2023 SEMI-ANNUAL REPORT

MIDDLEFIELD U.S. EQUITY DIVIDEND ETF

MIDDLEFIELD ETFs

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.

2023 Mid-Year Review and Outlook

Equity market returns were widely dispersed during the first half of 2023 (H1). The sharp recovery in technology stocks has been the biggest driver of relative performance, leading to the best first half of a year for the Nasdaq 100 in history (with data going back to 1985). The hype around artificial intelligence (AI) has fueled this rally and resulted in narrow market leadership. The "magnificent seven" – Apple, Microsoft, Google, Amazon, Meta, Tesla and Nvidia – did most of the heavy lifting, returning ~58% in H1. While market leadership has been narrow, we believe it is well deserved by some of the best companies in the world that will benefit from the AI cycle. Conversely, many core sectors of the market, including energy, utilities, financials and real estate, lagged in H1.

The underlying fundamentals for equities have improved in recent months. The most notable change to the economic landscape has been a significant drop in inflation. In Canada, the year-over-year rate of inflation was 2.8% in June 2023, well below 6.3% at the end of 2022 and its peak of 8.1% a year prior. Falling inflation has contributed to lowered expectations of a recession and boosted consumer confidence. In the US, the University of Michigan's monthly Consumer Sentiment Index hit 72.6 in July 2023, the highest reading since September 2021 and the biggest one-month gain since 2006. The labour market has also proven to be extremely resilient, with the unemployment rate near all-time lows in both countries. Real hourly earnings are increasing for the first time in two years which further supports consumer demand. Although most economists have been forecasting a recession since 2022, the broad strength of the consumer and the tightness of the labour market may be enough to support a soft landing – an outcome that we believe is becoming increasingly likely.

Despite inflation trending lower in H1, it remains above most central banks' long-term targets and monetary policy remains in restrictive territory. Services inflation, which is influenced by the rate of unemployment and wages, represents a bigger risk to overall inflation statistics and increases the likelihood of rates staying higher-for-longer. While economic data steadily improved throughout H1, real yields have risen which should temper further multiple expansion on the broad market and growth stocks in particular.

We are bullish on several areas of the Canadian stock market as Canadian equities are attractively valued on a relative basis. As at June 30 2023, the TSX Composite traded at a blended forward price to earnings multiple of 13.2x – more than a six turn discount to the S&P 500 multiple of 19.4x. In addition to attractive valuations, the total payout yield (dividends plus share buybacks) for the TSX is more attractive than the S&P 500, meaning investors are receiving more free cash flow from their investments in Canada. Companies in the TSX paid out a record $170 billion in total shareholder returns over the past twelve months, representing a payout yield of 5.5 per cent. $100 billion of this figure comes from dividend payments, supported by strong earnings and free cash flow growth.

We believe outperformance can be achieved in H2 through exposure to cyclical value sectors such as financials, resources, industrials and real estate. We expect these groups to outperform secular growth industries as the market prices in a soft landing in the economy and market breadth expands. We believe the economy has been going through a rolling recession over the past 18 months, i.e., various sectors are already in a recession while the economy continues to expand as a whole. Looking forward over the next twelve months, our view is that a rolling expansion is likely to take place in sectors that have already experienced earnings declines and share price depreciation.

Real estate had an excellent start to 2023 but was negatively impacted by macro headwinds that surfaced late in Q1. The collapse of several regional banks in the US sparked fears of a credit crunch in commercial real estate, particularly for office assets. We believe the operating environment for office REITs has become more challenging due to ongoing credit issues and uncertain work from home trends. That said, fundamentals across the rest of the sector remain very healthy. REITs continue to act as an effective hedge against inflation as companies can raise rents on expiring leases, particularly in undersupplied asset classes such as industrial, multi-family and retail. REITs have historically outperformed the TSX twelve to twenty-four months after the first Bank of Canada rate hike, which occurred in March 2022. The TSX Capped REIT Index generated a total return of 0.7% in H1, trailing the TSX Composite return of 5.8%. We are optimistic that sentiment is starting to bottom, and the sector is positioned for a catch-up trade in H2. *Middlefield Real Estate ETF* (TSX:MREL) and *Sustainable Real Estate Dividend Fund* (TSX:MSRE.UN) generated total returns of 2.6% and 4.2%, respectively, outperforming the benchmark.

