



THIRD QUARTER REPORT 2003

For the quarter ended September 30, 2003

Press Release

MINT *Income Fund* (“MINT”) is pleased to present its unaudited financial results for the three months ended September 30, 2003, the details of which are attached.

Quarterly distributions paid by MINT increased to \$0.20 per unit for the quarter. This represents an increase of \$0.02 per unit or 11% over the previous distribution rate. On an annualized basis, the increased distribution rate of \$0.80 per unit represents a cash-on-cash yield of approximately 9.5% per annum based on a unit market price of \$8.40. MINT’s total return for the three months ended September 30, 2003 was 7.1% and the total return for the past twelve months was 23.2%.

As at September 30, 2003 the asset class weightings for MINT’s portfolio were:

Asset Class	Portfolio Weighting
Business Trusts	40.3%
Real Estate Investment Trusts	22.3%
Oil and Gas Royalty Trusts	21.5%
Pipeline and Power Generation Trusts	14.3%
Cash	1.6%

During the quarter, approximately \$3 billion of new income trust issues and follow-on offerings have been completed, led by the much anticipated \$1 billion Yellow Pages Income Fund IPO, bringing the total value of the income trust sector to over \$70 billion. Notwithstanding the positive flow of funds into the income trust sector during the quarter, uncertainty arose in a limited number of business trusts as a result of structural issues. The Fund has effectively mitigated the impact of these issues through careful security selection and broad diversification. This is evidenced by an increase in MINT’s net asset value per unit from \$8.09 to \$8.46 during the quarter. Business trusts, represented by over 65 issuers across a number of industries, will continue to comprise a significant weighting in MINT’s portfolio anchored by the stability of REITs. This strategy seeks to provide a positive balance of high current income, significant tax deferral and capital appreciation potential.

The objectives of MINT are to provide unitholders with a high level of sustainable income distributed quarterly over the life of the Fund. Forward distributions paid by MINT provide an attractive cash-on-cash yield of approximately 9.5% 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 24, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2003 AND 2002 (UNAUDITED)

The following discussion and analysis should be read in conjunction with the attached unaudited interim financial statements. Readers should also refer to Management's Discussion and Analysis in the Fund's 2002 Annual Report. Management is responsible for the existence of appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

SECTOR ANALYSIS

BUSINESS TRUSTS – 40.3%

During the third quarter of 2003, the Fund's overall exposure to the business trust sector decreased to 40.3%. Specific unit prices were impacted by the uncertainty regarding potential U.S. cross-border tax issues. The advisor is reviewing the various tax structures for Canadian income trusts with U.S. operations on a case-by-case basis with specific focus on the type of structure being employed and the tax loss carry-forwards available for future tax shelter. MINT eliminated its position in Atlas Cold Storage prior to its accounting restatement on August 30th. This decision was made in response to a reduction in its second quarter distribution as well as concerns with its valuation. The Fund has been very selective when considering new issues. MINT participated in the Yellow Pages Income Fund IPO during the quarter. Yellow Pages is the dominant telephone directories publisher in Canada with 93% market share in Ontario and Quebec. Attributes of the trust include its strong market position, high margins, low capital requirements and a large institutional unitholder base.

REAL ESTATE INVESTMENT TRUSTS – 22.3%

During the third quarter, the Fund's overall exposure to the REIT sector increased marginally primarily due to price appreciation as well as the addition of new REITs to the portfolio. Investor demand continues to grow, as evidenced by approximately \$700 million in new equity issued by the Canadian REIT sector since the second quarter of 2003. Notwithstanding the weakened fundamentals in certain sectors such as office and lodging, the REIT sector continues to deliver attractive long-term returns and demonstrates a relatively high degree of predictability in distributable income. REITs have become more disciplined in reducing and maintaining lower payout ratios, which in turn should support current distributions into 2004. Calloway REIT was added to the Fund during the quarter as a result of its increased liquidity and improved quality resulting from its acquisition of a portfolio of retail properties from FirstPro Shopping Centres. As a result, FirstPro is the REIT's largest unitholder and a development partner, providing Calloway with a valuable strategic alliance to drive future growth. Borealis REIT, comprised of six shopping centers throughout Canada, was also added to the MINT portfolio. Borealis is expected to benefit from its diversified tenant mix as well as strong leadership from its sponsor.

