

2023 ANNUAL REPORT

MIDDLEFIELD
GLOBAL REAL
ASSET
FUND

 MIDDLEFIELD
CLOSED-END FUNDS

MIDDLEFIELD CORPORATE PROFILE

Middlefield 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. We have entered into exclusive arrangements with SSR Health LLC and Paul Sagawa LLC, based in Stamford, Connecticut. Together they provide specialized research into sectors of the economy such as Healthcare and Innovation Technology. Dr. Evans of SSR Health LLC and Paul Sagawa are independent investment analysts who 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.

TABLE OF CONTENTS

| | |
|----|--|
| | Corporate Profile |
| | 2023 Review and Outlook |
| 4 | Annual Management Report of Fund Performance |
| 12 | Financial Statements |
| 17 | Notes to Financial Statements Middlefield Funds Family Corporate Information |

A NOTE ON FORWARD LOOKING STATEMENTS

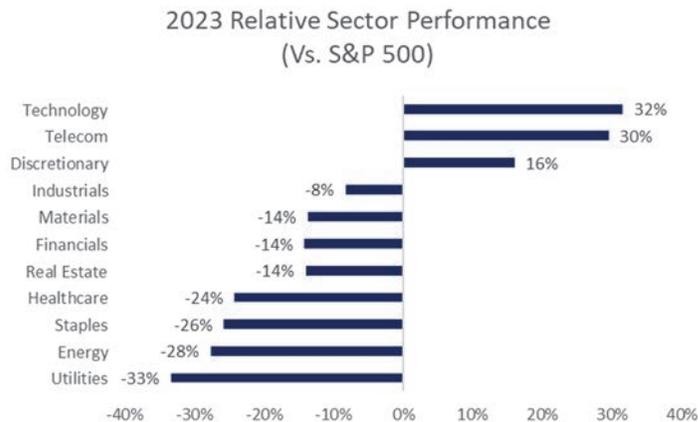
This document may contain forward looking statements, including statements regarding: the Fund, its strategies, goals and objectives; prospects; future performance or condition; possible future actions to be taken by the Fund; and the performance of investments, securities, issuers or industries in which 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 REVIEW AND OUTLOOK

Equity markets finished the year on a positive note with December returns for the TSX Composite, S&P 500 and NASDAQ of 3.9%, 4.5% and 5.6%, respectively. Bond yields continued their descent from late October highs with 10-year government bond yields finishing the year at 3.11% and 3.88% in Canada and the United States. The move lower in rates fueled a Santa Claus rally that propelled the S&P 500 to within 1% of its all-time high. Notably, the S&P 500 total return index, which includes dividends, hit seven new highs in 2023.

While it is always a positive sign to see markets reaching new heights, we are especially encouraged by the recent broad-based participation from companies and sectors that have lagged throughout the year. It is widely known that the “Magnificent Seven” stocks have been the market leaders for the majority of 2023 while many other sectors and strategies have been left behind. This notable dispersion in returns has finally started to reverse during the final two months of the year.



Source: Bloomberg. As at December 31, 2023

Dividend stocks faced increased competition throughout 2023 from income alternatives, such as GICs and HISAs. In the U.S., a record \$1.3 trillion of inflows went into money market funds as investors flocked to high-yielding short-term instruments. Now, with bond yields having fallen more than 1% in two months and interest rate cuts expected to begin in a few months, dividend paying equities are coming back into favour. For example, Canadian REITs have an average dividend yield of 5.3% which exceeds the yield of Canadian 5-year government bonds by more than 200 basis points and makes their dividends more attractive on a relative basis. We expect at least a portion of the capital that flowed into money market funds to make their way back into equities this year, with dividend payers particularly well-positioned to benefit from such a rotation.

Middlefield Real Estate Dividend ETF, Real Estate Split Corp., and Sustainable Real Estate Dividend Fund all outperformed their respective benchmarks in 2023, largely due to subsector allocation. REITs continued to rally in December, generating a total return of 9% in Canada and 8.7% in the U.S. The sector's impressive performance during the final two months of the year resulted in full-year total returns of 7.1% in Canada and 12.3% in the U.S. Improving macro conditions and a solid fundamental backdrop within real estate underpin our positive outlook for publicly-listed REITs in 2024. The recent rally coincides with U.S. 10-year Treasury yields falling from 5% to 3.9% and growing expectations for monetary policy easing from central banks in 2024. Although share prices have bounced back in recent months, current valuations support additional upside. On average, the Canadian real estate sector trades at just 13x 2024 AFFO, a 7.2% implied cap rate and 24% below net asset value.

Middlefield Healthcare Dividend ETF and Middlefield Health & Wellness ETF largely performed in line with the benchmark in 2023. Although healthcare finished the year with a total return of 2.1%, 2023 marked the sector's most significant underperformance relative to the S&P 500 in 30 years. Profit growth impacted healthcare stocks as year-over-year earnings comparisons were challenging after a year of pandemic-related tailwinds in 2022. The Biden Administration officially ended the COVID-19 national emergency in April 2023 which contributed to reduced spending on COVID vaccines, therapeutics and testing equipment.

The Middlefield Family of exchange-listed funds is currently comprised of 14 funds, 13 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.

Middlefield Sustainable Infrastructure Dividend ETF, International Clean Power Dividend Fund and Global Real Asset Fund provide exposure to high-quality global infrastructure companies. 2023 was an extremely challenging year for the clean power industry. Offshore wind was the most acutely impacted by macro headwinds which included cost inflation, higher financing expenses, project delays, cancellations, and hedging issues. While those challenges still exist, the backdrop has improved in recent months and we remind investors that the energy transition is a multi-decade investment theme. Despite stock price declines in 2023, several countries and businesses continue to invest in the energy transition, with 118 nations pledging to triple the global renewable energy capacity by 2030, as announced at the COP28 conference. With inflation showing signs of cooling and negative sentiment already factored in, many clean power stocks could be poised for a sustained recovery in 2024.

Middlefield Innovation Dividend ETF generated a total return of 40.9% in 2023, exceeding the NASDAQ Technology Dividend TR Index return of 34.47%. It was an exceptional year for big tech stocks, reflected by the NASDAQ 100 generating a total return of 55.1%. The Magnificent 7 stocks led the market for most of the year, with NVIDIA and Meta generating standout returns of 238.9% and 194.1%, respectively.

