



THIRD QUARTER REPORT 2002

For the quarter ended September 30, 2002

Press Release

MINT *Income Fund* ("MINT" or the "Fund") is pleased to present its unaudited financial results for the three months ended September 30, 2002, the details of which are attached.

Quarterly distributions paid by MINT remained constant at \$0.18 per unit and are expected to remain unchanged for the balance of 2002. On an annualized basis, the current distribution rate represents a cash-on-cash yield of approximately 10% based on the current market price of \$7.20.

Persistent weakness in the broader equity market, together with decreasing 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 three months ended September 30, 2002 was approximately 2.7%, which exceeded the 1.1% return posted by the Scotia Capital Income Trust Total Return Index. Since September 30, 2001 the Fund's net asset value per unit increased approximately 10.7%, contributing to a total return of approximately 22.0%. This compares favourably to the S&P/TSX Composite Index which decreased 8.1% over this period.

As at September 30, 2002, the asset class weightings for the MINT portfolio were:

Asset Class	Portfolio Weighting
REITs	33%
Business Trusts	24%
Pipeline and Power Generation Trusts	12%
Oil and Gas Royalty Trusts	7%
High Yield Debt	24%

The income trust sector continues to expand as a result of investors' appetite for income as well as the strong performance of income trusts over the last several months. The income trust structure is an attractive vehicle for companies experiencing moderate growth and operating in mature industries. High quality income trusts offer not only attractive cash yields but also growth potential over the long term. 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 40 issuers across a number of industries, will continue to comprise a significant weighting in MINT's portfolio anchored by the stability of REITs. The high yield debt weighting in the portfolio will continue to be monitored closely and various high yield debt holdings may be replaced by more liquid income trust issuers which offer a more attractive balance between risk and reward. This strategy seeks to provide a positive balance of high current income, significant tax deferral and capital appreciation potential.

MINT *Income Fund* is invested in a diversified portfolio of income trusts and high yielding debt securities. The objectives of MINT 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.

November 20, 2002

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 • 76.0%

REAL ESTATE INVESTMENT TRUSTS • 33.5%

During the quarter REITs continued to perform relatively well as a result of low interest rates and the underlying stability of their longer-term, lease-based income streams. The REIT weighting was reduced from 37.2% in the second quarter to 33.5% at the end of September 2002. Unit prices came under pressure during July but rebounded by quarter end. The position in Equity Office Properties was sold due to its high exposure to technology related tenants on the U.S. west coast. The position in Cominar REIT was increased to gain further exposure to its dominant position in the Quebec City real estate market. Recent industry data reveal that the apartment REIT fundamentals may be weakening due to increased real estate condominium affordability and ownership in the Greater Toronto Area. As a result, subsequent to quarter end, we reduced our holdings in Canadian Apartment Properties REIT and Residential Equities REIT. The Canadian REIT universe continued to outperform the broader market by generating a modest average total return of 0.3%, versus a 13.1% decline experienced by the S&P/TSX Composite Total Return Index in the third quarter.

BUSINESS TRUSTS • 24.1%

The Fund increased its exposure to the growing business trust sector to 24.1% from 16.1% at the end of the previous quarter. As the economy improves, there may be opportunities for these trusts to gain market share and improve profit margins. Business trusts provide significant opportunity for increased diversification and long-term growth as several business trusts continue to consolidate fragmented industries or have unused capacity to absorb increases in market share. The business trust universe has grown to over 40 issuers and is growing rapidly. During the quarter, the Fund initiated positions in Clearwater Seafoods, Davis + Henderson, Heating Oil Partners and KCP Income Fund. Clearwater Seafoods is the largest integrated shellfish company in North America providing premium shellfish to retail chains and food distributors. The company is well positioned to leverage its modern vessels and processing facilities to build captive additional market share as well as developing new businesses around previously unexploited species. Davis + Henderson Income Fund, serving the individual and small-business account segment of the marketplace, is the largest provider of cheque supply programs to Canadian financial institutions. The company continues to carry out its strategy of maximizing order value, improving efficiency and providing additional services and products to financial institutions and their customers. KCP Income Fund is North America's largest producer of private label household bleach and household cleaning products. KCP management is focused on increasing market share in the U.S. through leveraging its existing product lines and completing selected strategic acquisitions in a fragmented North American marketplace. Heating Oil Partners is an attractive addition to the Fund as it is one of the largest residential heating oil distributors in the U.S. The heating oil supplier market is quite fragmented creating an opportunity for the company to grow through disciplined acquisitions of existing distributors in the northeastern U.S.

