.10	30-Jun	0.10	31-Aug	0.10	31-Oct	0.10	31-Dec	0.10
2006											
31-Jan	\$ 0.10	31-Mar	\$ 0.10	31-May	\$ 0.10	31-Jul	\$ 0.10	30-Sep	\$ 0.10	30-Nov	\$ 0.10
28-Feb	0.10	30-Apr	0.10	30-Jun	0.10	31-Aug	0.10	31-Oct	0.10	31-Dec	0.10
2007											
31-Jan	\$ 0.10	31-Mar	\$ 0.10	31-May	\$ 0.10	31-Jul	\$ 0.10	30-Sep	\$ 0.10	30-Nov	\$ 0.10
28-Feb	0.10	30-Apr	0.10	30-Jun	0.10	31-Aug	0.10	31-Oct	0.10	31-Dec	0.10
2008											
31-Jan	\$ 0.10	31-Mar	\$ 0.10	31-May	\$ 0.10	31-Jul	\$ 0.10	30-Sep	\$ 0.10	30-Nov	\$ 0.10
28-Feb	0.10	30-Apr	0.10	30-Jun	0.10	31-Aug	0.10	31-Oct	0.10	31-Dec	0.10
2009											
31-Jan	\$ 0.07	31-Mar	\$ 0.07	31-May	\$ 0.07	31-Jul	\$ 0.07	30-Sep	\$ 0.07	30-Nov	\$ 0.07
28-Feb	0.07	30-Apr	0.07	30-Jun	0.07	31-Aug	0.07	31-Oct	0.07	31-Dec	0.07
2010											
31-Jan	\$ 0.07	31-Mar	\$ 0.07	31-May	\$ 0.07	31-Jul	\$ 0.07	30-Sep	\$ 0.07	30-Nov	\$ 0.07
28-Feb	0.07	30-Apr	0.07	30-Jun	0.07	31-Aug	0.07	31-Oct	0.07	31-Dec	0.07
2011											
31-Jan	\$ 0.06	31-Mar	\$ 0.06	31-May	\$ 0.06	31-Jul	\$ 0.06	30-Sep	\$ 0.06	30-Nov	\$ 0.06
28-Feb	0.06	30-Apr	0.06	30-Jun	0.06	31-Aug	0.06	31-Oct	0.06	31-Dec	0.06
2012											
31-Jan	\$ 0.06	31-Mar	\$ 0.06	31-May	\$ 0.06	31-Jul	\$ 0.06	30-Sep	\$ 0.06	30-Nov	\$ 0.06
28-Feb	0.06	30-Apr	0.06	30-Jun	0.06	31-Aug	0.06	31-Oct	0.06	31-Dec	0.06
2013											
31-Jan	\$ 0.06	31-Mar	\$ 0.06	31-May	\$ 0.06	31-Jul	\$ 0.06	30-Sep	\$ 0.06	30-Nov	\$ 0.06
28-Feb	0.06	30-Apr	0.06	30-Jun	0.06	31-Aug	0.06	31-Oct	0.06	31-Dec	0.06
2014											
31-Jan	\$ 0.06	31-Mar	\$ 0.06	31-May	\$ 0.06	31-Jul	\$ 0.06	30-Sep	\$ 0.06	30-Nov	\$ 0.06
28-Feb	0.06	30-Apr	0.06	30-Jun	0.06	31-Aug	0.06	31-Oct	0.06	31-Dec	0.06
2015											
31-Jan	\$ 0.06	31-Mar	\$ 0.06	31-May	\$ 0.06	31-Jul	\$ 0.06	30-Sep	\$ 0.06	30-Nov	\$ 0.06
28-Feb	0.06	30-Apr	0.06	30-Jun	0.06	31-Aug	0.06	31-Oct	0.06	31-Dec	0.06
2016											
31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04
2017											
31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04
2018											
31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04
2019											
31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04



## DISTRIBUTIONS (PER UNIT)

### 2020

31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
29-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04

### 2021

31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04

### 2022

31-Jan	\$ 0.04	31-Mar	\$ 0.04	31-May	\$ 0.04	31-Jul	\$ 0.04	30-Sep	\$ 0.04	30-Nov	\$ 0.04
28-Feb	0.04	30-Apr	0.04	30-Jun	0.04	31-Aug	0.04	31-Oct	0.04	31-Dec	0.04

#### 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](http://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.

## 2022 TAX INFORMATION (PER UNIT)

MINT Income Fund und will be issuing T3 Supplementary slips to registered unitholders by March 31, 2023. The following table outlines the allocation of the 2022 distribution for each Unit.