Although current market conditions should be conducive to multiple expansion in 2024, we are primarily focused on earnings growth within the tech sector. While we believe the SMID-cap tech trade has room to run, we are cautious on high growth tech due to elevated valuations and thus, high execution risk. We prefer to stick to high-quality names and are increasingly mindful of valuations after last year's performance. As a result, we remain focused primarily on large cap stocks and continue to invest in companies with a proven track record. We are continuing to find opportunities within several end-markets such as PCs and smartphones, but an even greater growth driver may come from the proliferation of AI in the economy.

E Split Corp. – Class A shares generated a total return of -2.9% in 2023. On December 13th, Enbridge announced an agreement to divest its holdings in both Alliance Pipeline and Aux Sable for \$3.1 billion to Pembina Pipeline. We view the announcement positively as the deal narrows the Dominion utility acquisition funding gap to ~\$2 billion while simultaneously reducing earnings exposure to commodity prices. Enbridge quoted an 11x valuation for Alliance and 7x for Aux Sable on '24 EV/EBITDA which compares favourably to consensus values. Also in December, Enbridge filed the Mainline Toll Settlement with the Canadian Energy Regulator which includes unanimous support from the Mainline's Representative Shipper Group and letters of support from its major customers. The company reiterated its 2024 guidance with a 4% increase in EBITDA and 3% increase in distributable cash flow per share.

Outlook

Our outlook for the economy in 2024 is for a soft landing. We are not predicting a recession this year, but rather a deceleration from the high growth experienced in 2023 (such as 5.2% U.S. GDP growth in Q3). This gives us optimism for equity markets for three key factors. First, inflation should continue to trend lower, particularly as the shelter component of inflation calculations roll over. Second, we expect the approaching wave of monetary policy easing to support stocks. The futures market is currently projecting approximately five rate cuts from both the Bank of Canada and the Fed in 2024. Finally, we expect earnings to return to growth mode in 2024 after being relatively flat in 2023. Consensus expectations are for S&P 500 EPS growth of 10% in 2024 and 11.2% into 2025.

Although we hold a positive outlook for the year ahead, it is important to acknowledge that after nine consecutive weeks of positive returns for the S&P 500 (its longest winning streak since 2004), markets are starting the year with overbought conditions. We would not be surprised to see a near-term market pullback at the beginning of the year which should be viewed as a healthy correction within a broader bull trend. Going back to 1950, the market has generated a positive return 80% of the time following a year where the S&P 500 returned over 20%. In an economy characterized by falling inflation, historically low unemployment and solid consumer spending, it is likely that new highs are on the horizon.



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, 2023

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

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

Management's Discussion of Fund Performance

Investment Objectives and Strategies

The investment objectives of Middlefield Global Real Asset Fund (the "Fund") are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund's investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in dividend-paying securities of global issuers focused on, involved in, or that derive a significant portion of their revenue from physical real estate or infrastructure assets, which the Advisor (as defined below) believes will generate attractive risk-adjusted returns for the Fund due to tangible, difficult to replicate, long-term nature of such assets and their ability to shape and support global economic activity.

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 October 11, 2019. 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 an uncertain interest rate environment; the increased competition that equity investments are facing from income alternatives, such as GICs and High Interest Savings Accounts; and the risk that the economy enters a recession.

Results of Operations

Investment Performance

During 2023, the net assets of the Fund decreased to \$26.3 million at December 31, 2023 from \$39.2 million at December 31, 2022. On a per unit basis, the net assets of the Fund decreased from \$8.43 at December 31, 2022 to \$7.50 at December 31, 2023. The Fund recorded a net loss on its investment portfolio of approximately \$2.5 million or \$0.56 per unit during the year.

Revenue and Expenses

Loss before expenses for the year ended December 31, 2023 amounted to \$0.9 million, up from a loss of \$4.2 million in 2022 as a result of a change in unrealized losses on the Fund's portfolio investments. Operating expenses for the year ended December 31, 2023 amounted to \$0.7 million, down from \$1.3 million in 2022. The operating expenses contributed to the management expense ratio ("MER") of 2.76% in 2023, up from 2.50% in 2022. Excluding issuance and borrowing costs, the MER was 1.81% in 2023. As a result, loss after tax amounted to \$1.9 million or \$0.42 per unit, up from a loss of \$5.8 million or \$0.90 per unit in the prior year. Distributions for the year ended December 31, 2023 amounted to \$0.50 per unit.

Trends

Electrical equipment companies that are aligned with multi-year secular trends, including electrification, grid advancements and growth in data centers, are generating interest amongst real asset investment opportunities. The energy mix today is comprised of only 20% electricity, which is expected to grow to 30% by 2030, and eventually 50% by 2050.

Related Party Transactions

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

Management Fees

Management fees are calculated at 1.25% per annum of the net asset value of the Fund's publicly listed portfolio and are split between the Manager and the Advisor. Allocation fees are calculated at 0.10% of the net asset value of the Fund to compensate the Advisor for its efforts in making decisions regarding the allocation of Fund's portfolio between publicly listed issuers and unlisted real asset issuers. 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.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

Recent Developments

On December 11, 2023, the Fund received approval from the Toronto Stock Exchange to make a normal course issuer bid for its units. The notice of intent (the "Notice") enables the Fund to purchase up to 451,012 units, being 10% of the public float of the units, during the 12-month period from December 13, 2023 to December 12, 2024. Unitholders may obtain a copy of the Notice, without charge, by contacting the Fund.

Credit Facility

The Fund has a revolving demand credit facility that enables the Fund to borrow up to an amount not exceeding 25% of total assets. At December 31, 2023, the Fund had no loans payable. The minimum and maximum amounts borrowed during the year ended December 31, 2023 were \$nil and \$9 million, respectively. The loan proceeds were used primarily to purchase securities for the investment portfolio. The credit facility provides the lender with a security interest over the assets of the Fund.