PIPELINE AND POWER GENERATION TRUSTS • 11.5%

Pipeline trusts are relatively conservative due to the stability of their cash flow. MINT has a significant position in Pembina Pipeline Income Fund, as management has demonstrated the ability to execute accretive acquisitions over the last few years. Pembina remains attractive due to the anticipated growth associated with the Alberta Oil Sands Pipeline, its relatively low management fee and its hydrocarbon mix with no exposure to volatile heavy oil throughput.

OIL & GAS ROYALTY TRUSTS • 6.9%

MINT added to its position in ARC Energy Trust during the quarter based on its excellent track record, long reserve life and a relatively attractive valuation versus its peers. During the quarter, ARC internalized management on a basis which should be accretive to unitholders. In addition, strength in crude oil prices should enable some royalty trusts to surpass estimated distributions in the short run. Gas prices are expected to strengthen in 2003, thus enhancing the stability of issuers that have a high proportion of gas production. As the number of acquisition candidates in the junior and intermediate exploration and production sector decreases, replacing reserves may become more difficult. It is postulated that the smaller royalty trusts may become acquisition targets. The Fund reduced its exposure to Canadian Oil Sands Trust during the quarter due to cost overruns at Syncrude together with the uncertainty surrounding the future impact of Kyoto on operating costs.

SECTOR ANALYSIS - HIGH YIELD DEBT · 24.0%

MINT reduced its weighting in high yield debt from 27.4% at the end of the second quarter to 24.0% as of September 30, 2002 by trimming its position in a few issuers, particularly Air Canada. With a meaningful recovery in the U.S. transborder market still nowhere in sight, coupled with the ominous possibility of an Iraq conflict on the horizon, the Fund managers thought it prudent to take a cautionary stance towards this name. MINT's high yield debt strategy will continue to focus on issuers in stable sectors with strong management.

OUTLOOK

The income trust universe, and in particular the business trust sector, has grown considerably over the past year. The current market capitalization of the income trust sector is estimated to be in excess of \$40 billion, of which approximately \$9 billion is represented by business trusts. The increasing number of companies adopting the trust structure greatly enhances MINT's ability to diversify and provides an opportunity for higher returns. The investment advisors to MINT anticipate this sector of the portfolio will continue to grow. This strategy provides a favourable balance of high current income, significant tax deferral and capital appreciation potential.

Recently, the Federal Reserve cut interest rates by 50 basis points due to weak economic data. Although economic statistics continue to confirm a divergence in economic health between Canada and its main trading partner, the recent monetary policy action in the U.S. should constrain the ability of the Bank of Canada to implement further rate increases in Canada this year. These conditions bode well for the income trust market.

Going forward, total returns from the broad equity market are expected to revert to their long-term mean. This scenario, together with low yields in the investment grade fixed income market, supports continued demand for income trusts. 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 appeal.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DISTRIBUTIONS TO UNITHOLDERS

On September 11, 2002, MINT announced a third quarter distribution of \$0.18 per unit to unitholders of record on September 30, 2002. The actual distributions for the past 12 months are \$0.72 per unit. Quarterly distributions for the remainder of the year are anticipated to continue at \$0.18 per unit, which equates to 10% per annum based on a market price of \$7.20 per unit.

FINANCIAL PERFORMANCE

The net asset value per unit increased to \$7.56 at September 30, 2002 from \$7.25 at December 31, 2001 due to the strong performance of MINT's investment portfolio. MINT's total return for the three months ended September 30, 2002 was 2.7%. The Fund's net asset value per unit increased 10.7% over the 2001 third quarter end from \$6.83 to \$7.56. The Fund's market value was \$7.30 per unit at the close of trading on September 30, 2002, relative to \$7.05 at December 31, 2001.

Net investment income increased to \$0.19 per unit in the third quarter of 2002 compared to \$0.17 during the third quarter of 2001. Sequentially, net investment income increased from \$0.18 per unit during the second quarter of 2002, primarily due to a switch out of lower yielding REITs and into higher yielding business trusts. Quarterly net investment income is anticipated to average \$0.18 per unit for the year 2002 and, therefore, quarterly distributions will continue at \$0.18 per unit. The ratio of management fees and other operating expenses (excluding interest expense and bank charges) to average net asset value ("MER") was 1.59% for the period, similar to the ratio in the third quarter of 2001.

