



BND.UN \$ 75,000,000

Management's Report on Fund Performance of

CROWN HILL DIVIDEND FUND

(formerly PROFIT BOOKING BLUE CHIP TRUST)

(Unaudited)

For the six months ended June 30, 2006

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 JUNE 30, 2006

DISCLOSURE

This management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can get a copy of the 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. Annual redemptions over the past two years have reduced the number of Units outstanding to 1,564,951. 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 Fund 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>Total expenses, inclusive of administration and investment management fees, general & administrative costs and interest expense, for the period ended June 30, 2006 were \$344,350. Net loss from operations for the Fund was \$271,369 (or \$0.17 per Unit). \$832,195 was distributed to Unitholders.</p> <p>The Fund's net asset value per Unit decreased from \$9.41 as of June 30, 2005 to \$9.34 as at June 30, 2006. The Fund's net asset value, decreased from \$23,196,872 as of June 30, 2005, to \$14,614,473 as at June 30, 2006. This difference is due to redemptions of 896,028 Units for a reduction in net asset value of \$8,476,424, on the redemption date, May 31, 2006.</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. The Fund no longer has a loan facility.

RECENT DEVELOPMENTS

The Canadian stock market has continued to experience a bull market. High oil prices have 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 is beginning to have a negative effect on Canada's industrial production in Ontario. The U.S. market has been showing some modest strength recently, although this is insufficient to make up for the flat performance of the past few years. The Fund's 20% exposure to U.S. equities and the U.S. dollar and 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 underperform the main Canadian index for the past year.

Looking forward, the second half of 2006 will likely be a flat period for the Canadian equity market. The U.S. housing market has been showing signs of slowing and the effects of this slow down will begin to effect the broader economy south of the border in the fall and the Canadian market in the winter of 2006 and 2007.

The Fund experienced a large redemption in May 2006. The Manager has been exploring different methods of increasing the Fund size in order to reduce per unit costs.

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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 \$75,262 for the period ended June 30, 2006 (of which \$7,711 was payable at June 30, 2006).

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 period totaled \$63,712. 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 June 30, 2006 was \$33,868. Unitholder Servicing costs for the period totaled \$34,390 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.

**FINANCIAL
HIGHLIGHTS**

The past interim period has seen a depreciation in the value of the Fund. This was largely due to a broad based decline in the Canadian equity market, in May and June. 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 interim periods. This information is derived from the Fund's audited financial statements.

	<i>Period ending June 30, 2006</i>	<i>Period ending June 30, 2005</i>
NAV, beginning of period	\$ 9.41	\$ 9.45
<u>Increase (decrease) from operations:</u>		
total revenue	0.18	0.06
total expenses	(0.22)	(0.10)
realized gains (losses) for the period	1.18	0.24

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unrealized gains (losses) for the period	\$ (1.32)	\$ 0.11
Total increase (decrease) from operations⁽¹⁾	(0.17)	0.16
<u>Distributions:</u>		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	0.72	0.72
Total annual distributions⁽²⁾	0.72	0.72
Net asset value at end of period	9.34	9.41

- 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 June 30, 2006</i>	<i>Period ending June 30, 2005</i>
Net assets (000's)⁽¹⁾	\$ 14,614	\$ 23,196
Number of units outstanding	1,564,951	2,463,993
Management expense ratio⁽²⁾	3.08 %	3.52 %
Management expense ratio before waivers or absorptions	3.08 %	3.52 %
Portfolio turnover rate⁽³⁾	10.86 %	9.62 %
Trading expense ratio⁽⁴⁾	0.04 %	0.02 %
Closing market price	\$ 8.85	\$ 9.25

- 1) This information is provided as at June 30, 2006.
- 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.

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- 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.

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.

The total fees and expenses for the period were \$344,350, with the following breakdown:

<i>Category</i>	<i>Amount Paid</i>	<i>Percent of Fees & Expenses</i>
Management fees	\$ 75,262	21.9 %
Legal fees	5,400	1.6 %
Service fees	50,173	14.6 %
Board and insurance expenses	44,350	12.9 %
Administrative expenses	63,712	18.5 %
Interest & loan facility expense	1,298	0.5 %
Custody, valuation and transfer fees	33,505	9.7 %
Accounting and audit fees	23,047	6.7 %
Regulatory and listing expenses	13,213	3.8 %
Unitholder servicing expenses	34,390	10.0 %