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⁽¹⁾

| | 2023 | 2022 | 2021 | 2020 | 2019 ⁽³⁾ |
|--|---------------|---------------|-------------|-------------|---------------------|
| Total Equity, Beginning of Year | \$ 8.43 | \$ 9.91 | \$ 9.73 | \$ 9.46 | \$ 9.50* |
| INCREASE (DECREASE) FROM OPERATIONS: | | | | | |
| Total Revenue | 0.37 | 0.29 | 0.23 | 0.23 | 0.02 |
| Total Expenses (excluding distributions) | (0.22) | (0.24) | (0.20) | (0.21) | (0.03) |
| Realized Gains (Losses) for the Year | 0.09 | 0.10 | 0.67 | (0.39) | (0.01) |
| Unrealized Gains (Losses) for the Year | (0.65) | (1.04) | 0.04 | 1.01 | 0.01 |
| Transaction Costs on Purchase and Sale of Investments | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾ | (0.43) | (0.98) | 0.68 | 0.69 | (0.04) |
| DISTRIBUTIONS: | | | | | |
| From Net Investment Income | 0.15 | 0.05 | 0.03 | 0.02 | - |
| From Capital Gains | 0.08 | 0.09 | 0.47 | - | - |
| Return of Capital | 0.27 | 0.36 | - | 0.40 | - |
| TOTAL DISTRIBUTIONS⁽⁴⁾ | 0.50 | 0.50 | 0.50 | 0.42 | - |
| Total Equity, End of Year | \$ 7.50 | \$ 8.43 | \$ 9.91 | \$ 9.73 | \$ 9.46 |

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

⁽²⁾ Total Equity and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial 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.

⁽³⁾ For the period November 26, 2019 (date of commencement of operations) to December 31, 2019.

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

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

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

Ratios and Supplemental Data

| | 2023 | 2022 | 2021 | 2020 | 2019 ⁽⁵⁾ |
|--|-----------|-----------|-----------|-----------|---------------------|
| Total Assets (000s) ⁽¹⁾ | \$ 26,627 | \$ 42,594 | \$ 77,372 | \$104,811 | \$ 104,713 |
| Total Net Asset Value (000s) ⁽¹⁾ | \$ 26,317 | \$ 39,242 | \$ 63,996 | \$ 94,870 | \$ 104,498 |
| Number of Units Outstanding ⁽¹⁾ | 3,510,152 | 4,653,929 | 6,456,698 | 9,749,154 | 11,050,354 |
| Management Expense Ratio ("MER") ⁽²⁾ | 2.76% | 2.50% | 1.83% | 2.27% | 8.60% |
| MER (excluding interest expense and issuance costs) ⁽²⁾ | 1.81% | 2.15% | 1.65% | 1.86% | 3.08% |
| Trading Expense Ratio ⁽³⁾ | 0.19% | 0.12% | 0.06% | 0.12% | 1.56% |
| Portfolio Turnover Rate ⁽⁴⁾ | 52.40% | 42.88% | 17.18% | 39.90% | 62.98% |
| Net Asset Value per Unit | \$ 7.50 | \$ 8.43 | \$ 9.91 | \$ 9.73 | \$ 9.46 |

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

⁽²⁾ 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.

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

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio investments are managed. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the 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.

⁽⁵⁾ As at December 31, 2019 or for the period November 26, 2019 (date of commencement of operations) to December 31, 2019.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

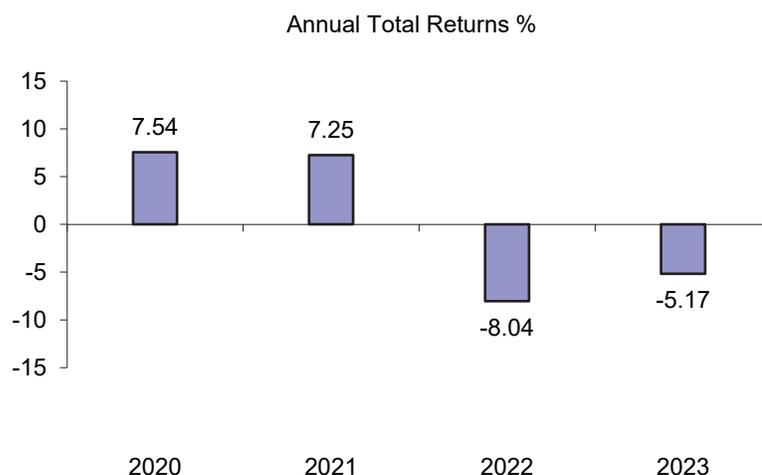
FOR THE YEAR ENDED DECEMBER 31, 2023

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 years shown. The return for 2019 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 the financial year would have grown or decreased by the last day of the financial year.



Annual Compound Returns

| | Periods Ended December 31, 2023 | | |
|--|---------------------------------|-------------|-----------------|
| | One Year | Three Years | Since Inception |
| Middlefield Global Real Asset Fund | -5.17% | -2.20% | 0.02% |
| MSCI Daily Total Return World Net Real Estate USD Index (50%) & S&P Global Infrastructure Total Return Index (50%) | 5.86% | 5.97% | 2.57% |

In order to best represent the fund's investment strategy, the Fund uses a benchmark that is made up of a 50% weighting of the MSCI Daily Total Return World Net Real Estate USD Index and a 50% weighting of the S&P Global Infrastructure Total Return Index (collectively, the "Benchmark"). The MSCI Daily Total Return World Net Real Estate USD Index is a free float-adjusted market capitalization index that consists of large and mid-cap equity across 23 Developed Markets countries. All securities in the index are classified in the Real Estate Sector according to the Global Industry Classification Standard. The S&P Global Infrastructure Total Return Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities.