STATEMENTS OF FINANCIAL HIGHLIGHTS**FOR THE PERIODS ENDED SEPTEMBER****30**

Unaudited

Three Months Ended

September 30

2002 2001

Nine Months Ended

September 30

2002 2001

DATA PER UNIT

Net Asset Value at Beginning of Period	\$	7.54	\$	6.86	\$	7.25	\$	6.32
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INCOME FROM INVESTMENT OPERATIONS:

Net Investment Income		0.19		0.17		0.53		0.53
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Net Realized and Unrealized								
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Gain (Loss) on Investments		0.01		(0.02)		0.32		0.50
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		0.20		0.15		0.85		1.03
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DISTRIBUTIONS TO INVESTORS:

From Net Investment Income		0.18		0.18		0.54		0.52
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Net Asset Value at End of Period	\$	7.56	\$	6.83	\$	7.56	\$	6.83
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RATIOS/SUPPLEMENTAL DATA

Total Assets at End of Period	\$	48,926,828	\$	49,321,083	\$	48,926,828	\$	49,321,083
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Total Net Assets at End of Period	\$	36,519,061	\$	35,889,653	\$	36,519,061	\$	35,889,653
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Weighted Average Net Assets	\$	36,553,807	\$	37,380,954	\$	37,242,544	\$	37,796,404
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Management Expense Ratio*		1.59%		1.58%		1.46%		1.52%
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Portfolio Turnover Rate		8.18%		10.96%		37.16%		35.45%
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Total Rate of Return for the Period		2.73%		2.21%		12.18%		16.73%
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* Excludes interest expense and bank charges

STATEMENTS OF NET ASSETS

AS AT SEPTEMBER 30, 2002 AND DECEMBER 31, 2001

September 30

2002

Unaudited

December 31

2001

Audited

ASSETS:

Investments at Market Value		\$ 47,376,990		\$ 49,987,061
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Cash		845,006		829,415
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Income and Interest Receivable		704,832		605,150
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		48,926,828		51,421,626
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LIABILITIES:

Loan Payable		11,436,331		12,602,465
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Unitholder Distributions Payable		870,396		938,494
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Accounts Payable and Accrued Liabilities		101,040		197,104
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		12,407,767		13,738,063
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Net Assets		\$ 36,519,061		\$ 37,683,563
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Units Issued and Outstanding		4,832,535		5,200,754
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The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF OPERATIONS**FOR THE PERIODS ENDED SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2002	2001	2002	2001
INVESTMENT INCOME:				
Income from Investments	\$ 835,461	\$ 765,717	\$ 2,306,135	\$ 2,748,191
Interest	342,877	432,751	1,074,858	1,162,574
	1,178,338	1,198,468	3,380,993	3,910,765
EXPENSES:				
Interest and Bank Charges	116,911	168,752	326,413	556,194
Management Fee	97,700	100,086	295,912	300,908
Audit and Legal	18,710	24,004	33,876	46,382
Custodian and Trustee Fee	7,863	10,635	25,061	32,075
Marketing	12,067	3,670	18,872	19,636
Transfer Agent Fee	3,210	3,210	9,630	9,630
Network Fee	646	2,961	6,099	9,176
Other	6,511	4,027	17,589	13,535
	263,618	317,345	733,452	987,536
Net Investment Income	914,720	881,123	2,647,541	2,923,229
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:				
Net Realized Gain (Loss) from				
Investment Transactions	(112,318)	378,663	(1,748,514)	(397,240)
Change in Net Unrealized				
Gain (Loss) on Investments	128,250	(533,274)	3,278,890	3,004,781
Net Gain (Loss) on Investments	15,932	(154,611)	1,530,376	2,607,541
Net Increase in Net Assets				
Resulting from Operations	\$ 930,652	\$ 726,512	\$ 4,177,917	\$ 5,530,770

STATEMENTS OF CHANGES IN NET ASSETS**FOR THE PERIODS ENDED SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2002	2001	2002	2001
OPERATIONS:				
Net Increase in Net Assets				
Resulting from Operations	\$ 930,652	\$ 726,512	\$ 4,177,917	\$ 5,530,770
DISTRIBUTIONS TO UNITHOLDERS				
	(870,396)	(946,540)	(2,679,233)	(2,826,097)
UNITHOLDER TRANSACTIONS:				
Repurchase of Units	(833,612)	(894,609)	(2,663,186)	(4,396,368)
Net Decrease in Net Assets	(773,356)	(1,114,637)	(1,164,502)	(1,691,695)
NET ASSETS:				
Beginning of Period	37,292,417	34,004,290	37,683,563	37,581,348
End of Period	\$ 36,519,061	\$ 35,889,653	\$ 36,519,061	\$ 35,889,653

