



Year End Report 2002

For the year ended December 31, 2002

Press Release

MINT *Income Fund* (“MINT” or the “Fund”) is pleased to present its unaudited financial results for the year ended December 31, 2002, the details of which are attached.

Quarterly distributions paid by MINT remained constant at \$0.18 per unit during the year. On an annualized basis, the current distribution rate represents a cash-on-cash yield of 10.0% based on a unit market price of \$7.20.

Persistent weakness in the broader equity market, together with low yields in the investment grade bond market, has increased the demand for income trusts, which provide investors high stable current income with the potential for growth. MINT’s total return for the year ended December 31, 2002 was 11.6%. This compares favourably to the S&P/TSX Composite Index which decreased 12.4% in 2002.

As at December 31, 2002, the asset class weightings for the MINT portfolio were:

Asset Class	Portfolio Weighting
Business Trusts	43%
REITs	20%
Pipeline and Power Generation Trusts	15%
Oil and Gas Royalty Trusts	12%
High Yield Debt	9%
Cash	1%

Recent conditions in the economy and the capital markets have created an ideal environment for growth in demand for income trusts. The size of the asset class measured in market capitalization currently exceeds \$45 billion, representing approximately 5% of the total market capitalization of all TSX listed companies. The market capitalization of income trusts has increased by \$15 billion over the past 12 months, of which approximately \$8 billion represented new issuance of income trust units. More recently, significant institutional investors have begun to invest in income trusts on an increasing basis due to the attractive yields and the prospect for stable distributions.

While investing selectively in this sector, MINT continues to have a bias towards income trusts with low capital expenditure requirements, stable cash flows and dominant market positions. Business trusts, represented by over 50 issuers across a number of industries, will continue to comprise a significant weighting in MINT’s portfolio while being supplemented by REITs which offer contractual cash flows and stable distributions. The high yield debt weighting in the portfolio has been reduced substantially during 2002 and will continue to be monitored closely. Various high yield debt holdings may be replaced by more liquid income trust issuers to achieve a more attractive balance between risk and reward. This strategy seeks to provide a positive mix of high, stable current income, significant tax deferral and capital appreciation potential.

MINT *Income Fund* is invested in a diversified portfolio of income trusts and high yield debt securities. The objectives of the Fund are to provide unitholders with a high level of sustainable income distributed quarterly over the life of the Fund. Quarterly distributions paid by MINT provide an attractive cash-on-cash yield and are highly tax efficient.

MINT trades on the Toronto Stock Exchange under the symbol “MID.UN”.

For further information, please contact Nancy Tham, Vice President, at (416) 362-0714 ext. 277 or visit our website at www.middlefield.com.

March 5, 2003

This press release contains forward-looking information. Actual future results may differ materially. The risks, uncertainties and other factors that could influence actual results are described in MINT’s annual report to unitholders and other documents filed with regulatory authorities.

SECTOR ANALYSIS - INCOME TRUSTS • 90%

BUSINESS TRUSTS • 43%

The Fund increased its exposure to the growing business trust sector to 43% from 8% at the end of the previous year. During 2002, the business trust sector grew to over 50 names and \$14 billion in market capitalization. As the economy improves, there should be opportunities for these trusts to increase revenues and distributable income. Business trusts provide increased diversification and long-term growth potential as several business trusts continue to consolidate fragmented industries or have unused capacity to increase market share. During the year, MINT established core positions in trusts with business models targeting the consumer and industrial markets and with non-cyclical or contractual revenue streams. Food processing, private label manufacturing, telecom services, distribution centers, commercial staples and waste removal represent a few of the industries in which MINT participates. Three issuers in MINT's portfolio with these attributes are Associated Brands Income Fund, Bell Nordiq Income Fund and Consumers' Waterheater Income Fund. Associated Brands is a North American leader in the private-label dry-mix food product category. It supplies 43 of the top 50 North American retailers and has strong customer relationships. Associated Brands' management is focused on increasing market share in the U.S. through leveraging its existing product lines and excess manufacturing capacity. Bell Nordiq is rated SR-2 by S&P and owns a 37% interest in Northern Telephone L.P. and Télébec L.P., which are major market-leading telecom service providers in Northern Ontario and Quebec. Bell Canada currently retains the other 63% interest in these partnerships, which enjoy a 100% market share in local service and dominant market share in long distance, wireless and internet segments. Bell Nordiq is well-positioned for continued growth as the benefits of bundling promotions and the migration to digital wireless are realized. Consumers' Waterheater owns a portfolio of residential natural-gas fired water heaters in Ontario. Its leading market position within its primary target regions, growing customer base, long-life, low-risk asset base and track record of highly stable cash flows with consistent growth underpin the stability of its distributions.

