MUTUAL GLOBAL BALANCED FUND

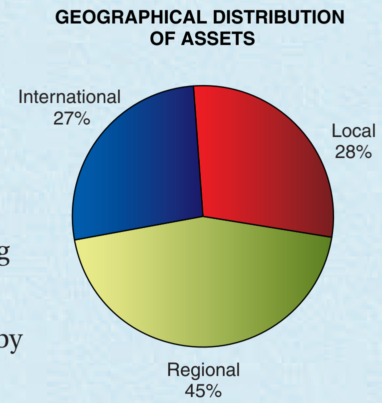
Member of The Mutual Group of Companies

Investment Commentary

December, 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

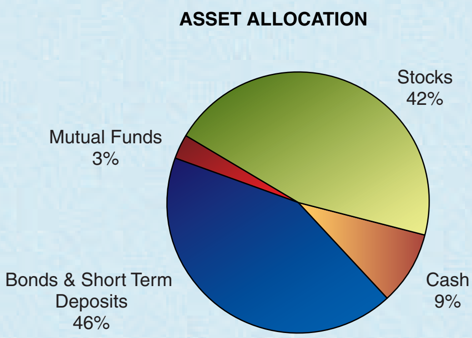
The Mutual Global Balanced Fund is the first Barbados based global fund offering investors the opportunity to invest in international, regional and local securities.

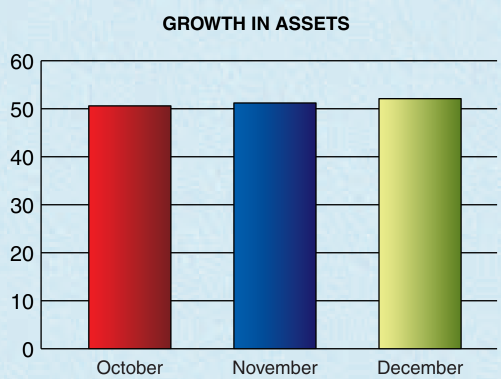
A balanced fund incorporates all the advantages of other types of mutual funds by offering a mixture of safety, income and capital appreciation.

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.

INVESTMENT REPORT

2002 was another tumultuous year for international stock markets as evidenced by the global economic slowdown and concerns over corporate malfeasance. Global geopolitical tensions, the possibility of new terrorist attacks and increasing oil prices were all factors contributing to an environment of uncertainty. International stocks delivered negative returns for the third consecutive year, a phenomenon not seen for 60 years.





The Mutual Global Balanced Fund's net asset value grew to $1.48 at December 31, 2002, a gain of 3.5% for the year. This was acheived in an environment of declining stock market returns and increasing levels of volatility in the international market. At the close of the reporting period the Fund had an average annual return of 8.1%. Net assets at December 31, 2002 totalled $52.1 million, an increase of 3.0% over the previous reporting period. Growth in income and capital appreciation was positive with the fixed income portfolio providing stability whilst the equity portfolio contributed to overall growth of the Fund.

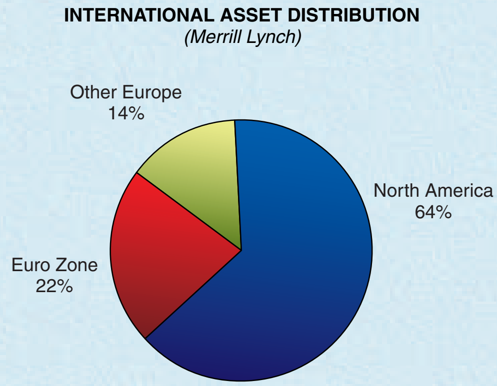
The Dow Jones Industrial Index declined by 16.8%, while the Nasdaq Index and S&P 500 Index declined by 31.5% and 23.4% respectively for the year. There were unprecedented challenges to investors during the year as economies in the region and internationally struggled to recover from a period of recession. There were a record number of US corporate bankruptcies as revelation of massive accounting fraud saw the demise of a number of well known corporate entities.

