



BND.UN \$ 75,000,000

Management's Report on Fund Performance of

CROWN HILL DIVIDEND FUND

(formerly PROFIT BOOKING BLUE CHIP TRUST)

For the year ending December 31, 2005

PBK.UN \$ 26,934,730 BND.UN

26,934,730 BND.UN \$ 75,000,000

Management's Report of Fund Performance

FOR THE YEAR ENDED DECEMBER 31, 2005

DISCLOSURE

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 416-361-1212, by writing to us at Crown Hill Capital Corporation, 141 Adelaide Street West, Suite 1006, Toronto, Ontario, M5H 3L5 or by visiting our website at www.crownhill.ca or SEDAR at www.sedar.com.

Holder of units (the "Unitholders"), may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

CORPORATE STRUCTURE

Effective June 24, 2005 Profit Booking Blue Chip Trust changed its name to Crown Hill Dividend Fund (the "Fund"). The Fund is an investment trust established under the laws of the Province of Ontario on May 19, 2004 (date of inception). On May 31, 2004, the Fund completed an initial public offering (the "Offering") of 2,500,000 Units (the "Units") at \$10 per Unit (the "Offering Price"). Subsequently an option granted to the agents was exercised for 193,473 Units at \$10 per Unit. The Fund's Units are listed on The Toronto Stock Exchange. The Fund will terminate operations on December 31, 2011 (the "Termination Date") and the net assets will be distributed pro rata to unitholders (the "Unitholders"). The manager of the Fund is Crown Hill Capital Corporation (the "Manager").

INVESTMENT OBJECTIVES AND STRATEGY OF THE FUND

The Fund's objectives are: (i) to provide Unitholders with a stable stream of monthly distributions targeted at \$0.06 per Unit (\$0.72 per annum or 7.2% of the Offering Price); and (ii) to preserve and potentially enhance the net asset value of the Fund in order to return at least the Offering Price to Unitholders upon the Termination date.

In order to meet its investment objectives, the Fund adopted the following strategies:

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	<p>1) Investment Strategy: The Fund will invest the net proceeds of the Offering in a highly diversified equally weighted portfolio of equity securities (the Blue Chip Portfolio) which is expected to be comprised of the securities of approximately 40 different issuers. Each issuer whose securities are included in the Blue Chip Portfolio will have a market capitalization of at least \$1 billion at the time of investment and meet the other investment criteria of the Fund. To generate additional returns, the Fund may, from time to time, write covered call options in respect of individual securities held in the Blue Chip Portfolio.</p> <p>2) Profit Booking: If and when the value of any security held in the Blue Chip Portfolio exceeds the original acquisition value by at least 10% the Fund will lock in that 10% or greater gain by using its Profit Booking strategy. The net proceeds of any disposition of securities (after providing for distributions to Unitholders) will be invested in a portfolio of High Quality Fixed Income Securities (the Profit Booking Portfolio) maturing on or about the Termination Date of the Fund.</p>
<p>RISK</p>	<p>There are risks associated with an investment in Units that should be considered, including:</p> <ul style="list-style-type: none"> (i) there is no assurance that the Fund will be able to achieve its targeted monthly distributions, enhance or preserve the Net Asset Value per Unit; (ii) because the Profit Booking strategy locks in returns, the Trust may forgo potential returns under certain market conditions; (iii) there is no assurance that the value of the securities acquired by the Fund will not be adversely affected by a number of underlying factors including, without limitation, changes in interest rates and commodity prices; (iv) there can be no assurance that the Units will trade at a price equal to Net Asset Value per Unit; (v) that the market price of the Units and the Net Asset Value per Unit will be affected by interest rate fluctuations; (vi) there will be fluctuations in Net Asset Value per Unit and funds available for Distributions; (vii) the leverage associated with the Loan Facility;

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	<ul style="list-style-type: none"> (viii) counterparty risks associated with securities lending; (ix) reliance on the Manager, the Investment Advisor and key personnel; (x) possible changes in tax or other legislation; (xi) the potential liability of Unitholders; (xii) potential conflicts of interest; (xiii) potential taxation of the Fund; (xiv) the possible loss of investment; (xv) the status of the Fund for securities law purposes; (xvi) foreign currency exposure; (xvii) foreign market exposure; (xviii) the possibility of the Fund being unable to dispose of illiquid securities; (xix) possible suspension of redemptions; and (xx) liquidity and counterparty risks associated with the writing of covered call options.
<p>RESULTS OF OPERATIONS</p>	<p>The Fund's last completed fiscal year began on January 1, 2005. Total expenses, inclusive of administration and investment management fees, general & administrative costs and interest expense, for the period ended December 31, 2005 were \$782,072. Net gain from operations for the Fund was \$2,750,772 (or \$1.07 per Unit), of which \$1,842,919 was distributed to Unitholders.</p> <p>The Fund's net asset value per Unit increased from \$9.45 as of December 31, 2004, the end of the previous fiscal year, to \$9.83 as at December 31, 2005. The Fund's net asset value, decreased from \$25,449,102 as of December 31, 2004, to \$24,220,496 as at December 31, 2005. This difference is due to redemptions of 229,480 Units for a reduction in net asset value of \$2,136,459, on the redemption date, May 31, 2005.</p>