After a year of strong performance in 2022, defensive sectors underperformed in H1 as the market began pricing in a soft landing. Healthcare finished as the third worst performing sector in the S&P 500 and had its worst first half in three decades relative to the broader market. Healthcare equipment companies were a bright spot within the sector, generating a total return of 13.1%. After three years of macro headwinds, including COVID-19 disruptions, supply chain bottlenecks and labour shortages, the operating environment for MedTech companies has improved. Healthcare facilities are now experiencing elevated utilization as patients return to hospitals and outpatient clinics to receive elective procedures that were deferred during the pandemic. We believe these conditions should persist for the remainder of 2023 and into 2024 as the system works through backlogs, especially for orthopedic and cardio procedures. Low unemployment represents an additional tailwind for MedTech companies as more patients are covered by health insurance. *Middlefield Healthcare Dividend ETF* finished H1 with a ~10% overweight weighting to MedTech companies relative to the benchmark.

We believe that infrastructure will be a highly sought-after asset class under a variety of economic backdrops. Revenues from infrastructure assets are typically guaranteed by long-term contracts that provide high cash flow visibility, even under challenging economic conditions. Infrastructure assets are benefiting from a broad range of secular tailwinds, including decarbonization targets, government support packages and shifting demographics. Our infrastructure strategies, which include *Middlefield Sustainable Infrastructure Dividend ETF* (TSX:MINF), *International Clean Power Dividend Fund* (TSX:CLP.UN) and *Global Real Asset Fund* (TSX:RA.UN) invest across multiple different sectors and industries. Regulated utilities, energy infrastructure, renewable power producers and data infrastructure companies represent core exposures within these funds. Notwithstanding higher interest rates, which makes project financing more expensive, we maintain an optimistic long-term view of companies that own, operate or supply infrastructure projects around the world.

Information technology was the top performing sector in the S&P 500 in H1, generating a total return of 42.8%. In our view, tech's impressive performance was justifiable given the two main headwinds that impacted the sector in 2022 – inflation and higher rates – have been easing. Looking forward, we remain optimistic on the tech sector and innovative companies broadly given fundamental growth underpinnings. The outlook for generative AI is promising and should support continued investment in semiconductors and cloud computing. After five consecutive quarters of weak EPS growth, tech earnings are poised to outpace the broader market in H2 and into 2024. *Middlefield Innovation Dividend ETF* generated a total return of 26.1% in H1, outperforming its benchmark, the NASDAQ Technology Dividend Index, which returned 24.3%.

Dividend stocks underperformed the broader market in H1 which was primarily a function of market rotation into growth from value. Despite the short-term underperformance, we remain confident in the long-term potential for dividend growth stocks, which have outperformed the market over the long run. Within the investment universe of dividend stocks, we continue to see plenty of attractive opportunities across key sectors including technology, healthcare, financials and real estate. *Middlefield Sustainable Global Dividend ETF* generated a total return of 10% in H1, outperforming its benchmark, MSCI World Dividend Growers Quality Select Index, which returned 7.5%. The Fund invests in an actively managed portfolio primarily comprised of global equity income securities with an emphasis on companies that are progressing on ESG initiatives and have grown their dividends over time.

Outlook

Our market outlook is sanguine for the second half of 2023. Recession risks are receding and investor sentiment has started to improve. A huge amount of capital that made its way into money market funds during Q4'22/Q1'23 is now starting to flow back into equities. We have noted a growing list of individual stocks that are starting to break out of recent trends, which supports our view that market breadth is poised to improve. Tech stocks have led the market so far this year, but valuations are beginning to look stretched, requiring a more selective approach to security selection going forward. We believe a rotation out of expensive growth stocks into more reasonably priced value names is likely over the coming months, which bodes well for many of our attractively priced dividend-paying core holdings. In sectoral terms, we are bullish on REITs, Financials, Energy and select areas of Healthcare.

Our focus remains on high-quality, dividend paying companies. We believe central banks are likely to maintain hawkish monetary policy for longer than the market is hoping for, which puts a ceiling on how much multiple expansion can take place going forward. As a result, dividend income should represent a larger portion of total returns in H2 and will be highly coveted by investors. We remain cognizant of the lag effects that higher interest rates have on the consumer and are closely watching economic indicators to gauge the overall health of the economy. We do not expect a recession to manifest in H2 and we currently favour cyclical exposure. If recession risks start to rise later in the year, we would tactically shift our funds' asset allocation towards defensive sectors such as healthcare, utilities and consumer staples.

Dean Orrico
President and CEO
Middlefield Capital Corporation

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

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2023

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

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

Management's Discussion of Fund Performance

Investment Objectives and Strategies

The investment objectives of Middlefield U.S. Equity Dividend ETF (the "Fund") are to provide holders with: (i) stable monthly cash distributions; and (ii) long-term total return through capital appreciation of the Fund's investment portfolio. The Fund invests in a diversified, actively managed portfolio comprised primarily of dividend-paying securities with a focus on the U.S. consumer, financials, industrials and information technology sectors that are expected by Middlefield Capital Corporation ("MCC" or the "Advisor") to benefit from growth in the U.S. economy.