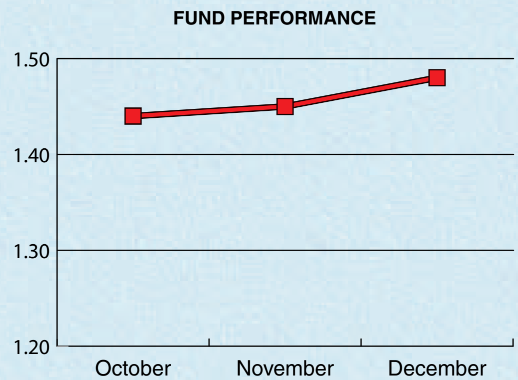
US consumer confidence declined as the rising unemployment rate and discouraging job outlook constrained consumer spending, which accounts for up to two thirds of GDP. European stock benchmarks recorded some of their largest declines and Asian stocks fell as Japanese banks recorded more bad loans. The collapse of the Argentinian economy depressed Latin American stocks, while Brazil faced the real possibility of a debt crisis.

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

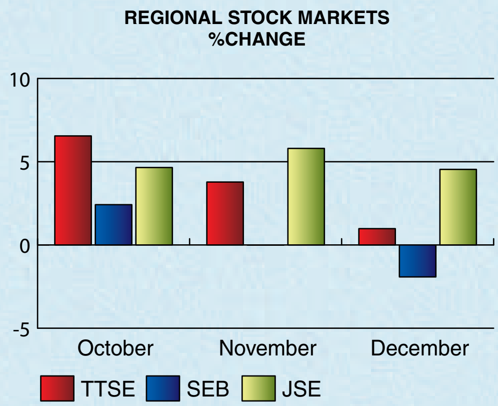
The Barbados Stock Index registered a gain of 8.0% during 2002 while market capitalisation grew by 88.2%, largely as the result of the appreciation of Life of Barbados shares and the increase in outstanding shares of First Caribbean International Bank. Nine stocks recorded price increases, ten declined and four remained unchanged. Trading volumes for 2002 totalled 514.5 million shares due primarily to the Life of Barbados and FirstCaribbean International Bank transactions.

The Jamaica Stock Index was the leading Caribbean index advancing by 34.2% while the Trinidad & Tobago Stock Index reported an increase of 25.6%. Favourable corporate indicators and strong fundamentals drove both these markets to near record advances. The Trinidad and Tobago Stock Index recorded 14 consecutive months of advances while the Jamaica Stock Index exhibited a strong positive performance for most of the year. The Trinidad and Tobago and Jamaica Stock Exchanges both recorded substantial share activity, with 96.5 million and 1.43 billion shares traded respectively.





The Fund recorded total investment income of $638,740 during the fourth quarter. Interest income was $484,492 for the period and dividend income $154,248.



FINANCIAL HIGHLIGHTS

	December 31, 2002
Investments at Cost	$42,023,907.14
Net Assets	$52,113,988.59
Net Asset Value	$1.48
Number of Units	35,298,031.176
Net Income	$370,436.44
Portfolio Appreciation	$2,885,450.65
Interest Accrued on Investments	$2,752,382.81

SUMMARY

2003 will provide some challenges to investors as uncertainties, some of which came to the fore in the last twelve months, continue to threaten economic stability. The principal concern remains the ability of the US economy to emerge from recession. Additionally, continued skepticism in view of conflict of interest issues in brokerage and investment banking operations, and geopolitical concerns are expected to have implications for growth.

The elements of a successful investment strategy in this environment will entail hedging risk in an attempt to limit fluctuations in value and increase opportunities for growth. In view of this the Fund has taken positions that should allow it to benefit from any changes in the equity markets.

We will remain focused on our goal of improving the potential for positive performance of the Fund and will take advantage of opportunities for growth.