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At inception, the Fund entered into a loan facility enabling it to borrow up to \$2.5 million. This facility was used to borrow sufficient funds to pay the costs associated with the initial public offering, so that every dollar invested in the Fund would be used towards purchasing securities. This resulted in enhanced returns to the investor. As of December 31, 2005, the Fund has paid back all of the funds borrowed and does not have an outstanding balance on the facility.

RECENT DEVELOPMENTS

The Canadian stock market has experienced an extremely good year. The rise in oil prices has resulted in excellent performance in the energy sector and a strong advance in the Canadian dollar. The Canadian economy is firing on all cylinders although the rise in the dollar will begin to have a negative effect on Canada's industrial production in Ontario, especially in the automotive sector. On the other hand, the United States equity markets have been relatively flat this year. With the Fund's 20% exposure to U.S. equities and the U.S. dollar, the poor performance south of the border has acted as a drag on the Fund's portfolio performance. In addition, the Fund was designed with broader industry diversification than the TSX index, which has heavier exposure to oil & gas and financial stocks. Since these two industries were the top performers for the year, the Fund will under perform the main Canadian index.

The top performing stock in the portfolio has been Canadian Oil Sands which has more than tripled since it was purchased in June 2004. The other integrated oils have also done well. Dofasco shot up in the fall with the announcement of a take-over bid and will be replaced in 2006, since it will no longer be trading on the TSX. The worst performers have been Pfizer and Intel. These two companies are bellwethers of the global pharmaceutical and high-tech industries, which have both experienced weakness in the last couple of years.

Looking forward, 2006 will likely be another good year for the Canadian equity market, although it is unlikely to perform as it has in last few years. It is likely that the economy is in the middle of its current business cycle, and short-term interest rates will be on the rise for the next few years. The United States is more difficult to predict, since the war in Iraq and other security concerns continue to divert resources away from growth and towards defense. In addition, the asset bubble that has occurred in certain regions of the U.S. residential real-estate market is likely to begin deflating. These events could result in a slow-down in late 2006 or 2007.

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**RELATED PARTY
TRANSACTIONS**

The Manager is entitled to an annual fee of 0.60% of the NAV of the Fund, calculated and payable, monthly. This amount totaled \$156,161 for the year ended December 31, 2005 (of which \$13,318 was payable at December 31, 2005).

All other expenses of the Fund are initially paid by the Manager, which is then reimbursed by the Fund in a reasonable amount of time. Included in these expenses are things such as Administrative costs and Unitholder Servicing costs. Administrative costs for the year totaled \$153,721. This was made up of administrative salaries, employee benefits, general overhead and office supplies. As part of the Administration cost, the Fund is paying a monthly general overhead cost to First Paladin Inc, which varies depending on the actual costs incurred. The general overhead cost for the period ended December 31, 2005 was \$65,284.

Unitholder Servicing costs for the year totaled \$63,845 which was made up of investor relations salaries, web site fees and payments to service providers for the filing of press releases and SEDAR filings. In late 2004, the Fund experienced low liquidity and was trading at a significant discount to NAV. To address this problem, the Manager put in place an active communications program whereby investment advisors and the public are contacted to explain the Fund's strategies and the benefit of investing in it. In the Manager's view, this program was successful in increasing liquidity, closing the gap between the market price and the NAV and reducing redemptions

**FINANCIAL
HIGHLIGHTS**

The past year has seen significant appreciation in the value of the Fund. This was largely due the performance of the Canadian equity market, particularly the oil & gas and financial sectors. The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past two years. This information is derived from the Fund's audited financial statements.

	<i>Period ending December 31,2005</i>	<i>Period ending December 31, 2004</i>
NAV, beginning of period	\$ 9.45	\$ 9.20
<u>Increase (decrease) from operations:</u>		
total revenue	0.26	0.16
total expenses	(0.30)	(0.16)
realized gains (losses) for the period	0.60	0.09

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unrealized gains (losses) for the period	\$ 0.51	\$ 0.51
Total increase (decrease) from operations⁽¹⁾	1.07	0.60
<u>Distributions:</u>		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	0.72	0.36
Total annual distributions⁽²⁾	0.72	0.36
Net asset value at end of period	9.83	9.45

- 1) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase from operations is based on the weighted average number of units outstanding over the financial period.
- 2) Distributions were paid in cash.