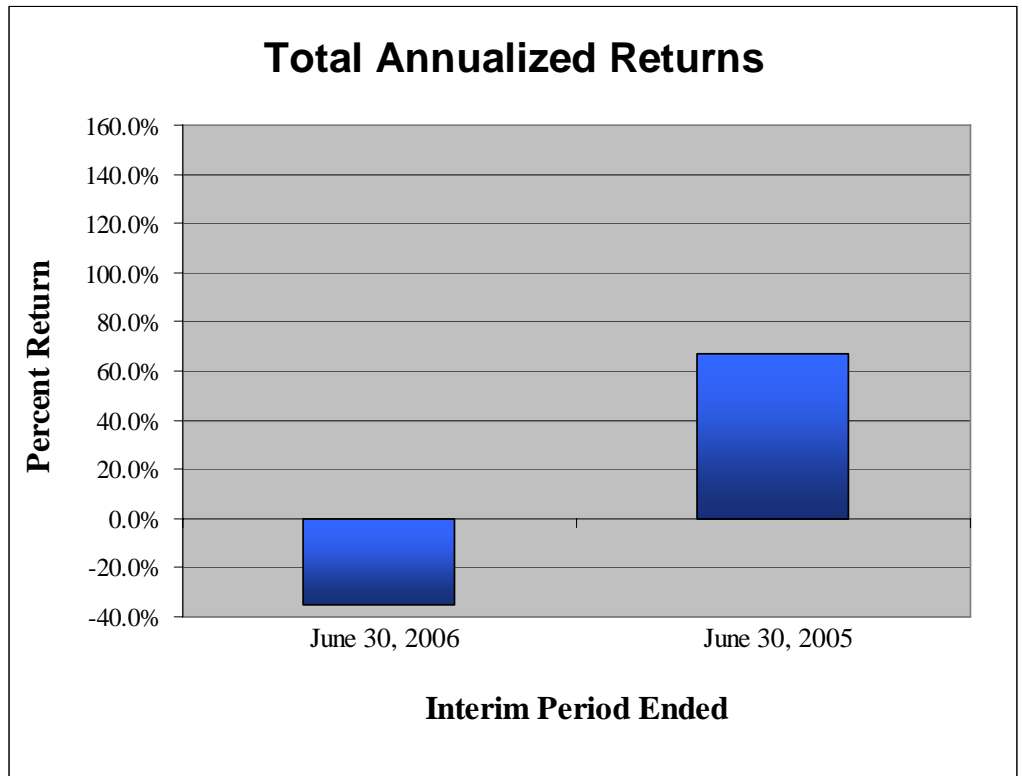
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**PAST
PERFORMANCE**

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).



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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	6.9%	7.9%
Index (20% DJIA, 80% TSX 60)	16.3%	15.5%

**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.	6,257	\$ 308,380	\$ 327,179	2.2	Materials
Aliant Inc.	10,203	276,751	338,434	2.3	Telecom
Bank of Montreal	5,774	302,498	346,786	2.4	Financial
Bank of Nova Scotia	8,100	276,249	358,182	2.5	Financial
BCE Inc.	13,494	362,588	355,972	2.4	Telecom
CIBC	4,415	293,240	329,845	2.3	Financial
Canadian Oil Sands Trust	10,300	109,156	370,800	2.5	Energy
Canadian Tire Corp	5,300	247,193	350,754	2.4	Cons Cyc*
Canadian Utilities Ltd.	8,800	237,769	324,280	2.2	Utility
Cascades Inc.	33,300	457,493	368,298	2.5	Materials
Emera Inc.	19,050	324,893	358,902	2.5	Utility
Enbridge Inc.	10,400	255,043	353,288	2.4	Utility
EnCana Corp.	6,488	181,755	381,247	2.6	Energy
Finning International Inc.	9,500	305,971	353,400	2.4	Industrial
Great-West Lifeco Inc.	12,900	316,437	367,134	2.5	Financial
IGM Financial, Inc.	7,900	265,208	351,629	2.4	Financial

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Imperial Oil Ltd.	8,960	\$ 182,420	\$ 365,389	2.5	Energy
Loblaw Companies Ltd.	6,800	424,351	350,200	2.4	Cons Non-Cyc*
Manitoba Telecom Services	7,906	370,169	359,011	2.5	Telecom
Manulife Financial Corp.	9,910	361,172	350,517	2.4	Financial
MDS Inc.	17,400	375,790	354,090	2.4	Health Care
Molson Coors Canada Inc	4,104	466,505	387,904	2.7	Cons Non-Cyc*
National Bank of Canada	5,800	254,240	330,600	2.3	Financial
Petro-Canada	7,100	207,924	376,016	2.6	Energy
RioCan REIT	16,950	241,705	366,798	2.5	Financial
Royal Bank of Canada	7,970	236,252	361,200	2.5	Financial
Saputo Inc.	10,600	348,859	374,286	2.6	Cons Non-Cyc*
Sun Life Financial Inc.	7,900	289,801	350,365	2.4	Financial
The Thomson Corporation	7,900	353,035	339,779	2.3	Cons Cyc**
TD Bank	6,043	269,741	342,518	2.3	Financial
Westshore Terminals Income Fund	34,300	435,456	366,323	2.5	Materials
TOTAL CANADIAN EQUITIES		\$ 9,238,044	\$ 11,011,124	75.4	
U.S. EQUITIES					
3M Co.	3,900	\$ 459,854	\$ 350,315	2.4	Industrial
General Electric Company	9,610	408,208	352,253	2.4	Industrial
Hewlett-Packard Company	10,100	293,253	355,837	2.4	Technology
Intel Corporation	17,500	683,957	368,801	2.5	Technology
IBM	4,100	494,478	350,269	2.4	Technology
Johnson & Johnson	5,400	409,670	359,840	2.5	Health Care
Microsoft Corporation	14,400	517,057	373,132	2.6	Technology
Pfizer Inc.	13,900	666,247	362,804	1.5	Health Care
The Home Depot, Inc.	8,600	416,329	342,297	2.3	Cons Cyc**
TOTAL U.S. EQUITIES		\$ 4,349,053	\$ 3,215,548	22.0	
TOTAL INVESTMENTS		\$ 13,587,097	\$ 14,226,672	97.4	
CASH AND CASH EQUIVALENTS			\$ 526,818	3.6	
LIABILITIES			\$ (139,017)	(1.0)	
TOTAL NET ASSETS			\$ 14,614,473	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.

