MUTUAL GLOBAL BALANCED FUND

Member of The Mutual Group of Companies

Investment Commentary

September, 2002

INVESTMENT OBJECTIVE

To achieve income and long-term capital appreciation through investment in a diversified portfolio of stocks and bonds listed on the main Caribbean and international stock exchanges.

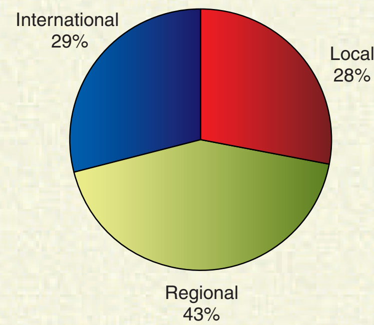
A SOUND APPROACH TO INVESTING

The Mutual Global Balanced Fund is the first Barbados based global fund offering investors the opportunity to invest in international, regional and local securities.

A balanced fund incorporates all the advantages of other types of mutual funds by offering a mixture of safety, income and capital appreciation.

The Fund combines the experience of The Mutual, with over 160 years of successful business practice and sound investment policies, with internationally renowned investment managers Merrill Lynch, to provide investors with an exceptional investment product.

GEOGRAPHICAL DISTRIBUTION OF ASSETS



INVESTMENT REPORT

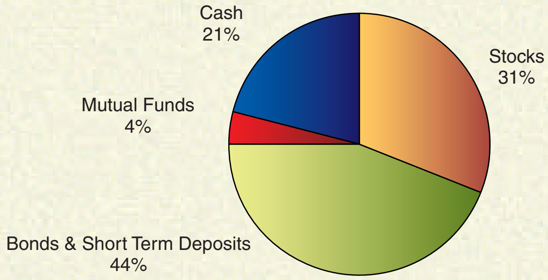
The Mutual Global Balanced Fund exhibited stability in its investment performance during the third quarter as growth opportunities remained constrained in the difficult global economic environment. The Net Asset Value of the Fund was $1.43 at September 30, 2002. Internationally, stock indices were sharply lower during the quarter with the Dow Industrial Index declining 18.0% whilst the S&P 500 and Nasdaq Composite Index fell by 18.0% and 20.0% respectively. The fallout in equity markets was felt worldwide and no single global benchmark gained in value during the quarter.

Net assets of the Fund totalled $50.6 million at September 30, 2002, a marginal decrease over the previous reporting period. During the third quarter there were further revelations of corporate malfeasance and this, coupled with concerns over a possible US invasion of Iraq, constrained stock markets. Negative earnings pre-announcements were on the rise reversing the pattern of the three previous quarters.

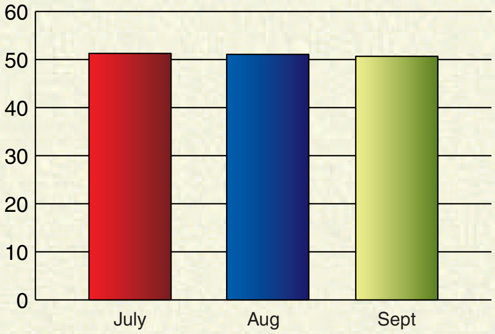
The US economy, which grew at an annual rate of 1.3% during the second quarter, faltered and many companies indicated that third quarter earnings would be below estimates. Expectations for a recovery in corporate earnings faded as major firms slashed sales forecasts. The fallout in equities was felt worldwide. The MSCI World Index (a benchmark of global equities) fell 17.69% during the quarter.

The protracted global economic slowdown has been evidenced by the cut in forecasts for global real GDP growth. The forecast for GDP growth in 2003 is expected to be below 3.0% and investors will remain focused on weakening trends in manufacturing and consumer confidence. Deteriorating financial conditions have already resulted in weakening economic indicators such as business confidence.

ASSET ALLOCATION



GROWTH IN ASSETS



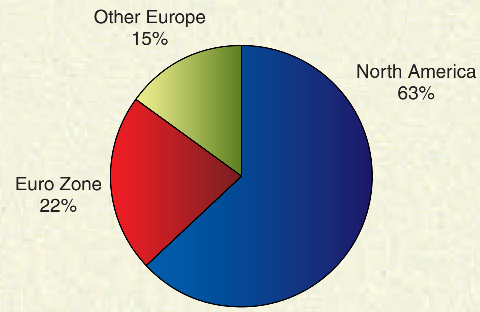
The NAV can now be attained by logging on to themutual.com and clicking on Mutual Global Balanced Fund Valuation.