OIL AND GAS ROYALTY TRUSTS – 21.5%

Royalty trusts continued to perform exceptionally well during the third quarter. From a historical perspective, trust valuations appear to be reasonable in light of current and forecasted strong commodity prices. Low global oil inventories and geopolitical tensions should continue to support crude oil prices. In Iraq, the absence of stability and security will likely continue to delay efforts to restore pre-war production levels. The fundamentals for natural gas are also positive. During the quarter, MINT introduced two recent E&P conversions to its portfolio: Bonavista Energy Trust and Peyto Energy Trust. Bonavista is one of the largest trusts in the royalty trust sector and offers top-quartile netbacks, a low cost structure and above-average balance sheet strength. In addition, Bonavista's directors and officers are strongly aligned with unitholders with an aggregate 24% ownership interest. While Bonavista possesses one of the shorter RLIs in the royalty trust sector, its current market valuation offers excellent relative value. Peyto possesses the longest established RLI at 16.5 years and is the lowest cost operator in the royalty trust sector by a significant margin. As with Bonavista, insiders are strongly aligned with unitholders and bonus compensation is based on value created per unit. Peyto is leading a new operating

model for the royalty trust sector by adopting a conservative payout ratio of approximately 50% and reinvesting the remainder of its cash flow into its extensive development inventory.

PIPELINE AND POWER GENERATION TRUSTS – 14.3%

An investment in Enbridge Income Fund was completed during the third quarter. Enbridge Income Fund owns a 50% interest in the Canadian portion of the Alliance Pipeline and a 100% interest in four feeder pipelines transporting crude oil and liquids in Saskatchewan. Backed by an experienced management team, the trust is expected to use its equity as currency to acquire additional pipeline assets from Enbridge Inc. as well as from third parties.

DISTRIBUTIONS TO UNITHOLDERS

On August 11, 2003, MINT announced an increase in its quarterly distribution rate. A distribution of \$0.20 per trust unit was paid on October 23, 2003 to unitholders of record on September 30, 2003. This represents an increase of \$0.02 per trust unit or 11% over the previous distribution rate. On an annualized basis, the increased annual distribution rate of \$0.80 per unit represents a cash-on-cash yield of approximately 9.5% per annum based upon a unit market price of \$8.40. The actual per unit distributions for the past 12 months amounted to \$0.74 per unit.

FINANCIAL PERFORMANCE

The net asset value per unit increased to \$8.46 at September 30, 2003 from \$7.56 at September 30, 2002, an increase of 12%. In addition, during the quarter the net asset value per unit increased \$0.37 over the net asset value of \$8.09 at the beginning of the third quarter of 2003. MINT's total return for the three months ended September 30, 2003 was 7.1%. The Fund's total return since September 30, 2002 was 23.2%.

Net investment income increased to \$0.21 per unit in the third quarter of 2003 compared to \$0.19 during the third quarter of 2002, an increase of approximately 11%, primarily due to a switch out of lower yielding debt issues into higher yielding royalty trusts and business trusts. Lower expenses and increased net assets in the third quarter of 2003 compared to the third quarter of 2002 resulted in a ratio of management fees and other operating expenses (excluding interest expense and bank charges) to average net asset value ("MER") of 1.44% for the three months ended September 30, 2003 compared to 1.59% in the third quarter of 2002.

OUTLOOK

The outlook for income trusts remains positive. It is expected that the newly elected Liberal government in Ontario will pass an amendment to the Trust Beneficiaries Liabilities Act in 2004, thereby providing unitholders of a publicly traded trust the same limited liability as shareholders of a corporation. If accomplished, the likely result would be the gradual inclusion of the larger, more seasoned income trusts in the S&P/TSX Composite Index as well as increased demand for income trusts by pension funds seeking attractive total returns. Although the highs in commodity prices reached during 2003 are not expected to be sustainable going forward, oil and gas prices should remain strong thereby supporting royalty trust unit prices into 2004.

The current market capitalization of the income trust sector has surpassed \$70 billion, representing approximately 10% of the market capitalization of the TSX. The increasing number of corporations adopting the trust structure greatly enhances MINT's ability to diversify and provides an opportunity for higher returns.