RATIOS AND SUPPLEMENTAL DATA

	<i>Period ending December 31, 2005</i>	<i>Period ending December 31, 2004</i>
Net assets (000's)⁽¹⁾	\$ 24,220	\$ 25,449
Number of units outstanding	2,463,993	2,693,473
Management expense ratio⁽²⁾	3.18 %	*11.63 %
Management expense ratio before waivers or absorptions	3.18 %	*11.63 %
Management expense ratio (not including IPO costs)	3.18 %	3.01 %
Portfolio turnover rate⁽³⁾	4.29 %	7.40 %
Trading expense ratio⁽⁴⁾	0.02 %	*0.15 %
Closing market price	\$ 9.16	\$ 8.77

- 1) This information is provided as at December 31, 2005.
- 2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

- 3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- 4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

* The period ending December 31, 2004 is not a full year. The Fund began trading on the Toronto Stock Exchange on June 1, 2004. Therefore, the expense ratios have been annualized for comparison purposes.

MANAGEMENT FEES

The main costs in the Fund are management fees, administrative expenses and the service fees that are paid to brokers and investment advisors. Since the loan facility was paid down in December, it is expected that there will be minimal interest and loan facility expenses in the coming year. Unitholders of the Fund were experiencing very low liquidity in 2004, and the market price was suffering from this. The Manager increased its Unitholder servicing by hiring people to actively communicate the benefits of holding Units in the Fund. These communication campaigns succeeded in increased awareness, resulting in higher liquidity, a price trading closer to Net Asset Value and a lower level of redemptions than expected in May.

The total fees and expenses for the period were \$782,072, with the following breakdown:

<i>Category</i>	<i>Amount Paid</i>	<i>Percent of Fees & Expenses</i>
Management fees	\$ 156,161	20.0 %
Legal fees	34,772	4.4 %
Service fees	103,269	13.2 %
Board and insurance expenses	66,780	8.5 %
Administrative expenses	153,721	19.6 %
Interest & loan facility expense	58,522	7.5 %
Custody, valuation and transfer fees	72,523	9.3 %
Accounting and audit fees	55,275	7.1 %
Regulatory and listing expenses	17,204	2.2 %
Unitholder servicing expenses	63,845	8.2 %

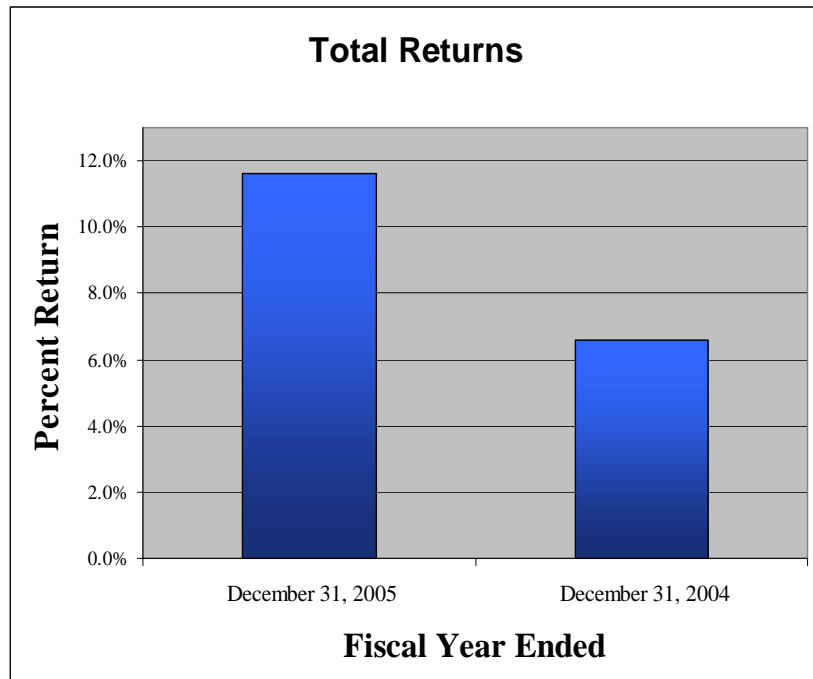
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**PAST
PERFORMANCE**

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for its past fiscal years. These charts indicate, in percentage terms, how much an investment made on the first day of each financial year (if purchased at NAV) would have grown by the last day of each year (if sold at NAV).



The Fund commenced operations on May 31, 2004. For that 7 month period returns were 6.6%.

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**ANNUAL
COMPOUND
RETURNS**

It is difficult to construct a benchmark for the Fund. The purpose behind the Profit Booking strategy is to take profits in a bull market and invest those profits in low risk bonds. This strategy results in a low volatility portfolio that underperforms in a bull market and outperforms in a bear market. Since the Canadian equity market continues to be in the bull phase of the economic cycle, the Fund and the strategy will underperform.