The Fund's total return of -5.17% underperformed the 5.86% return generated by the Benchmark. The Fund's performance in 2023 was affected by international diversification and foreign currency fluctuation.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE YEARENDED DECEMBER 31, 2023

Summary of Investment Portfolio

AS AT DECEMBER 31, 2023

Top Twenty-Five Holdings*

| DESCRIPTION | % OF NET ASSET VALUE |
|--|----------------------|
| 1 Blackstone Core+ Real Estate LP | 36.5 |
| 2 Minto Apartment Real Estate Investment Trust | 5.5 |
| 3 Granite Real Estate Investment Trust | 4.9 |
| 4 Chartwell Retirement Residences | 4.9 |
| 5 Boardwalk Real Estate Investment Trust | 4.6 |
| 6 Enbridge Inc. | 4.5 |
| 7 Keyera Corp. | 4.3 |
| 8 AltaGas Ltd. | 4.2 |
| 9 Gibson Energy Inc. | 4.2 |
| 10 TransAlta Corp. | 4.2 |
| 11 Topaz Energy Corp. | 4.1 |
| 12 Tourmaline Oil Corp. | 3.9 |
| 13 Westshore Terminals Investment Corp. | 3.6 |
| 14 Parkland Corp. | 3.2 |
| 15 Equitrans Midstream Corp. | 2.6 |
| 16 EnLink Midstream LLC | 2.4 |

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

*The Fund has only 16 holdings.

| ASSET CLASS | % OF NET ASSET VALUE |
|---------------------------------|----------------------|
| Real Estate | 56.4 |
| Utilities | 18.0 |
| Pipelines | 8.4 |
| Industrials | 8.0 |
| Materials | 6.8 |
| Cash and Short-Term Investments | 3.2 |
| Other Net Liabilities | (0.8) |
| | 100.0 |
| TOTAL NET ASSET VALUE | \$ 26,317,013 |
| TOTAL ASSETS | \$ 26,627,312 |

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements Middlefield Global Real Asset Fund (the "Fund") have been prepared by Middlefield Limited (the "Manager"), the manager of Fund and approved by the Board of Directors. The Manager is responsible for the information and representations contained in these financial statements and other financial information contained in this report. The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant



Jeremy Brasseur
Director

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
Middlefield Global Real Asset Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (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, 2023 and 2022, 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 cursive script followed by "LLP" in a simple sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 27, 2024

**FINANCIAL
STATEMENTS**



FINANCIAL STATEMENTS

Statements of Financial Position

AS AT DECEMBER 31

(In Canadian Dollars)

2023

2022

ASSETS

Current Assets

| | | | | |
|--|----|-------------------|----|-------------------|
| Investments at Fair Value through Profit or Loss | \$ | 25,693,546 | \$ | 41,208,920 |
| Cash | | 832,126 | | 1,286,824 |
| Income and Interest Receivable | | 61,730 | | 91,448 |
| Accounts Receivable | | 39,910 | | 128 |
| Prepaid Interest | | - | | 6,199 |
| Total Assets | | 26,627,312 | | 42,593,519 |

LIABILITIES

Current Liabilities

| | | | | |
|---|----|-------------------|----|-------------------|
| Accounts Payable and Accrued Liabilities (Note 8) | | 163,018 | | 157,232 |
| Distribution Payable (Note 13) | | 147,281 | | 194,396 |
| Loan Payable (Note 10) | | - | | 3,000,000 |
| Total Liabilities | | 310,299 | | 3,351,628 |
| Net Assets | \$ | 26,317,013 | \$ | 39,241,891 |

EQUITY

| | | | | |
|-------------------------------------|----|---------------------------|----|---------------------------|
| Unitholders' Capital (Note 7) | \$ | 35,101,436 | \$ | 46,539,206 |
| Retained Earnings (Deficit) | | (8,784,423) | | (7,297,315) |
| Total Equity | \$ | 26,317,013 | \$ | 39,241,891 |
| Units Issued and Outstanding | | 3,510,152 | | 4,653,929 |
| Total Equity per Unit | \$ | 7.50⁽²⁾ | \$ | 8.43⁽¹⁾ |

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

⁽¹⁾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 for December 30, 2022.

⁽²⁾The Total Equity per Unit reflects the valuation of Blackstone Core+ Real Estate LP as at December 31, 2023 that was made available on March 15, 2024. 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 for December 29, 2023.

FINANCIAL STATEMENTS

Statements of Comprehensive Income

FOR THE YEARS ENDED DECEMBER 31

(In Canadian Dollars)

| | 2023 | 2022 |
|---|------------------|--------------------|
| REVENUE (LOSS) | | |
| Income from Investments | \$ 1,514,967 | \$ 1,764,403 |
| Interest Income for Distribution Purposes | 155,121 | 82,662 |
| Foreign Exchange Gain (Loss) on Cash | 9,838 | (28,327) |
| Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss | | |
| Net Realized Gain (Loss) from Investment Transactions excluding Derivatives | 402,542 | 721,856 |
| Net Realized Gain (Loss) from Derivatives Transactions | - | (60,140) |
| Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives | (2,947,269) | (6,696,983) |
| Change in Net Unrealized Gain (Loss) on Derivatives Transactions | - | - |
| Change in Net Unrealized Gain (Loss) on Foreign Currency | (357) | 47,158 |
| Total Revenue (Loss) | (865,158) | (4,169,371) |
| OPERATING EXPENSES (Note 8) | | |
| Audit Fees | 34,938 | 22,215 |
| Custodial Fees | 3,746 | 6,002 |
| Fund Administration Costs | 168,092 | 467,278 |
| Legal Fees | 4,114 | 3,616 |
| Management Fee (Note 8) | 413,397 | 713,070 |
| Transaction Costs (Note 8) | 70,922 | 69,054 |
| Unitholder Reporting Costs | 45,300 | 37,829 |
| Total Operating Expenses | 740,509 | 1,319,064 |
| Operating Profit (Loss) | (1,605,667) | (5,488,435) |
| Finance Costs (Note 10) | 354,695 | 200,485 |
| Profit (Loss) before Tax | (1,960,362) | (5,688,920) |
| Withholding Taxes | (29,626) | 76,977 |
| Profit (Loss) after Tax | \$ (1,930,736) | \$ (5,765,897) |
| Profit (Loss) after Tax per Unit (Note 7) | \$ (0.42) | \$ (0.90) |