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

STATEMENT OF INVESTMENT PORTFOLIO

AS AT SEPTEMBER 30, 2002

Unaudited

Description	No. of Units or Face Value	Average Cost	Market Value
Canadian Apartment Properties Real Estate Investment Trust	70,000	\$ 918,655	\$ 959,000
Canadian Real Estate Investment Trust	100,000	1,200,000	1,326,000
Cominar Real Estate Investment Trust	30,000	369,570	363,000
H&R Real Estate Investment Trust	170,000	1,836,620	2,388,500
IPC US Income Real Estate Investment Trust	110,000	1,100,000	1,182,500
Morguard Real Estate Investment Trust	200,000	2,000,000	1,720,000
O & Y Real Estate Investment Trust	50,000	570,430	534,000
Residential Equities Real Estate Investment Trust	75,000	996,124	1,025,250
Retirement Residences Real Estate Investment Trust	110,000	1,433,415	1,387,100
RioCan Real Estate Investment Trust	190,000	1,843,000	2,451,000
Summit Real Estate Investment Trust	160,000	1,908,340	2,524,800
REAL ESTATE INVESTMENT TRUSTS: 33.5%		14,176,154	15,861,150
Advanced Fibre Technologies Income Fund	50,000	500,471	527,500
Atlas Cold Storage Income Trust	200,000	2,000,000	2,340,000
Bell Nordiq Income Fund	25,000	250,000	258,750
BFI Canada Income Fund	55,000	588,647	640,750
Clearwater Seafoods Income Fund	40,000	400,105	410,400
Davis + Henderson Income Fund	80,000	882,293	968,000
Heating Oil Partners Income Fund	100,000	1,165,000	1,238,000
KCP Income Fund	75,000	750,000	891,000
Menu Foods Income Fund	45,900	494,986	649,485
SFK Pulp Fund	100,000	1,010,550	1,106,000
Superior Propane Income Fund	100,000	1,482,762	1,987,000
Versacold Income Fund	50,000	436,874	416,500
BUSINESS TRUSTS: 24.1%		9,961,688	11,433,385
Algonquin Power Income Fund	100,000	997,188	992,000
Koch Pipelines Canada, L.P.	240,000	2,276,000	1,584,000
Northland Power Income Fund	100,000	1,000,000	1,111,000
Pembina Pipeline Income Fund	150,000	1,575,500	1,747,500
PIPELINE AND POWER GENERATION TRUSTS: 11.5%		5,848,688	5,434,500
Advantage Energy Income Fund	80,000	957,715	1,038,400
ARC Energy Trust	75,000	943,849	960,000
Canadian Oil Sands Trust	20,000	748,085	718,000
Provident Energy Trust	50,000	524,225	540,000
OIL AND GAS ROYALTY TRUSTS: 6.9%		3,173,874	3,256,400
Air Canada Inc. 9% due June 1, 2006	600,000	574,364	468,000
Alberta Energy Company Ltd. 8.5% due December 20, 2040	2,000,000	2,000,000	2,146,000
Anchor Lamina Inc. 9.875% due February 1, 2008	1,500,000	2,157,202	832,650
Finlay Enterprises, Inc. 9% due May 1, 2008	1,500,000	2,164,680	2,236,260
Hurricane Hydrocarbons Ltd. 12% due August 4, 2006	380,000	599,456	601,475
Intrawest Corporation 10.5% due February 1, 2010	1,000,000	1,552,723	1,649,440
Millar Western Forest Products Ltd. 9.875% due May 15, 2008	1,550,000	2,250,910	2,332,927
Scott Paper Limited 10% due June 6, 2007	632,034	618,045	622,553
Tembec Inc. 8.3% due January 30, 2003	500,000	496,250	502,250
HIGH YIELD DEBT: 24.0%		12,413,630	11,391,555
Total Investment Portfolio		\$ 45,574,034	\$ 47,376,990

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

STATEMENTS OF NET REALIZED GAIN (LOSS) FROM INVESTMENT TRANSACTIONS				
FOR THE PERIODS ENDED SEPTEMBER 30	Three Months Ended		Nine Months Ended	
30	September 30		September 30	
Unaudited	2002	2001	2002	2001
Proceeds from Sale of Investments	\$ 3,801,150	\$ 7,812,459	\$ 21,907,768	\$ 21,955,072
Less: Cost of Investments Sold:				
Owned at Beginning of Period	44,010,419	52,099,362	51,462,994	55,084,932
Purchased During Period	5,477,083	5,182,938	17,767,322	17,115,884
Owned at End of Period	(45,574,034)	(49,848,504)	(45,574,034)	(49,848,504)
	3,913,468	\$ 7,433,796	23,656,282	22,352,312
Net Realized Gain (Loss) from Investment Transactions	\$ (112,318)	\$ 378,663	\$ (1,748,514)	\$ (397,240)

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002 AND 2001 (UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles. They follow the same accounting policies and methods used in the most recent annual financial statements of the Fund. The specific accounting principles used are described on pages 39 through 42 of the Middlefield Managed Funds 2001 annual report, and should be read in conjunction with these interim financial statements.

2. DISTRIBUTIONS

The Fund paid a distribution of \$0.18 per unit on October 24, 2002 to all unitholders of record on September 30, 2002. Distributions of the Fund, at the option of the unitholder, are reinvested in additional units of the Fund, under the Distribution Reinvestment Plan without sales charge.

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.

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: real estate investment trusts, business 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".

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