Results of Operations

Investment Performance

During the first half of 2023, the net assets of the Fund increased to $37.1 million at June 30, 2023 from $34.9 million at December 31, 2022. On a per unit basis, the net assets of the Fund increased from $13.50 at December 31, 2022 to $14.79 at June 30, 2023. The Fund recorded a net gain on its investment portfolio of approximately $3.8 million or $1.50 per unit during the period.

Revenue and Expenses

Revenue before expenses for the period ended June 30, 2023 amounted to $4.2 million, up from a loss of $3.9 million in the first half of 2022, primarily as a result of unrealized gains recorded on the Fund's portfolio investments. Operating expenses totaled $0.2 million in the first half of 2023, up from $0.1 million in the first half of 2022. The operating expenses contributed to the management expense ratio ("MER") of 1.39% in the first six months of 2023, down from 1.55% in 2022. As a result, profit after tax amounted to $4.0 million or $1.56 per unit, up from a loss of $4.1 million or $4.72 per unit in the prior year period. Distributions for the six months ended June 30, 2023 amounted to $0.27 per unit.

Trends

In the US, the University of Michigan's monthly Consumer Sentiment Index hit 72.6 in July 2023, the highest reading since September 2021 and the biggest one-month gain since 2006. The labour market has also proven to be extremely resilient, with the unemployment rate near all-time lows in both countries. Real hourly earnings are increasing for the first time in two years which further supports consumer demand.

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. MCC, 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 June 30, 2023, the Fund held an investment in another investment fund managed by the Manager. All management fees charged by the underlying investment fund held by the Fund were rebated to the Fund. For further details, please see the notes to the financial statements.

Management Fees

Management fees are calculated at 0.75% 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.

Recent Developments

As at June 20, 2023, the Fund terminated the securities lending agreement with RBC Investor Services Trust and exited the securities lending program. There were no securities loaned or collateral held at the time of termination of the agreement.

On July 24, 2023, TSX Trust Company became the transfer agent & registrar for the Fund.

Financial Highlights

Net Assets are calculated in accordance with International Financial Reporting Standards ("IFRS").

"Net Asset Value" is calculated in accordance with section 14.2 of National Instrument 81-106 "Investment Fund Continuous Disclosure" ("NI 81-106") and is used for transactional pricing purposes.

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the indicated periods. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

The Fund's Net Assets per Unit(1)

	June 30 2023(4)	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Net Assets, Beginning of Period	**$ 13.50**	$ 17.76	$ 14.66	$ 13.16	$ 11.48	$ 12.02
INCREASE (DECEREASE) FROM OPERATIONS:						
Total Revenue	**0.16**	0.22	0.17	0.18	0.27	0.25
Total Expenses (excluding distributions)	**(0.10)**	(0.23)	(0.34)	(0.28)	(0.26)	(0.27)
Realized Gains for the Period	**0.17**	0.27	1.58	3.39	0.94	1.62
Unrealized Gains (Losses) for the Period	**1.33**	(1.20)	2.25	(1.73)	1.37	(1.25)
Transaction Costs on Purchase and Sale of Investments	**-**	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)
TOTAL INCREASE (DECREASE) FROM OPERATIONS(2)	**1.56**	(3.71)	3.65	2.05	2.23	0.01
DISTRIBUTIONS:						
From Net Investment Income	**0.06**	-	-	-	0.01	-
From Capital Gains	**0.16**	0.25	0.55	0.55	0.54	0.55
Return of Capital	**0.05**	0.30	-	-	-	-
TOTAL DISTRIBUTIONS(3)	**0.27**	0.55	0.55	0.55	0.55	0.55
Net Assets, End of Period	**$ 14.79**	$ 13.50	$ 17.76	$ 14.66	$ 13.16	$ 11.48

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

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

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

(4) For the six-month period ended June 30, 2023.