REAL ESTATE INVESTMENT TRUSTS • 20%

Real estate proved to be a safe haven for investors in 2002. During the year, REITs continued to perform well as a result of low interest rates and the underlying stability of their longer-term, lease-based income streams. Canadian REITs posted a 7.4% total return during 2002 as measured by the S&P Canadian REIT Index, which compared favorably to the negative 12.4% total return provided by the S&P/TSX Composite Index. MINT's REIT weighting was reduced from 37% at the end of 2001 to 20% at December 31, 2002. As signs of slowing growth emerged in the REIT sector, MINT realized some gains. More specifically, MINT reduced its exposure to the REITs focused on the residential sector, as recent industry data suggests weakening fundamentals due to increasing real estate condominium affordability and ownership in the Greater Toronto Area, which draws demand away from the rental market.

PIPELINE AND POWER GENERATION TRUSTS • 15%

MINT's exposure to the Pipeline and Power Generation sector remained constant at 15% from the end of 2001. A trust that was added to the Fund during the year was Great Lakes Hydro Income Fund. Great Lakes has interests in 21 hydroelectric power stations in Quebec, Ontario, British Columbia, Maine and New Hampshire. Great Lakes has become the largest power income trust due to a steady progression of acquisitions, and benefits from the support of Brascan Power, which owns 50% of the trust. In particular, Brascan Power enhances the stability of the trust's cash flow by providing price or credit guarantees, which mitigate the effects of market price volatility for electricity produced by the trust.

OIL & GAS ROYALTY TRUSTS • 12%

MINT added to its weightings in royalty trusts, increasing its exposure from 7% at year-end 2001 to 12% at year-end 2002. As a result, MINT benefited from the increased distributions and higher market values in this asset class as oil and gas prices strengthened in the latter part of 2002. Higher gas prices are expected to continue in 2003. As the number of acquisition candidates in the junior and intermediate exploration and production sector decreases, replacing reserves may become more difficult. As a result, smaller royalty trusts may become acquisition targets.

SECTOR ANALYSIS - HIGH YIELD DEBT · 9%

MINT reduced its weighting in high yield debt from 30% at the end of 2001 to 9% as of December 31, 2002 by rotating out of lower yielding names and into higher yielding more stable income trusts. The Fund's weighting in the sector was reduced through bond maturities, issuer redemptions and the prudent disposition of under-performing issuers.

OUTLOOK

Going into 2003, we expect slow to moderate growth in the North American economy and as a result, corporate profit growth is expected to remain modest. We anticipate an extended period of single digit returns from both stocks and bonds, which should continue to bode well for income trusts. Recently, both the Federal Reserve and the Bank of Canada decided to keep interest rates unchanged. Assuming continuous low inflation in the United States, we expect the Federal Reserve to be patient on any interest rate increases during the first half of 2003. Conversely, inflation in Canada has increased above the 2% target for the first time in a decade. When geopolitical risks subside, there will be pressure to increase domestic rates, potentially capping any further appreciation in the more interest sensitive REIT and power and pipeline trust sectors. MINT has mitigated this risk by under-weighting the more interest sensitive sectors in its portfolio. Given the poor performance by corporate management teams in creating value by re-investing earnings in internal projects or acquisitions, the income trust model of distributing the majority of operating cash flow to unitholders should continue to be attractive.

STATEMENTS OF NET ASSETS AS AT DECEMBER 31

	2002 Unaudited	2001 Audited
ASSETS :		
Investments at Market Value	\$ 45,915,534	\$ 49,987,061
Income and Interest Receivable	600,671	605,150
Cash	336,526	829,415
	46,852,731	51,421,626
LIABILITIES :		
Loan Payable	10,893,362	12,602,465
Unitholder Distributions Payable	856,986	938,494
Accounts Payable and Accrued Liabilities	178,344	197,104
	11,928,692	13,738,063
Net Assets	\$ 34,924,039	\$ 37,683,563
Units Issued and Outstanding	4,761,033	5,200,754