Since the Fund had a 20% exposure to the U.S. equity market, the synthetic benchmark for comparison purposes is 20% Dow Jones Industrial Average (DJIA) and 80% TSX 60.

The main difference in performance is due to the lower exposure in the Fund to the Oil & Gas sector than exists in the TSX 60.

	<i>1-Year</i>	<i>Since Inception</i>
Crown Hill Dividend Fund	11.6%	11.8%
Index (20% DJIA, 80% TSX 60)	20.0%	18.1%

**SUMMARY OF
INVESTMENT
PORTFOLIO**

The following is a summary of the investment portfolio currently held by the Fund. For more information, please consult the financial statements.

CANADIAN EQUITIES	NUMBER OF SHARES	AVERAGE COST	MARKET VALUE	% OF NET ASSETS	INDUSTRY
Alcan Inc.	12,357	\$ 609,023	\$ 590,170	2.4	Materials
Aliant Inc.	20,203	547,995	624,273	2.6	Telecom
Bank of Montreal	9,974	522,534	648,310	2.7	Financial
Bank of Nova Scotia	14,100	480,879	650,574	2.7	Financial
BCE Inc.	19,394	521,123	540,511	2.2	Telecom
CIBC	7,715	512,423	589,503	2.4	Financial
Canadian Oil Sands Trust	4,900	206,229	617,400	2.6	Energy
Canadian Tire Corp	9,400	438,417	653,676	2.7	Cons Cyc*
Canadian Utilities Ltd.	14,300	386,375	627,055	2.6	Utility
Cascades Inc.	49,500	680,057	497,475	2.1	Materials
Dofasco Inc.	9,596	363,642	623,548	2.7	Materials
Emera Inc.	30,350	517,611	638,564	2.6	Utility
Enbridge Inc.	16,700	409,540	606,878	2.5	Utility
EnCana Corp.	9,486	265,823	498,584	2.1	Energy
Finning International Inc.	16,000	515,320	594,240	2.5	Industrial
Great-West Lifeco Inc.	20,900	512,677	641,630	2.7	Financial
IGM Financial, Inc.	14,000	469,990	645,680	2.7	Financial

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Imperial Oil Ltd.	4,620	\$ 282,181	\$ 533,194	2.2	Energy
Loblaw Companies Ltd.	8,500	530,439	479,145	2.0	Cons Non-Cyc*
Manitoba Telecom Services	13,306	623,003	537,562	2.2	Telecom
Manulife Financial Corp.	9,355	493,091	638,666	2.6	Financial
MDS Inc.	31,200	673,830	627,432	2.5	Health Care
Molson Coors Canada Inc	6,804	621,886	527,718	2.2	Cons Non-Cyc*
National Bank of Canada	10,500	460,262	633,360	2.6	Financial
Petro-Canada	12,200	357,277	569,130	2.4	Energy
RioCan REIT	28,650	415,017	652,934	2.6	Financial
Royal Bank of Canada	7,285	431,893	661,551	2.7	Financial
Saputo Inc.	16,300	536,454	554,037	2.2	Cons Non-Cyc*
Sun Life Financial Inc.	14,000	513,571	654,220	2.7	Financial
The Thomson Corporation	14,500	647,976	575,070	2.4	Cons Cyc**
TD Bank	10,543	470,606	644,493	2.6	Financial
TOTAL CANADIAN EQUITIES		\$ 15,017,144	\$ 18,576,583	76.7	
U.S. EQUITIES					
3M Co.	5,800	\$ 683,885	\$ 525,083	2.2	Industrial
General Electric Company	14,910	633,338	610,470	2.5	Industrial
Hewlett-Packard Company	19,100	554,567	638,783	2.6	Technology
Intel Corporation	17,500	683,957	510,248	2.1	Technology
IBM	5,700	687,445	547,325	2.3	Technology
Johnson & Johnson	8,200	622,091	575,688	2.4	Health Care
Microsoft Corporation	17,300	621,187	528,466	2.2	Technology
Pfizer Inc.	14,200	680,627	386,826	1.6	Health Care
The Home Depot, Inc.	11,600	561,562	548,526	2.2	Cons Cyc**
TOTAL U.S. EQUITIES		\$ 5,728,659	\$ 4,871,415	20.1	
TOTAL INVESTMENTS		\$ 20,745,803	\$ 23,447,998	96.8	
CASH AND CASH EQUIVALENTS			\$ 955,731	3.9	
LIABILITIES			\$ (183,233)	(0.7)	
TOTAL NET ASSETS			\$ 24,220,496	100.0	

This summary of the investment portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available.

*Cons Cyc = Consumer Cyclical

**Cons Non-Cyc = Consumer Non-Cyclical

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continued

The following is a summary of the investment portfolio according to industry. For more information please consult the financial statements.