The Barbados Stock Exchange advanced by 9.9% during the third quarter while market capitalisation declined by 21.2% to $3.6 billion at September 30, 2002. The Junior Market Index recorded a 43.1% increase while market capitalisation increased to $81.4 million due primarily to the listing of SunBeach Communications Inc. Almond Resorts Inc. was the top performing stock advancing by 26.3%, while SunBeach Communications Inc. (Junior Market listing) grew by 21.4% and West Indies Rum Distillery 19.2%.

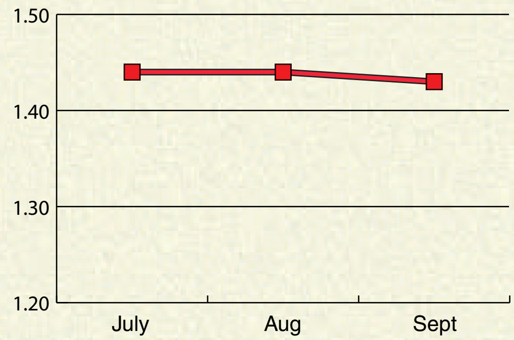
Barbados National Bank was volume leader for the period with 2.1 million shares traded followed by Life of Barbados with 1.4 million shares traded. Trinidad & Tobago and Jamaica stock indices both advanced by 1.6% during the quarter. Trading volume on the Trinidad & Tobago Stock Exchange was 15.7 million shares while 396.7 million shares traded on the Jamaica Stock Exchange. Jamaica has been the leading market in the region for the first three-quarters of the year having advanced by 15.9% during the period.

The Fund recorded total investment income of $637,790 during the third quarter. Interest income was $505,112 for the period and dividend income $132,678.

INTERNATIONAL ASSET DISTRIBUTION
(Merrill Lynch)



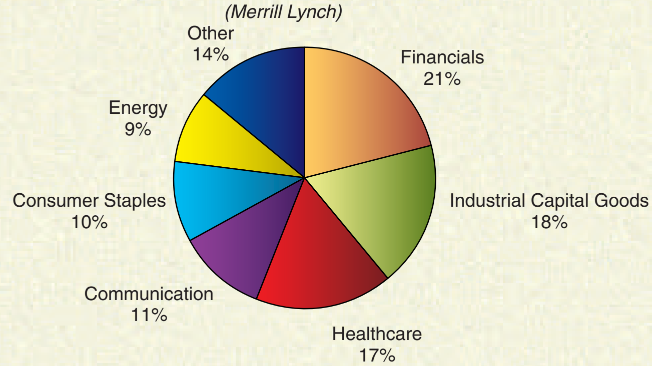
FUND PERFORMANCE



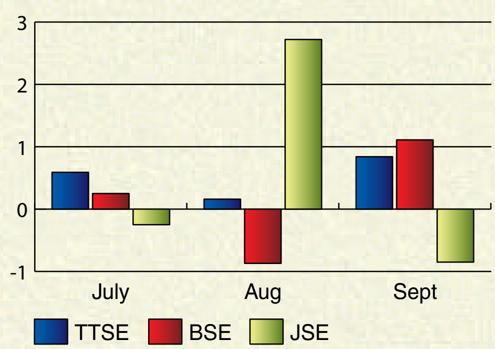
FINANCIAL HIGHLIGHTS

	Sept 30, 2002
Investments at Cost	$36,810,319.64
Net Assets	$50,667,198.06
Net Asset Value	$1.43
Number of Units	35,325,919.172
Net Income	$376,012.04
Portfolio Appreciation	$1,364,801.95
Interest Accrued on Investments	$2,454,065.78

INTERNATIONAL ALLOCATION BY SECTOR
(Merrill Lynch)



REGIONAL STOCK MARKETS
% CHANGE



SUMMARY

The US economy was expected to expand this year with consumer spending and income growth anticipated to fuel this expansion. However, weak growth in the US economy was underlined as a concern by the Federal Reserve prompting suggestion of another interest rate reduction. Market sentiment has also been hindered by the general apathy of investors in light of disclosures of corporate malfeasance.

The international investment landscape continues to be characterised by uncertainty, presenting unprecedented challenges to the global investor. This environment necessitates prudent investment management and in view of this we remain committed to preserving and enhancing shareholder value.

The stability of the fund has been a stark contrast to the erosion of value experienced in many international portfolios. We will focus on taking advantage of opportunities for growth regionally and internationally.

Send comments and questions to Mutual_Fund@themutual.com