MINT INCOME FUND

STATEMENTS OF FINANCIAL HIGHLIGHTS

FOR THE FIVE YEARS ENDED DECEMBER 31

Unaudited	2002	2001	2000	1999	1998
DATA PER UNIT:					
Net Asset Value at Beginning of Year	\$ 7.25	\$ 6.32	\$ 6.27	\$ 6.93	\$ 9.59
INCOME FROM INVESTMENT OPERATIONS:					
Net Investment Income	0.74	0.68	0.63	0.78	0.84
Net Realized and Unrealized Gain (Loss) on Investments	0.07	0.95	0.10	(0.64)	(2.62)
	0.81	1.63	0.73	0.14	(1.78)
DISTRIBUTIONS TO INVESTORS					
	0.72	0.70	0.68	0.80	0.88
Net Asset Value at End of Year	\$ 7.34	\$ 7.25	\$ 6.32	\$ 6.27	\$ 6.93
RATIOS/SUPPLEMENTAL DATA					
Total Assets at End of Year	\$ 46,852,731	\$ 51,421,626	\$ 50,648,740	\$ 59,643,288	\$ 70,742,156
Total Net Assets at End of Year	\$ 34,924,039	\$ 37,683,563	\$ 37,581,348	\$ 43,497,793	\$ 51,314,891
Weighted Average Net Assets	\$ 36,671,827	\$ 37,573,909	\$ 38,641,785	\$ 50,508,448	\$ 73,152,683
Management Expense Ratio*	1.41%	1.58%	1.75%	1.42%	1.35%
Portfolio Turnover Rate	74.95%	46.15%	39.60%	16.62%	65.18%
Annual Rate of Return	11.62%	26.98%	13.66%	2.68%	(18.89)%

* Excludes interest expense and bank charges

STATEMENTS OF NET REALIZED LOSS FROM INVESTMENT TRANSACTIONS

FOR THE YEARS ENDED DECEMBER 31

	2002 Unaudited	2001 Audited
Proceeds from Sale of Investments	\$ 39,836,362	\$ 25,190,508
Less: Cost of Investments Sold:		
Owned at Beginning of Year	51,462,994	55,084,933
Purchased During Year	35,490,380	22,219,322
Owned at End of Year	(46,146,494)	(51,462,994)
	40,806,880	25,841,261
Net Realized Loss from Investment Transactions	\$ (970,518)	\$ (650,753)

MINT INCOME FUND

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31

	2002 Unaudited	2001 Audited
INVESTMENT INCOME:		
Income from Investments	\$ 3,329,040	\$ 3,412,496
Interest	1,309,357	1,593,485
	4,638,397	5,005,981
EXPENSES :		
Interest and Bank Charges	442,707	684,836
Management Fee	389,830	401,034
General and Administrative	125,991	194,009
	958,528	1,279,879
Net Investment Income	3,679,869	3,726,102
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS :		
Net Realized Loss from Investment Transactions	(970,518)	(650,753)
Change in Net Unrealized Gain on Investments	1,244,973	5,578,958
Net Gain on Investments	274,455	4,928,205
Net Increase in Net Assets Resulting from Operations	\$ 3,954,324	\$ 8,654,307

STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31

	2002 Unaudited	2001 Audited
Net Assets at Beginning of Year	\$ 37,683,563	\$ 37,581,348
OPERATIONS:		
Net Increase in Net Assets Resulting from Operations	3,954,324	8,654,307
DISTRIBUTIONS TO UNITHOLDERS		
	(3,536,219)	(3,764,591)
UNITHOLDER TRANSACTIONS:		
Repurchase of Units	(3,177,629)	(4,787,501)
Net Increase (Decrease) in Net Assets	(2,759,524)	102,215
Net Assets at End of Year	\$ 34,924,039	\$ 37,683,563