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, 2022 | \$ 64,566,980 | \$ (570,543) | \$ 63,996,437 |
| Profit (Loss) after Tax | - | (5,765,897) | (5,765,897) |
| Distributions to Unitholders | - | (3,107,112) | (3,107,112) |
| Repurchase of Trust Units | (2,186,000) | 315,057 | (1,870,943) |
| Payment on Redemption of Trust Units | (17,426,970) | 1,945,373 | (15,481,597) |
| Proceeds from Issue of Trust Units | 1,585,196 | (114,193) | 1,471,003 |
| Balance at December 31, 2022 | \$ 46,539,206 | \$ (7,297,315) | \$ 39,241,891 |
| Balance at January 1, 2023 | \$ 46,539,206 | \$ (7,297,315) | \$ 39,241,891 |
| Profit (Loss) after Tax | - | (1,930,736) | (1,930,736) |
| Distributions to Unitholders | - | (2,216,198) | (2,216,198) |
| Repurchase of Trust Units | (1,822,000) | 425,158 | (1,396,842) |
| Payment on Redemption of Trust Units | (9,955,770) | 2,296,000 | (7,659,770) |
| Proceeds from Issue of Trust Units | 340,000 | (61,332) | 278,668 |
| Balance at December 31, 2023 | \$ 35,101,436 | \$ (8,784,423) | \$ 26,317,013 |

Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31

| (In Canadian Dollars) | 2023 | 2022 |
|---|---------------------|----------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | |
| Profit (Loss) after Tax | \$ (1,930,736) | \$ (5,765,897) |
| Adjustments: | | |
| Purchases of Investments | (20,616,158) | (52,900,430) |
| Proceeds from Sale of Investments | 33,586,804 | 73,376,707 |
| Foreign Exchange (Gain) Loss | (9,481) | (18,831) |
| Net Realized (Gain) Loss from Investment Transactions | (402,542) | (661,716) |
| Change in Net Unrealized (Gain) Loss on Investments | 2,947,269 | 6,696,983 |
| | 13,575,156 | 20,726,816 |
| Net Change in Non-Cash Working Capital | 350,418 | 213,049 |
| Net Cash from (used in) Operating Activities | 13,925,574 | 20,939,865 |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | |
| Proceeds from Issue of Trust Units | 278,668 | 1,471,003 |
| Proceeds from Loans | 70,651,504 | 72,805,507 |
| Payment on Redemption of Trust Units | (7,659,770) | (15,481,597) |
| Repayment of Loans | (74,000,000) | (83,000,000) |
| Repurchase of Trust Units | (1,396,842) | (1,870,943) |
| Distributions Paid to Unitholders | (2,263,313) | (3,181,875) |
| Net Cash from (used in) Financing Activities | (14,389,753) | (29,257,905) |
| Net Increase (Decrease) in Cash | (464,179) | (8,318,040) |
| Foreign Exchange Gain (Loss) | 9,481 | 18,831 |
| Cash at Beginning of Year | 1,286,824 | 9,586,033 |
| Cash at End of Year | \$ 832,126 | \$ 1,286,824 |

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

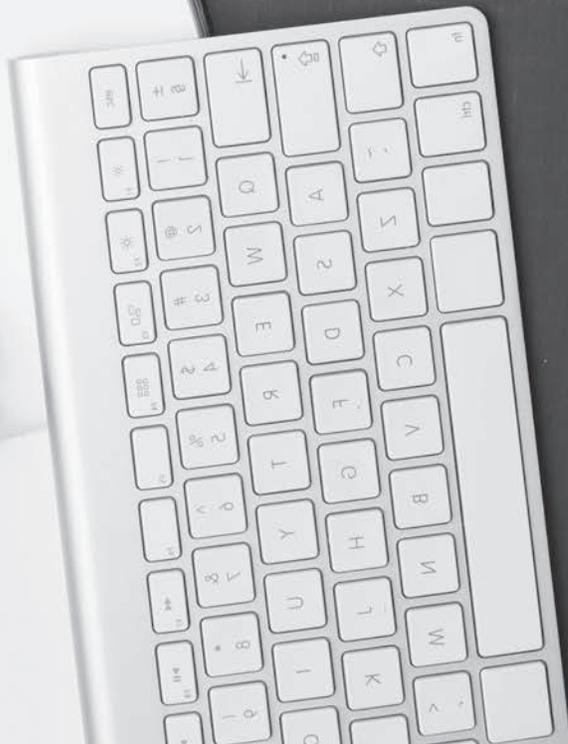
FINANCIAL STATEMENTS

Schedule of Investment Portfolio

AS AT DECEMBER 31, 2023
(In Canadian Dollars)

| Description | No. of Securities | Average Cost | Fair Value |
|---|-------------------|----------------------|----------------------|
| Blackstone Core+ Real Estate LP | 5,459 | \$ 9,497,740 | \$ 9,597,741 |
| Boardwalk Real Estate Investment Trust | 17,000 | 745,851 | 1,212,780 |
| Chartwell Retirement Residences | 110,000 | 966,894 | 1,289,200 |
| Granite Real Estate Investment Trust | 17,000 | 1,190,555 | 1,296,760 |
| Minto Apartment Real Estate Investment Trust | 90,000 | 1,685,048 | 1,456,200 |
| REAL ESTATE: 56.0% | | 14,086,088 | 14,852,681 |
| Enbridge Inc. | 25,000 | 1,258,271 | 1,192,500 |
| EnLink Midstream LLC | 40,000 | 663,237 | 641,368 |
| Equitrans Midstream Corp. | 50,000 | 666,228 | 671,167 |
| Gibson Energy Inc. | 55,000 | 1,164,092 | 1,107,150 |
| Keyera Corp. | 35,000 | 991,848 | 1,121,050 |
| PIPELINES: 17.9% | | 4,743,676 | 4,733,235 |
| AltaGas Ltd. | 40,000 | 996,359 | 1,112,800 |
| TransAlta Corp. | 100,000 | 1,157,973 | 1,102,000 |
| UTILITIES: 8.4% | | 2,154,332 | 2,214,800 |
| Topaz Energy Corp. | 55,000 | 853,179 | 1,065,900 |
| Tourmaline Oil Corp. | 17,000 | 1,117,229 | 1,013,030 |
| ENERGY: 7.8% | | 1,970,408 | 2,078,930 |
| Parkland Corp. | 20,000 | 639,283 | 854,200 |
| Westshore Terminals Investment Corp. | 35,000 | 774,918 | 959,700 |
| INDUSTRIALS: 6.8% | | 1,414,201 | 1,813,900 |
| TRANSACTION COSTS (Note 8) | | (18,492) | - |
| TOTAL INVESTMENTS: 96.9% | | 24,350,213 | 25,693,546 |
| CASH: 3.1% | | 832,126 | 832,126 |
| Total Investment Portfolio, Including Cash | | \$ 25,182,339 | \$ 26,525,672 |

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

1. Middlefield Global Real Asset Fund

Middlefield Global Real Asset Fund (the “Fund”) is a closed-ended investment trust established under the laws of the Province of Alberta on October 11, 2019. 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 November 26, 2019 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 March 27, 2024.