RECORD DATE	PAYABLE DATE	DISTRIBUTION PER UNIT	ALLOCATION		
			FOREIGN NON-BUSINESS INCOME	ELIGIBLE DIVIDEND	CAPITAL GAINS
January 31, 2022	February 15, 2022	\$ 0.040000	\$ 0.002369	\$ 0.016722	\$ 0.020909
February 28, 2022	March 15, 2022	0.040000	0.002369	0.016722	0.020909
March 31, 2022	April 14, 2022	0.040000	0.002369	0.016722	0.020909
April 30, 2022	May 13, 2022	0.040000	0.002369	0.016722	0.020909
May 31, 2022	June 15, 2022	0.040000	0.002369	0.016722	0.020909
June 30, 2022	July 15, 2022	0.040000	0.002369	0.016722	0.020909
July 31, 2022	August 15, 2022	0.040000	0.002369	0.016722	0.020909
August 31, 2022	September 15, 2022	0.040000	0.002369	0.016722	0.020909
September 30, 2022	October 14, 2022	0.040000	0.002369	0.016722	0.020909
October 31, 2022	November 15, 2022	0.040000	0.002369	0.016722	0.020909
November 30, 2022	December 15, 2022	0.040000	0.002369	0.016722	0.020909
December 31, 2022	January 13, 2023	0.040000	0.002805	0.016722	0.020909
TOTAL		\$ 0.480000	\$ 0.028428	\$ 0.200664	\$ 0.250908
			100.00%	5.92%	41.81%
					52.27%

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		MHCD
• Middlefield Health & Wellness ETF		HWF
• Middlefield Innovation Dividend ETF		MINN
• Middlefield Sustainable Global Dividend ETF		MDIV
• Middlefield Sustainable Infrastructure Dividend ETF		MINF
• Middlefield Real Estate Dividend ETF		MREL
• Middlefield U.S. Equity 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.	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 Energy Transition Class (commenced May 31, 2022)	MID 265	
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 925	
• Middlefield Global Dividend Growers Class	MID 181/183/186	
• Middlefield Real Estate Dividend Class (formerly 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 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 Real Estate Dividend Class (formerly Global Real Estate Class)	MID 601	
• Middlefield Global Energy Transition Class (commenced May 31, 2022)	MID 266	
• Middlefield Innovation Dividend Class (commenced May 31, 2022)	MID 926	
• Middlefield Income Plus Class	MID 801	
• Middlefield U.S. Equity Dividend Class (formerly Middlefield U.S. Dividend Growers Class)	MID 701	
RESOURCE FUNDS		
• Discovery 2022 Short Duration LP (commenced October 13, 2022)		
• MRF 2022 Resource Limited Partnership (commenced February 17, 2023)		
INTERNATIONAL FUNDS		
• Middlefield Canadian Income PCC	London UK Stock Exchange (LSE) Symbol:MCT	

**Dean Orrico**

President and Chief Executive Officer

**Jeremy T. Brasseur**

Executive Chairman

**Robert F. Lauzon, CFA**

Chief Investment Officer

**Independent Review  
Committee****George S. Dembroski**Former Vice-Chairman  
RBC Dominion Securities Limited**H. Roger Garland, CPA, CA**Former Vice-Chairman  
Four Seasons Hotels Inc.**Christine Helsdon Tekker,  
MBA, LLM, ICD.D**Senior Vice President, Lending  
Infrastructure Ontario**Edward V. Jackson  
(Chairman)**Former Managing Director  
RBC Capital Markets**Advisors**Middlefield Capital Corporation  
SSR, LLC**Middlefield Group****Stephen Erlichman**Chair, ESG  
(Environmental, Social, Governance)**Craig Rogers, CPA, CGA, CFA**

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**Wendy Teo, CPA, CA, CPA (IL)**

Chief Financial Officer &amp; Vice President

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Workplace Innovation and Productivity**Dennis da Silva**

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**Vincenzo Greco**

Senior Trader &amp; Portfolio Manager

**Nancy Tham**

Managing Director, Sales

**Shane Obata**

Portfolio Manager

**Robert Moffat**

Portfolio Manager

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**Chris Lutes**

Director, Sales

**Stacy J. Crestohl**

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**Rose Espinoza**

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Director, Operations

**Victor Xu, CFA**

Director, Corporate Development

**Mallika Verma**

Investment Analyst, Investments

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**Scott Hu**

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**Juanita Lam**

Brand Designer

**Joshua Wiggins**

Brand Strategist

**Stephen Chamberlain**Vice-President,  
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RSM Canada LLP**Legal Counsel**Bennett Jones  
DLA Piper (Canada) LLP  
Fasken Martineau DuMoulin LLP  
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Canadian Imperial Bank of Commerce  
Royal Bank of Canada  
The Bank of Nova Scotia  
The Toronto-Dominion Bank**Custodian**

RBC Investor Treasury Services

**Transfer Agents**RBC Investor Service Trust  
Middlefield Capital Corporation**Affiliates**Middlefield Group Limited  
Middlefield Capital Corporation  
Middlefield Financial Services Limited  
MFL Management Limited  
MF Properties Limited  
Middlefield International Limited  
Middlefield Limited  
Middlefield Realty Services Limited  
Middlefield Resource Corporation



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