MINT INCOME FUND
STATEMENT OF INVESTMENT PORTFOLIO
AS AT DECEMBER 31, 2002
Unaudited

Description	No. of Units or Face Value	Cost	Market Value
Advanced Fiber Technologies Income Fund	100,000	\$ 1,029,590	\$ 1,035,000
Associated Brands Income Fund	100,000	1,052,304	1,080,000
Atlas Cold Storage Income Trust	120,000	1,200,000	1,350,000
Bell Nordiq Income Fund	75,000	766,500	806,250
BFI Canada Income Fund	85,000	931,502	1,007,250
CCS Income Trust	50,000	869,000	840,000
Consumers' Waterheater Income Fund	100,000	1,001,847	1,051,000
Chemtrade Logistics Income Fund	70,000	1,035,300	980,000
Clearwater Seafoods Income Fund	90,000	925,765	931,050
Davis+Henderson Income Fund	80,000	882,293	1,028,800
Halterm Income Fund	100,000	863,000	880,000
Heating Oil Partners Income Fund	100,000	1,165,000	1,183,000
KCP Income Fund	75,000	750,000	851,250
Livingston International Income Fund	90,000	1,013,047	1,023,300
Menu Foods Income Fund	50,000	546,687	685,000
Noranda Income Fund	100,000	987,750	985,000
Rogers Sugar Income Fund	160,000	764,800	752,000
Sun Gro Horticulture Income Fund	75,000	785,868	783,750
Superior Propane Income Fund	70,000	1,037,933	1,377,600
Versacold Income Fund	90,000	772,874	724,500
Westshore Terminals Income Fund	150,000	757,500	732,000
BUSINESS TRUSTS: 43.4%		19,138,560	20,086,750
Canadian Apartment Properties Real Estate Investment Trust	40,000	524,946	518,000
Canadian Real Estate Investment Trust	80,000	960,000	1,050,400
Cominar Real Estate Investment Trust	30,000	369,570	362,100
H&R Real Estate Investment Trust	90,000	972,328	1,201,500
IPC US Income Real Estate Investment Trust	90,000	900,000	882,000
Morguard Real Estate Investment Trust	115,000	1,150,000	977,500
Retirement Residences Real Estate Investment Trust	55,000	716,708	646,800
RioCan Real Estate Investment Trust	110,000	1,067,000	1,371,700
Summit Real Estate Investment Trust	90,000	1,073,441	1,361,700
TGS North American Real Estate Investment Trust	100,000	1,000,000	1,005,000
REAL ESTATE INVESTMENT TRUSTS: 20.3%		8,733,993	9,376,700
Algonquin Power Income Fund	100,000	997,188	928,000
Borex Power Income Fund	75,000	781,702	768,750
Great Lakes Hydro Income Fund	55,000	826,796	837,650
Inter Pipeline Fund	175,000	1,659,583	1,076,250
Northland Power Income Fund	100,000	1,000,000	1,100,000
Pembina Pipeline Income Fund	125,000	1,312,917	1,362,500
TransCanada Power L.P.	20,000	639,092	618,000
PIPELINE AND POWER GENERATION TRUSTS: 14.5%		7,217,278	6,691,150
Advantage Energy Income Fund	80,000	957,715	1,040,000
ARC Energy Trust	75,000	943,849	892,500
Canadian Oil Sands Trust	20,000	748,085	761,000
Focus Energy Trust	100,000	1,020,900	1,015,000
NAL Oil & Gas Trust	70,000	637,000	630,000
Pengrowth Energy Trust	50,000	700,030	736,500
Provident Energy Trust	50,000	524,225	537,500

OIL AND GAS ROYALTY TRUSTS: 12.1%		5,531,804	5,612,500
Air Canada Inc. 9% due June 1, 2006	300,000	287,182	240,000
Anchor Lamina Inc. 9.875% due February 1, 2008	1,500,000	2,157,202	852,120
Finlay Enterprises, Inc. 9% due May 1, 2008	1,500,000	2,164,680	2,130,300
Scott Paper Limited 10% due June 6, 2007	632,034	618,045	625,714
Tembec Inc. 8.3% due January 30, 2003	300,000	297,750	300,300
HIGH YIELD DEBT: 9.0%		5,524,859	4,148,434
CASH: 0.7%		336,526	336,526
Total Investment Portfolio, including Cash		\$ 46,483,020	\$ 46,252,060

FUND PROFILE

The primary objectives of MINT are to produce a high level of sustainable income and to minimize the risk of investing in high yield securities on a cost effective basis. MINT is comprised of five asset classes: business trusts, real estate investment trusts, pipeline and power generation trusts, oil and gas royalty trusts and high yield debt. MINT is fully RRSP eligible. MINT trades on the Toronto Stock Exchange under the symbol "MID.UN".

HEAD OFFICE

Middlefield Group
One First Canadian Place
58th Floor
P.O. Box 192
Toronto, Canada M5X 1A6

Telephone (416) 362-0714

Fax (416) 362-7925

Email invest@middlefield.com

Web Site www.middlefield.com

DIRECTORS AND OFFICERS OF THE MANAGER

W. Garth Jestley, President and Director
James S. Parsons, Director
Sylvia V. Stinson, Executive Vice President and Director
Nancy Tham, Vice President
Anthony P. Traub, Secretary-Treasurer and Director
Angela V. Wannappa, Vice President

THE ADVISOR

Middlefield Securities Limited

Murray J. Brasseur, Chairman
W. Garth Jestley, President and Chief Executive Officer
Dean C. Orrico, Senior Vice President

DISTRIBUTION REINVESTMENT PLAN

The Fund's Distribution Reinvestment Plan (the "Plan") allows unitholders to automatically reinvest quarterly distributions in additional units of the Fund. This feature provides unitholders with an excellent opportunity to benefit from compounding by investing distributions at a high reinvestment rate. Please contact your investment advisor to enroll in the Plan or contact Nancy Tham at (888) 890-1868.