2. Investment Objectives and Strategy

The investment objectives of the Fund are to provide holders of units with: (i) stable monthly cash distributions; and (ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio. The Fund utilizes an investment strategy which focuses primarily on investing in dividend-paying securities of global issuers focused on, involved in, or that derive a significant portion of their revenue from physical real estate or infrastructure assets, which the advisor believes will generate attractive risk-adjusted returns for the Fund due to tangible, difficult to replicate, long-term nature of such assets and their ability to shape and support global economic activity.

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 Material Accounting Policies

A. Basis of Accounting

IFRS 9 Financial Instruments (“IFRS 9”)

The Fund classifies and measures financial instruments in accordance with IFRS 9 which requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Fund’s financial assets and the liabilities are classified at fair value through profit and loss (“FVTPL”) and amortized cost.

Classification, Measurement, Impairment and Hedge Accounting

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

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

IFRS 9 uses the expected credit loss model (“ECL”) as the new impairment model for financial assets carried at amortized cost. The Fund’s financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime of ECLs. Given the short-term nature and high credit quality of the trade receivables, there are no expected credit losses associated with them and they are not considered impaired at the reporting dates.

The Fund does not apply general hedge accounting to any of its derivatives positions.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

4. Summary of Material 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

4. Summary of Material Accounting Policies (continued)

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 – Net Unrealized Gain (Loss) on Investments. Realized gains and losses from derivative instruments that are specific economic hedges are accounted for in the same manner as the underlying investments being hedged and are included in the Statements of Comprehensive Income – Net Realized Gain (Loss) from Investment Transactions.

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

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

I. Foreign Currency Translation

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

J. Critical Accounting Estimates and Judgments

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

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Fund's 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

4. Summary of Material Accounting Policies (continued)

J. Critical Accounting Estimates and Judgments (continued)

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

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

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

5. Fair Value Disclosure

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

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

As at December 31, 2023

| Description | Level 1 | Level 2 | Level 3 | Total |
|-------------|---------------|---------|--------------|---------------|
| Equities | \$ 16,095,805 | \$ - | \$ 9,597,741 | \$ 25,693,546 |

As at December 31, 2022

| Description | Level 1 | Level 2 | Level 3 | Total |
|-------------|---------------|---------|---------------|---------------|
| Equities | \$ 29,762,876 | \$ - | \$ 11,446,044 | \$ 41,208,920 |

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

No transfers between levels have occurred during the years ended December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

5. Fair Value Disclosure (continued)

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at December 31, 2023, the Fund held \$9,597,741 (December 31, 2022 - \$11,446,044) 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 investment in Blackstone Core+ Real Estate LP represents 37.4% (December 31, 2022 – 27.8%) of the Fund's investment portfolio and is measured at the NAV of Blackstone Core+ Real Estate LP as at December 31, 2023. The Blackstone Core+ Real Estate LP primarily holds 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 reconciliation of investments measured at fair value using unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022 is as follows:

Year Ended December 31, 2023

| | |
|--|----------------|
| Balance at January 1 | \$ 11,446,044 |
| Investment Purchases during the Year | - |
| Investment Sales during the Year | (39,651) |
| Realized Gain | 5,086 |
| Unrealized Loss | (1,813,738) |
| Balance at December 31 | \$ 9,597,741 |
| Total Change in Unrealized Loss during the year for Assets held at December 31, 2023 | \$ (3,441,168) |

Year Ended December 31, 2022

| | |
|--------------------------------------|---------------|
| Balance at January 1 | \$ 10,103,474 |
| Investment Purchases during the Year | - |
| Investment Sales during the Year | (362,406) |
| Realized Gain | 77,546 |
| Unrealized Gain | 1,627,430 |
| Balance at December 31 | \$ 11,446,044 |

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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:

| | 2023 | 2022 |
|----------------------|---------------|---------------|
| Investments at FVTPL | \$ 25,693,546 | \$ 41,208,920 |

Based on the above exposure at December 31, 2023, a 10% increase or decrease in the prices of the Fund's investments would result in a \$2,569,355 (December 31, 2022 - \$4,120,892) increase or decrease in total equity of the Fund, with all other factors held constant.

B. Interest Rate Risk

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

| | 2023 | 2022 |
|--------------|------------|----------------|
| Cash | \$ 832,126 | \$ 1,286,824 |
| Loan Payable | - | (3,000,000) |
| Net Exposure | \$ 832,126 | \$ (1,713,176) |

Based on the above exposure at December 31, 2023, a 1% per annum increase or decrease in interest rates would result in a \$8,321 increase or decrease (December 31, 2022 - \$17,132 decrease or increase) in total equity of the Fund, with all other factors held constant.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to liquidity risk through its annual and monthly redemptions. The Fund receives 45 business days notice prior to the redemption date and has up to 15 business days after the redemption date to settle the redemption. This enables the Manager to sell securities held by the Fund to generate cash to settle the redemption, if necessary. The Fund's obligations are due within one year. The Fund has a revolving demand credit facility in the amount of \$25 million which is secured by a general security agreement. Borrowed amounts under the credit facility are usually due within 30 to 60 days. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 December 31, 2023

| Financial Liabilities | Less than 1 Month | 1 to 3 Months | 3 Months to 1 Year | Total |
|--|----------------------|------------------|-----------------------|-------------------|
| Distributions Payable | \$ 147,281 | \$ - | \$ - | \$ 147,281 |
| Accounts Payable and Accrued Liabilities | 163,018 | - | - | 163,018 |
| Total | \$ 310,299 | \$ - | \$ - | \$ 310,299 |