Ratios and Supplemental Data

	June 30, 2023[4]	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total Assets (000s)	**$ 37,397**	$ 35,180	$ 15,439	$ 12,001	$ 16,393	$ 11,789
Total Net Asset Value (000s)	**$ 37,146**	$ 34,925	$ 15,318	$ 11,911	$ 16,285	$ 11,673
Number of Units Outstanding	**2,512,302**	2,587,302	862,302	812,302	1,237,302	1,016,585
Management Expense Ratio ("MER")[1]	**1.39%**	1.55%	2.02%	1.95%	1.78%	2.20%
MER (excluding interest expense and issuance costs)[1]	**1.39%**	1.55%	2.02%	1.95%	1.78%	1.99%
Trading Expense Ratio[2]	**0.07%**	0.10%	0.04%	0.18%	0.09%	0.16%
Portfolio Turnover Rate[3]	**30.59%**	76.33%	45.18%	75.59%	40.87%	35.06%
Net Asset Value per Unit	**$ 14.79**	$ 13.50	$ 17.76	$ 14.66	$ 13.16	$ 11.48

(1) The MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. 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 fund managed by the Manager, the total expenses include the pro-rata share of the expenses of the underlying Fund.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period. Where a Fund invests in securities of another investment fund managed by the Manager, the total commissions and other portfolio transaction costs include the pro-rata share of these costs from the underlying Fund.

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

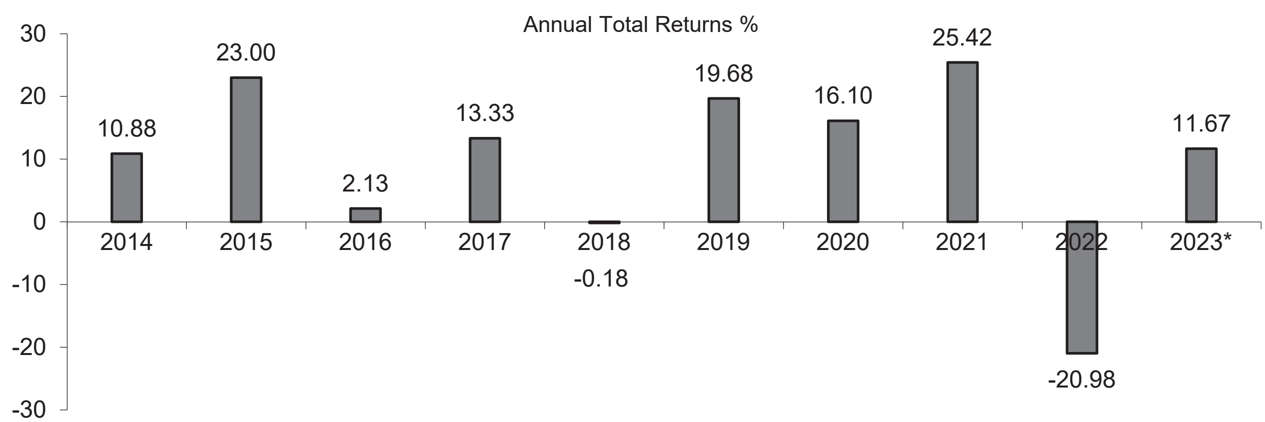
(4) As at June 30, 2023 or for the six-month period ended June 30, 2023, as applicable.

Past Performance

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

Year-By-Year Returns

The bar chart shows how the Fund’s performance has varied from year to year for each of the year shown. The return for 2013 is not presented since it relates to a partial period. The chart indicates, in percentage terms, how much an investment made the first day of each financial period would have grown or decreased by the last day of the financial period.



*For the six-month period ended June 30, 2023.

Summary of Investment Portfolio

AS AT JUNE 30, 2023

Top Twenty-Five Holdings

DESCRIPTION		% OF NET ASSET VALUE
1	Middlefield Healthcare Dividend ETF	8.4
2	Broadcom Inc.	5.2
3	Eaton Corp PLC	4.9
4	Apple Inc.	4.8
5	Motorola Solutions Inc.	4.7
6	Blackstone Property Partners L.P.	4.0
7	Deutsche Telekom AG	4.0
8	ASML Holding N.V.	3.9
9	Amazon.com Inc.	3.7
10	Microsoft Corp	3.6
11	Visa Inc.	3.6
12	Alphabet Inc.	3.4
13	Abbvie Inc.	3.4
14	Republic Services Inc.	3.3
15	McDonald's Corp.	3.2
16	Palo Alto Networks Inc.	3.2
17	Brookfield Asset Management Ltd.	3.1
18	Analog Devices Inc.	2.9
19	Sony Group Corporation	2.9
20	Exxon Mobil Corp.	2.7
21	PepsiCo Inc.	2.6
22	Costco Wholesale Corp.	2.5
23	NVIDIA Corporation	2.3
24	Prologis Inc.	2.2
25	JPMorgan Chase & Co.	2.1

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

ASSET CLASS	% OF NET ASSET VALUE
Technology	30.6
Healthcare	13.9
Financials	12.8
Consumer Discretionary	10.3
Industrials	9.4
Communication Services	8.2
Consumer Staples	6.3
Energy	2.7
Real Estate	2.2
Utilities	1.7
Pipelines	1.1
Cash and Short-Term Investments	1.2
Net Liabilities	(0.4)
	100.0
TOTAL NET ASSET VALUE	$ 37,146,009
TOTAL ASSETS	$ 37,397,099

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.

Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.

FINANCIAL STATEMENTS

NOTICE

The accompanying unaudited financial statements of Middlefield U.S. Equity Dividend ETF for the period ended June 30, 2023 have been prepared by management and have not been reviewed by the external auditors of the Fund.

Jeremy Brasseur Director Middlefield Limited	Craig Rogers Director Middlefield Limited

August 21, 2023

Statements of Financial Position

AS AT (In Canadian Dollars)	**June 30, 2023**	December 31, 2022
ASSETS		
Current Assets		
Investments at Fair Value through Profit or Loss	**$ 36,837,986**	$ 33,574,617
Cash	**461,312**	1,507,560
Income and Interest Receivable	**57,477**	71,252
Accounts Receivable from Broker	**40,324**	26,875
Total Assets	**37,397,099**	35,180,304
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	**135,951**	136,895
Distributions Payable (Note 12)	**115,139**	118,576
Total Liabilities (excluding Net Assets Attributable to Holders of Redeemable Units)	**251,090**	255,471
Net Assets Attributable to Holders of Redeemable Units	**$ 37,146,009**	$ 34,924,833
Redeemable Units Outstanding (Note 7)	**2,512,302**	2,587,302
Net Assets Attributable to Holders of Redeemable Units per Unit	**$ 14.79**	$ 13.50

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

INTERIM FINANCIAL REPORT
UNAUDITED

Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30 (In Canadian Dollars)		2023		2022
REVENUE (LOSS)				
Income from Investments	$	**402,393**	$	110,029
Interest Income for Distribution Purposes		**20,376**		520
Foreign Exchange Loss on Cash		**(2,484)**		(948)
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss				
Net Realized Gain from Investment Transactions excluding Derivatives		**405,685**		335,773
Net Realized Gain from Derivatives Transactions		**23,152**		-
Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives		**3,390,332**		(4,360,150)
Change in Net Unrealized Gain on Derivatives		**-**		-
Change in Net Unrealized (Loss) Gain on Foreign Currency Transactions		**(21)**		71
Total Revenue (Loss)		**4,239,433**		(3,914,705)
OPERATING EXPENSES (Note 8)				
Audit Fees		**11,679**		7,048
Custodial Fees		**1,905**		704
Fund Administration Costs		**65,972**		43,858
Legal Fees		**7,351**		24,215
Management Fee		**130,057**		49,045
Transaction Costs (Note 8)		**11,237**		4,825
Unitholder Reporting Costs		**13,051**		8,147
Total Operating Expenses		**241,252**		137,842
Withholding Taxes		**32,827**		10,511
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	**3,965,354**	$	(4,063,058)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (Note 7)	$	**1.56**	$	(4.72)

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

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

FOR THE SIX MONTHS ENDED JUNE 30 (In Canadian Dollars)		2023		2022
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	$	**34,924,833**	$	15,318,006
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		**3,965,354**		(4,063,058)
Distributions to Unitholders		**(696,562)**		(237,116)
Payment on Redemption of Trust Units		**(1,047,616)**		(406,601)
Proceeds from Issue of Trust Units		**-**		396,686
Net Assets Attributable to Holders of Redeemable Units at End of Period	**$**	**37,146,009**	$	11,007,917

Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30 (In Canadian Dollars)		2023		2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	**$**	**3,965,354**	$	(4,063,058)
Adjustments:				
Purchases of Investments		**(10,727,874)**		(5,822,070)
Proceeds from Sale of Investments		**11,270,225**		5,990,434
Foreign Exchange Loss		**2,505**		877
Net Realized Gain from Investment Transactions		**(428,837)**		(335,773)
Change in Net Unrealized (Gain) Loss on Investments		**(3,390,332)**		4,360,150
		691,041		130,560
Net Change in Non-Cash Working Capital		**12,831**		(2,388)
Net Cash from Operating Activities		**703,872**		128,172
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Payment on Redemption of Trust Units		**(1,047,616)**		(406,601)
Proceeds from Issue of Trust Units		**-**		396,686
Distributions Paid to Unitholders		**(699,999)**		(237,116)
Net Cash used in Financing Activities		**(1,747,615)**		(247,031)
Net Increase (Decrease) in Cash		**(1,043,743)**		(118,859)
Foreign Exchange Loss		**(2,505)**		(877)
Cash at Beginning of Period		**1,507,560**		367,514
Cash at End of Period	**$**	**461,312**	$	247,778