STATEMENTS OF FINANCIAL HIGHLIGHTS

FOR THE PERIODS ENDED SEPTEMBER 30

Unaudited	Three Months Ended		Nine Months Ended	
	September 30 2003	2002	September 30 2003	2002
DATA PER UNIT				
Net Asset Value at Beginning of Period	\$ 8.09	\$ 7.54	\$ 7.34	\$ 7.25
INCOME FROM INVESTMENT OPERATIONS:				
Net Investment Income	0.21	0.19	0.64	0.53
Net Realized and Unrealized Gain on Investments	0.36	0.01	1.04	0.32
	0.57	0.20	1.68	0.85
DISTRIBUTIONS TO UNITHOLDERS				
	0.20	0.18	0.56	0.54
Net Asset Value at End of Period	\$ 8.46	\$ 7.56	\$ 8.46	\$ 7.56
RATIOS/SUPPLEMENTAL DATA				
Total Assets at End of Period	\$ 52,293,070	\$ 48,926,828	\$ 52,293,070	\$ 48,926,828
Total Net Assets at End of Period	\$ 39,332,837	\$ 36,519,061	\$ 39,332,837	\$ 36,519,061
Weighted Average Net Assets	\$ 39,177,821	\$ 36,553,807	\$ 36,930,034	\$ 37,242,544
Management Expense Ratio*	1.44%	1.59%	1.41%	1.46%
Portfolio Turnover Rate	13.01%	8.18%	35.30%	37.16%
Total Rate of Return for the Period	7.07%	2.73%	23.78%	12.18%

* Excludes interest expense and bank charges

STATEMENTS OF NET ASSETS

AS AT SEPTEMBER 30, 2003 AND DECEMBER 31, 2002

	September 30 2003 Unaudited	December 31 2002 Audited
ASSETS:		
Investments at Market Value	\$ 51,062,350	\$ 45,915,534
Cash	828,220	336,526
Income and Interest Receivable	402,500	600,671
	52,293,070	46,852,731
LIABILITIES:		
Loan Payable	11,968,868	10,893,362
Unitholder Distributions Payable	929,365	856,986
Accounts Payable and Accrued Liabilities	62,000	178,344
	12,960,233	11,928,692
Net Assets	\$ 39,332,837	\$ 34,924,039
Units Issued and Outstanding	4,646,824	4,761,033

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	
	2003	2002	2003	2002
INVESTMENT INCOME:				
Income from Investments	\$ 1,226,854	\$ 835,461	\$ 3,588,671	\$ 2,306,135
Interest	9,762	342,877	113,947	1,074,858
	1,236,616	1,178,338	3,702,618	3,380,993
EXPENSES :				
Interest and Bank Charges	115,280	116,911	324,865	326,413
Management Fee	106,239	97,700	296,962	295,912
General and Administrative	35,796	49,007	91,550	111,127
	257,315	263,618	713,377	733,452
Net Investment Income	979,301	914,720	2,989,241	2,647,541
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS :				
Net Realized Loss from Investment Transactions	(211,620)	(112,318)	(1,993,667)	(1,748,514)
Change in Net Unrealized Gain on Investments	1,902,535	128,250	6,489,812	3,278,890
Net Gain on Investments	1,690,915	15,932	4,856,145	1,530,376
Net Increase in Net Assets Resulting from Operations	\$ 2,670,216	\$ 930,652	\$ 7,845,386	\$ 4,177,917

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

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2003	2002	2003	2002
Net Assets at Beginning of Period	\$ 37,605,998	\$ 37,292,417	\$ 34,924,039	\$ 37,683,563
OPERATIONS:				
Net Increase in Net Assets Resulting from Operations	2,670,216	930,652	7,845,386	4,177,917
DISTRIBUTIONS TO UNITHOLDERS	(929,365)	(870,396)	(2,615,507)	(2,679,233)
UNITHOLDER TRANSACTIONS:				
Repurchase of Trust Units	(14,012)	(833,612)	(821,081)	(2,663,186)
Net Increase (Decrease) in Net Assets	1,726,839	(773,356)	4,408,798	(1,164,502)
Net Assets at End of Period	\$ 39,332,837	\$ 36,519,061	\$ 39,332,837	\$ 36,519,061