As at December 31, 2022

| Financial Liabilities | Less than 1 Month | 1 to 3 Months | 3 Months to 1 Year | Total |
|--|----------------------|------------------|-----------------------|---------------------|
| Loan Payable | \$ 3,000,000 | \$ - | \$ - | \$ 3,000,000 |
| Distributions Payable | 194,396 | - | - | 194,396 |
| Accounts Payable and Accrued Liabilities | 157,232 | - | - | 157,232 |
| Total | \$ 3,351,628 | \$ - | \$ - | \$ 3,351,628 |

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

D. Foreign Exchange Rate Risk

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

As at December 31, 2023

| Currency | Investments at FVTPL | Cash | Income and Interest Receivable | Total Exposure |
|-------------|-------------------------|----------|-----------------------------------|-------------------|
| U.S. Dollar | \$ 10,910,276 | \$ 5,280 | \$ - | \$ 10,915,556 |

As at December 31, 2022

| Currency | Investments at FVTPL | Cash | Income and Interest Receivable | Total Exposure |
|-------------|-------------------------|-----------|-----------------------------------|-------------------|
| U.S. Dollar | \$ 19,450,570 | \$ 33,490 | \$ - | \$ 19,484,060 |

Based on the above exposure at December 31, 2023, a 10% increase or decrease in the Canadian dollar against the respective foreign currencies would result in a \$1,091,556 (December 31, 2022 – \$1,948,406) decrease or increase in total equity of the Fund, with all other factors held constant.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

6. Financial Risk Management (continued)

E. Credit Risk

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

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

F. Concentration Risk

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

| Sector | 2023 | 2022 |
|-------------|------|-------|
| Real Estate | 56.4 | 52.4 |
| Utilities | 18.0 | 25.1 |
| Pipelines | 8.4 | 9.4 |
| Industrials | 8.0 | 6.4 |
| Materials | 6.8 | 4.5 |
| Energy | - | 4.0 |
| Technology | - | 3.2 |
| Total | 97.6 | 105.0 |

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.

Commencing March 31, 2020, the unitholders of the Fund can acquire additional units by participating in the Distribution Reinvestment Plan (the "Plan"). The Plan enables unitholders to reinvest their monthly distributions in additional units of the Fund thereby achieving the benefit of compounding returns. The Plan also allows participants to purchase additional units for cash.

In 2019, the Fund issued 11,050,354 units at \$10.00 per unit for proceeds, net of agents' fees and issue costs, of \$104.8 million. During the year ended December 31, 2023, the Fund redeemed 995,577 units (December 31, 2022 – 1,742,697), issued 34,000 units (December 31, 2022- 158,400), purchased 162,200 units (December 31, 2022- 196,100) pursuant to a normal course issuer bid and 20,000 units (December 31, 2022 – 22,500) in the market in accordance with the Declaration of Trust. For the year ended December 31, 2023, 1,924 units (December 31, 2022 – 1,806) were distributed under the Plan, of which nil units (December 31, 2022- 128) were issued from treasury.

The average number of units outstanding during the year ended December 31, 2023 was 4,552,297 (December 31, 2022 – 6,392,333). This number was used to calculate the Profit (Loss) after Tax per Unit.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

8. Related Party Transactions

A. Management Fee and Operating Expenses

The Manager provides investment and administrative services to the Fund. In consideration for such services, the Manager receives a management fee equal to 1.25% per annum of the NAV of the Fund's publicly listed portfolio, as well as an allocation fee 0.10% of the Fund's overall NAV, calculated and paid monthly in arrears based on the average NAV of the preceding month. For the year ended December 31, 2023, management fees before the absorption of expenses amounted to \$0.4 million (December 31, 2022 – \$0.7 million). At December 31, 2023, the management fees payable by the Fund was \$22,875 (December 31, 2022 – \$36,966) and was included in Accounts Payable and Accrued Liabilities.

B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the year ended December 31, 2023 amounted to \$70,922 (December 31, 2022 – \$69,054). Included in this amount is \$24,721 (December 31, 2022 - \$23,521) in brokerage commissions that were paid to MCC. All commissions paid by the Fund to MCC were at or below market rates. Brokerage commissions and other transaction costs are expensed and recorded in the 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 \$52,009 throughout the year and \$10,709 is included in Accounts Payable and Accrued Liabilities as at December 31, 2023. 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. Securities Lending

The Fund had previously entered into a securities lending program with its custodian, RBC Investor Services Trust, in order to earn additional revenue. The Fund did not earn any securities lending income during the years ended December 31, 2023 or 2022.

On June 20, 2023, the Fund terminated its 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 or as at December 31, 2022.

10. Loan Payable

The Fund's revolving demand credit facility with a maximum principal amount of \$25 million, is secured by a general security agreement. As at December 31, 2023, loans outstanding included bankers' acceptances with a face value of \$nil (December 31, 2022 - \$3 million). The minimum and maximum loans outstanding during 2023 were \$nil and \$9 million (December 31, 2022 - \$3 and \$13 million), respectively. Finance costs primarily relate to loan interest expenses.

11. Capital Management

The Fund's capital is its total equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength. The Fund manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements. Generally speaking, the Fund will reduce leverage when investments are likely to decrease in value and will increase leverage when investment appreciation is anticipated. In order to maintain or adjust its capital structure, the Fund may borrow or repay debt under its credit facility or undertake other activities deemed appropriate under the specific circumstances.