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

INTERIM FINANCIAL REPORT
UNAUDITED

Schedule of Investment Portfolio

AS AT JUNE 30, 2023
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Analog Devices Inc.	4,200	$ 1,092,242	$ 1,082,679
Apple Inc.	7,000	1,003,950	1,796,684
ASML Holding N.V.	1,500	848,280	1,438,529
Broadcom Inc.	1,700	1,090,241	1,951,293
Microsoft Corp	3,000	898,432	1,351,850
Motorola Solutions Inc.	4,500	1,236,622	1,746,361
NVIDIA Corporation	1,500	250,447	839,636
Palo Alto Networks Inc.	3,500	910,771	1,183,355
TECHNOLOGY: 30.5%		7,330,985	11,390,387
Abbvie Inc.	7,000	1,364,793	1,247,962
Merck & Co., Inc.	5,000	611,868	763,444
Middlefield Healthcare Dividend ETF*	290,000	2,924,485	3,155,200
HEALTHCARE: 13.9%		4,901,146	5,166,606
Blackstone Property Partners L.P.	12,000	1,363,787	1,476,261
Brookfield Asset Management Ltd.	27,000	1,219,477	1,165,789
JPMorgan Chase & Co.	4,000	626,270	769,809
Visa Inc.	4,200	1,113,388	1,319,822
FINANCIALS: 12.7%		4,322,922	4,731,681
Amazon.com Inc.	8,000	1,188,137	1,379,982
McDonald's Corp.	3,000	970,341	1,184,606
NIKE, Inc.	1,200	156,769	175,255
Sony Group Corporation	9,000	1,023,837	1,072,302
CONSUMER DISCRETIONARY: 10.2%		3,339,084	3,812,145
Deere & Company	800	320,809	428,932
Eaton Corp PLC	7,000	1,463,173	1,862,727
Republic Services Inc.	6,000	1,057,288	1,216,085
INDUSTRIALS: 9.4%		2,841,270	3,507,744
Alphabet Inc.	8,000	970,719	1,267,136
Deutsche Telekom AG	51,000	1,336,090	1,470,754
Netflix, Inc.	500	153,396	291,437
COMMUNICATION SERVICES: 8.1%		2,460,205	3,029,327
Costco Wholesale Corp.	1,300	772,532	926,129
General Mills Inc.	4,500	488,178	456,717
PepsiCo Inc.	4,000	935,675	980,363
CONSUMER STAPLES: 6.3%		2,196,385	2,363,209
Exxon Mobil Corp.	7,000	882,471	993,423
ENERGY: 2.7%		882,471	993,423
Prologis Inc.	5,000	834,897	811,345
REAL ESTATE: 2.2%		834,897	811,345
NextEra Energy Inc.	6,500	638,917	638,199
UTILITIES: 1.7%		638,917	638,199
Enbridge Inc.	8,000	432,655	393,920
PIPELINES: 1.1%		432,655	393,920
TRANSACTION COSTS (Note 8)		(10,473)	-
TOTAL INVESTMENTS: 98.8%		30,170,464	36,837,986
CASH: 1.2%		461,312	461,312
Total Investment Portfolio, Including Cash		$ 30,631,776	$ 37,299,298

* The Fund holds 2.0% of the net asset of Middlefield Healthcare Dividend ETF (the underlying fund). Middlefield Limited acts as the trustee and the manager for both of the funds listed above.

NOTES TO FINANCIAL STATEMENTS

1. Middlefield U.S. Equity Dividend ETF

Middlefield U.S. Equity Dividend ETF (the “Fund”) is an exchange-traded fund (“ETF”) established under the laws of the Province of Alberta on November 28, 2013. The Fund converted from a closed-end investment fund into an ETF on June 11, 2019. The Fund’s units were re-designated as units of the ETF on a 1:1 basis, and the Toronto Stock Exchange symbol changed from ACZ.UN to ACZ. The investment strategies of the Fund remain substantially similar before and after the conversion. On February 15, 2022, the name of the Fund was changed to Middlefield U.S. Equity Dividend ETF and the Toronto Stock Exchange Ticker symbol was changed from ACZ to MUSA.

Middlefield Limited, a company incorporated in Alberta is both the manager and trustee of the Fund (the “Manager”) and Middlefield Capital Corporation (“MCC”), a company under common control with the Manager, is the advisor to the Fund (the “Advisor”). The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on December 19, 2013, when it first issued units through an initial public offering. The address of the Fund’s registered office is The Well, 8 Spadina Ave., Suite 3100, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on August 21, 2023.