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

Statement Of Investment Portfolio As at September 30, 2003

Unaudited

Description	No. of Units	Cost	Market Value
Advanced Fiber Technologies Income Fund	100,000	\$ 1,029,590	\$ 1,310,000
Bell Nordiq Income Fund	75,000	766,500	979,500
BFI Canada Income Fund	85,000	931,502	1,195,100
CCS Income Trust	50,000	869,000	1,255,000
Chemtrade Logistics Income Fund	75,000	1,112,550	1,200,000
Clearwater Seafoods Income Fund	100,000	1,037,537	1,178,000
Customs Direct Income Fund	100,000	1,000,000	959,000
Davis + Henderson Income Fund	80,000	882,293	1,224,000
Great Lakes Carbon Income Fund	75,000	790,970	723,750
Heating Oil Partners Income Fund	100,000	1,165,000	1,141,000
KCP Income Fund	75,000	750,000	821,250
Livingston International Income Fund	100,000	1,158,366	1,445,000
Noranda Income Fund	100,000	987,750	999,000
PBB Global Logistics Income Fund	100,000	1,123,350	1,226,000
Superior Plus Income Fund	55,000	850,631	1,255,650
The Consumers' Waterheater Income Fund	100,000	1,001,847	1,221,000
Versacold Income Fund	90,000	751,740	720,000
Westshore Terminals Income Fund	150,000	757,500	937,500
Yellow Pages Income Fund	100,000	1,096,430	1,143,000
BUSINESS TRUSTS: 40.3%		18,065,556	20,933,750
Alexis Nihon Real Estate Investment Trust	50,000	500,500	574,000
Borealis Retail Real Estate Investment Trust	115,000	1,150,000	1,235,100
Calloway Real Estate Investment Trust	65,000	693,550	708,500
Canadian Real Estate Investment Trust	80,000	960,000	1,166,400
Cominar Real Estate Investment Trust	60,000	740,002	835,800
H&R Real Estate Investment Trust	90,000	972,328	1,411,200
IPC US Income Commercial Real Estate Investment Trust	90,000	900,000	936,000
Retirement Residences Real Estate Investment Trust	75,000	939,808	835,500
RioCan Real Estate Investment Trust	100,000	1,060,273	1,444,000
Summit Real Estate Investment Trust	85,000	1,013,806	1,438,200
TGS North American Real Estate Investment Trust	100,000	1,000,000	970,000
REAL ESTATE INVESTMENT TRUSTS: 22.3%		9,930,267	11,554,700
Advantage Energy Income Fund	80,000	957,715	1,312,000
ARC Energy Trust	110,000	1,359,484	1,490,500
Bonavista Energy Trust	50,000	823,788	840,500
Canadian Oil Sands Trust	35,000	1,271,885	1,372,000
Enerplus Resources Fund	35,000	994,898	1,233,750
Focus Energy Trust	100,000	1,020,900	1,346,000
NAL Oil & Gas Trust	75,000	686,250	730,500
Pengrowth Energy Trust	50,000	700,030	862,500
Peyto Energy Trust	50,000	876,023	1,050,000
Vermilion Energy Trust	60,000	735,123	897,000
OIL AND GAS ROYALTY TRUSTS: 21.5%		9,426,096	11,134,750
Algonquin Power Income Fund	100,000	997,188	940,000
Boralex Power Income Fund	75,000	781,702	724,500
Calpine Power Income Fund	70,000	692,734	785,400
Enbridge Income Fund	100,000	1,162,000	1,175,000
Great Lakes Hydro Income Fund	29,000	435,947	435,000
Northland Power Income Fund	100,000	1,000,000	1,155,000
Pembina Pipeline Income Fund	125,000	1,312,917	1,536,250
TransCanada Power L.P.	20,000	639,092	688,000
PIPELINE AND POWER GENERATION TRUSTS: 14.3%		7,021,580	7,439,150
CASH: 1.6%		828,220	828,220
Total Investment Portfolio, including Cash		\$ 45,271,719	\$ 51,890,570

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

**STATEMENTS OF NET REALIZED LOSS FROM INVESTMENT TRANSACTIONS
FOR THE PERIODS ENDED SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2003	2002	2003	2002
Proceeds from Sale of Investments	\$ 6,438,010	\$ 3,801,150	\$ 16,553,990	\$ 21,907,768
Less: Cost of Investments Sold:				
Owned at Beginning of Period	42,832,149	44,010,419	46,146,494	51,462,994
Purchased During Period	8,260,980	5,477,083	16,844,662	17,767,322
Owned at End of Period	(44,443,499)	(45,574,034)	(44,443,499)	(45,574,034)
	6,649,630	3,913,468	18,547,657	23,656,282
Net Realized Loss from Investment Transactions	\$ (211,620)	\$ (112,318)	\$ (1,993,667)	\$ (1,748,514)

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002 (UNAUDITED)**

1. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements of MINT *Income Fund* (the “Fund”) have been prepared in accordance with Canadian generally accepted accounting principles. They follow the same accounting policies and methods used in the Fund’s financial statements for the year ended December 31, 2002. The Fund’s interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2002 as set out on pages 17 through 21 of the Middlefield Income Funds 2002 Annual Report.

2. DISTRIBUTIONS

The Fund paid a cash distribution of \$0.20 per unit on October 23, 2003 to all unitholders of record on September 30, 2003. 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.

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 Angela Wannappa 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 the following asset classes: business trusts, real estate investment trusts, pipeline and power generation trusts and oil and gas royalty trusts. MINT is fully RRSP eligible. MINT trades on the Toronto Stock Exchange under the symbol "MID.UN".

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