The Fund is not subject to externally imposed capital requirements; however, the Fund is subject to bank covenants in respect of leverage and is in compliance with these covenants in both 2023 and 2022. The Fund's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

12. Loss Carryforwards

At December 31, 2023, the Fund had capital losses of \$7,098,986 (December 31, 2022 - \$7,098,986) and had non-capital losses of \$593,731 (December 31, 2022 - \$550,294) available for carryforward for tax purposes. The capital losses can be carried forward indefinitely. The expiry date of the non-capital losses is as follows:

| Expiry Date | Amount |
|-------------------|------------|
| December 31, 2039 | \$ 197,309 |
| December 31, 2042 | 352,985 |
| December 31, 2043 | 43,437 |
| | <hr/> |
| | \$ 593,731 |

13. Distributions

The Fund pays monthly distributions to unitholders in accordance with its investment objectives. Distributions of the Fund, at the discretion of the unitholder, are reinvested in additional units of the Fund under the Distribution Reinvestment Plan, without sales charge. For the year ended December 31, 2023, distributions amounted to \$0.50 per unit (December 31, 2022 - \$0.50).

DISTRIBUTIONS (PER UNIT)

2020

| | | | | | | | | | |
|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
| 31-Mar | \$ 0.04167 | 31-May | \$ 0.04167 | 31-Jul | \$ 0.04167 | 30-Sep | \$ 0.04167 | 30-Nov | \$ 0.04167 |
| 30-Apr | 0.04167 | 30-Jun | 0.04167 | 31-Aug | 0.04167 | 31-Oct | 0.04167 | 31-Dec | 0.04167 |

2021

| | | | | | | | | | | | |
|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
| 31-Jan | \$ 0.04167 | 31-Mar | \$ 0.04167 | 31-May | \$ 0.04167 | 31-Jul | \$ 0.04167 | 30-Sep | \$ 0.04167 | 30-Nov | \$ 0.04167 |
| 28-Feb | 0.04167 | 30-Apr | 0.04167 | 30-Jun | 0.04167 | 31-Aug | 0.04167 | 31-Oct | 0.04167 | 31-Dec | 0.04167 |

2022

| | | | | | | | | | | | |
|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
| 31-Jan | \$ 0.04167 | 31-Mar | \$ 0.04167 | 31-May | \$ 0.04167 | 31-Jul | \$ 0.04167 | 30-Sep | \$ 0.04167 | 30-Nov | \$ 0.04167 |
| 28-Feb | 0.04167 | 30-Apr | 0.04167 | 30-Jun | 0.04167 | 31-Aug | 0.04167 | 31-Oct | 0.04167 | 31-Dec | 0.04167 |

2023

| | | | | | | | | | | | |
|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
| 31-Jan | \$ 0.04167 | 31-Mar | \$ 0.04167 | 31-May | \$ 0.04167 | 31-Jul | \$ 0.04167 | 30-Sep | \$ 0.04167 | 30-Nov | \$ 0.04167 |
| 28-Feb | 0.04167 | 30-Apr | 0.04167 | 30-Jun | 0.04167 | 31-Aug | 0.04167 | 31-Oct | 0.04167 | 31-Dec | 0.04167 |

Distribution Reinvestment Plan:

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

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

2023 TAX INFORMATION (PER UNIT)

Global Real Asset Fund will be issuing T3 Supplementary slips to registered unitholders by April 1, 2024. The following table outlines the allocation of the 2023 distribution for each Unit.

| RECORD DATE | PAYABLE DATE | DISTRIBUTION PER UNIT | ALLOCATION RETURN OF CAPITAL |
|--------------------|--------------------|-----------------------|------------------------------|
| January 31, 2023 | February 15, 2023 | \$ 0.041670 | \$ 0.041670 |
| February 28, 2023 | March 15, 2023 | 0.041670 | 0.041670 |
| March 31, 2023 | April 14, 2023 | 0.041670 | 0.041670 |
| April 30, 2023 | May 15, 2023 | 0.041670 | 0.041670 |
| May 31, 2023 | June 15, 2023 | 0.041670 | 0.041670 |
| June 30, 2023 | July 14, 2023 | 0.041670 | 0.041670 |
| July 31, 2023 | August 15, 2023 | 0.041670 | 0.041670 |
| August 31, 2023 | September 15, 2023 | 0.041670 | 0.041670 |
| September 30, 2023 | October 13, 2023 | 0.041670 | 0.041670 |
| October 31, 2023 | November 15, 2023 | 0.041670 | 0.041670 |
| November 30, 2023 | December 15, 2023 | 0.041670 | 0.041670 |
| December 31, 2023 | January 15, 2024 | 0.041670 | 0.041670 |
| TOTAL | | \$ 0.500040 | \$ 0.500040 |

| | |
|---------|---------|
| 100.00% | 100.00% |
|---------|---------|

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

MIDDLEFIELD FUNDS FAMILY |

| EXCHANGE - TRADED FUNDS (ETFs) | TSX Stock Symbol |
|---|---|
| • Middlefield Healthcare Dividend ETF | 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 | |
| | Fund Code |
| Series A Units | 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 | |
| | Fund Code |
| Series A Shares | FE/LL/DSC |
| • Middlefield Canadian Dividend Growers Class | MID 148/449/450 |
| • Middlefield Global Agriculture Class | MID 161/163/166 |
| • Middlefield Global Dividend Growers Class | MID 181/183/186 |
| • Middlefield 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 2023 Short Duration LP (commenced October 5, 2023) | |
| • MRF 2023 Resource Limited Partnership | |
| • MRF 2024 Resource Limited Partnership (commenced February 22, 2024) | |
| INTERNATIONAL FUNDS | |
| • Middlefield Canadian Income PCC | London UK Stock Exchange (LSE) Symbol:MCT |

Dean Orrico

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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 Health LLC
Paul Sagawa LLC**Middlefield Group****Stephen Erlichman**Chair, ESG
(Environmental, Social, Governance)**Craig Rogers, CPA, CGA, CFA**

Chief Operating Officer

Wendy Teo, CPA, CA, CPA (IL)

Chief Financial Officer & Vice President

Mark AboudManaging Director,
Workplace Innovation and Productivity**Dennis da Silva**

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Nancy Tham

Managing Director, Sales

Shane Obata

Portfolio Manager

Robert Moffat

Portfolio Manager

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Joshua Wiggins

Brand Strategist

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RSM Canada LLP**Legal Counsel**Bennett Jones
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Fasken Martineau DuMoulin LLP
McCarthy Tétrault**Bankers**Bank of Montreal
Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Bank of Nova Scotia
The Toronto-Dominion Bank**Custodian**

RBC Investor Treasury Services

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



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