2. Investment Objectives and Strategy

The Fund’s investment objectives are to: (i) provide unitholders with stable monthly cash distributions and (ii) enhance long-term total return through capital appreciation of the Fund’s investment portfolio. The Fund invests in a diversified, actively managed portfolio comprised primarily of dividend-paying securities with a focus on the U.S. consumer, financials, industrials and information technology sectors that are expected by the Advisor to benefit from growth in the U.S. economy.

3. Basis of Presentation

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

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 liabilities are classified at fair value 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.

4. Summary of Significant Accounting Policies (continued)

B. Financial Instruments

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

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

C. Fair Value Measurement

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

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

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.

D. Classification of Redeemable Units by the Fund

Under International Accounting Standard ("IAS") 32, *Financial Instruments: Presentation*, the Fund classifies its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders.

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.

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 the interest received and which is subject to tax. Income distributions received are treated consistently with dividends and interest and recorded in income in the Statements of Comprehensive Income.

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

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

H. Taxation

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada). Under the terms of the Declaration of Trust, any taxable income of the Fund is distributable monthly to unitholders of record date. The Fund is not subject to tax on the income distributed to unitholders. Accordingly, no provision for income taxes is required.

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

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

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

The Fund's investments at fair value as at June 30, 2023 and December 31, 2022 trade in active markets and are therefore classified as Level 1.

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

No transfers between levels have occurred during the period ended June 30, 2023 and the year ended December 31, 2022.

6. Financial Risk Management

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

Most of the Fund's risks are derived from its investments. The value of the investments within the Fund 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.

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:

	June 30, 2023	December 31, 2022
Investments at FVTPL	$ 36,837,986	$ 33,574,617

Based on the above exposure at June 30, 2023, a 10% increase or decrease in the prices of the Fund's investments would result in a $3,683,799 (December 31, 2022 - $3,357,462) 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 utilizes financial liabilities such as loan payable. In respect of cash balances and loan payable, the Fund's interest income and expense are positively correlated to interest rates in that rising interest rates increase both interest income and expense while the reverse is true in a declining interest rate environment. The Fund has not hedged its exposure to interest rate movements. The Fund seeks to mitigate this risk through active management, which involves analysis of economic indicators to forecast Canadian and global interest rates. The Fund is exposed to interest rate risk through the following financial instrument:

	June 30, 2023	December 31, 2022
Cash	$ 461,312	$ 1,507,560

Based on the above exposure at June 30, 2023, a 1% per annum increase or decrease in interest rates would result in a $4,613 (December 31, 2022 - $15,076) increase or decrease in net assets of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is subject to the potential daily net redemptions of units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund's other obligations are due within one year. 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. As at June 30, 2023 and December 31, 2022, the Fund did not hold any illiquid securities.

6. Financial Risk Management (continued)
C. Liquidity Risk (continued)

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

As at June 30, 2023

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	$ 115,139	$ -	$ -	$ 115,139
Accounts Payable and Accrued Liabilities	135,951	-	-	135,951
Net Assets Attributable to Holders of Redeemable Units	37,146,009	-	-	37,146,009
Total	$ 37,397,099	$ -	$ -	$ 37,397,099

As at December 31, 2022

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Distributions Payable	$ 118,576	$ -	$ -	$ 118,576
Accounts Payable and Accrued Liabilities	136,895	-	-	136,895
Net Assets Attributable to Holders of Redeemable Units	34,924,833	-	-	34,924,833
Total	$ 35,180,304	$ -	$ -	$ 35,180,304

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

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

As at June 30, 2023

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	$ 31,818,113	$ 40,598	$ 34,741	$ 31,893,452
European Euro	1,470,753	-	-	1,470,753
Total	$ 33,288,866	$ 40,598	$ 34,741	$ 33,364,205

As at December 31, 2022

Currency	Investments at FVTPL	Cash	Income and Interest Receivable	Total Exposure
U.S. Dollar	$ 27,965,037	$ 18,173	$ 48,516	$ 28,031,726
European Euro	1,212,850	-	-	1,212,850
Total	$ 29,177,887	$ 18,173	$ 48,516	$ 29,244,576

Based on the above exposure at June 30, 2023, a 10% increase or decrease in the Canadian dollar against the U.S. dollar would result in a $3,336,421 (December 31, 2022 - $2,924,458) decrease or increase in net assets of the Fund, with all other factors held constant.

6. Financial Risk Management (continued)

E. Credit Risk

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

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

F. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. At June 30, 2023 and December 31, 2022, the percentages of the Fund's net assets invested in each investment sector were as follows:

	As a % of Net Assets	
Sector	June 30, 2023	December 31, 2022
Technology	30.6	25.7
Healthcare	13.9	18.2
Financials	12.8	8.5
Consumer Discretionary	10.3	8.9
Industrials	9.4	6.7
Communication Services	8.2	7.8
Consumer Staples	6.3	9.2
Energy	2.7	3.7
Real Estate	2.2	0.9
Utilities	1.7	3.3
Pipelines	1.1	2.7
Gold	-	0.5
Total	99.2	96.1

7. Redeemable Units

Authorized

The Fund is authorized to issue an unlimited number of transferable, redeemable units, each of which represents an equal, undivided interest in the net assets of the Fund. All units have equal rights and privileges. Unitholders may sell units on the TSX; in addition, unitholders may: (a) redeem units of the Fund for cash at a redemption price per unit equal to the lesser of: (i) 95% of the closing price for the applicable units on the TSX; and (ii) the net asset value per unit, on the effective day of redemption less any costs associated with the redemption; or (b) exchange a prescribed number of units (PNU) or a multiple PNU of the fund for Baskets of Securities and/or cash at an exchange price equal to the net asset value of that number of units less any costs associated with the redemption as determined by the Manager in its sole discretion. Unitholders of the Fund can acquire additional units by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables unitholders to reinvest their monthly distributions in additional units of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional units for cash.

The Fund issued 5 million units at $10 per unit in 2013. During the six months ended June 30, 2023, the Fund redeemed 75,000 units (June 30, 2022 – 25,000 units) and issued nil units (June 30, 2022 – 25,000 units) For the six months ended June 30, 2023, 669 units (June 30, 2022 – 719 units) were distributed under the Plan.

The average number of units outstanding during the six months ended June 30, 2023 was 2,538,676 (June 30, 2022 – 859,954). This number was used to calculate the Net Assets Attributable to Holders of Redeemable Units per unit.

8. Related Party Transactions

A. Management Fee

The Manager provides investment and administrative services to the Fund. In consideration for such services, the Manager receives a management fee equal to 0.75% per annum of the NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. For the period ended June 30, 2023, management fees before the absorption of expenses amounted to $0.1 million (June 30, 2022 - $0.05 million).

B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2023 amounted to $11,237 (June 30, 2022 – $4,825). Included in this amount is $3,044 (June 30, 2022 – $1,341) 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.

C. Other Expenses

The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business, including, among other things, audit 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 $16,884 throughout the period. In addition, the Fund would be responsible for reimbursing the Manager for any reasonable out of pocket expenses incurred on the Fund's behalf.

D. Distribution Receivable from Underlying Investments

As disclosed in the Schedule of Investment Portfolio, the Fund invests in investment funds managed by the Manager. Distributions receivable from the investment in these Funds, if any, would be included in the amount of Income and Interest Receivable shown on the Statements of Financial Position. As at June 30, 2023, distributions receivable from investments managed by the Manager amounted to $14,500 (December 31, 2022 - $14,500).

9. Securities Lending

The Fund had 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. 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.

As at June 20, 2023. the Fund terminated the securities lending agreement with RBC Investor Services Trust and exited the program. There were no securities loaned or collateral held at the time of termination and as at December 31, 2022.

During the period ended June 30, 2023 and the year ended December 31, 2022, the Fund did not earn any securities lending income.

10. Capital Management

The Fund's capital is its net assets attributable to holders of redeemable units. 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.

The Fund is not subject to any externally imposed capital requirements. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2022.

11. Loss Carryforwards

At December 31, 2022, the Fund had capital losses of $687,853 (2021 – $687,853) and non-capital losses of $394,767 (2021 – $394,767) available for carry forward for tax purposes. The capital losses can be carried forward indefinitely.

The expiry dates of the non-capital losses are as follows:

Expiry Date	Amount
December 31, 2037	$ 394,767

12. 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 six months ended June 30, 2023, distributions amounted to $0.27 per unit (June 30, 2022 – $0.27).

MIDDLEFIELD FUNDS FAMILY |

EXCHANGE - TRADED FUNDS (ETFs)	TSX Stock Symbol
• Middlefield Healthcare Dividend ETF	MHCD
• 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 Innovation & Health Dividend Fund	SIH.UN
• Sustainable Real Estate Dividend Fund	MSRE.UN

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

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

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

RESOURCE FUNDS

- Discovery 2022 Short Duration LP
- MRF 2022 Resource Limited Partnership
- MRF 2023 Resource Limited Partnership (commenced February 23, 2023)

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

MIDDLEFIELD

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