



BND.UN \$ 75,000,000

Financial Statements 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

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Financial Statements

STATEMENT OF NET ASSETS

As at June 30 (Unaudited)	As at June 30, 2006	As at December 31, 2005
ASSETS		
Investments at market value (Note 4) (Cost 2006: \$13,587,097; 2005: \$20,745,803)	\$ 14,226,672	\$ 23,447,998
Cash and short-term investments	526,818	955,731
Dividend and interest receivable	46,139	61,679
	<u>14,799,629</u>	<u>24,465,408</u>
LIABILITIES		
Accrued liabilities	91,259	97,072
Distributions payable (Note 8)	93,897	147,840
	<u>185,156</u>	<u>244,912</u>
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY (Note 6)	\$ 14,614,473	\$ 24,220,496
NUMBER OF UNITS OUTSTANDING (Note 5)	1,564,951	2,463,993
NET ASSET VALUE PER UNIT	\$ 9.34	\$ 9.83

SIGNED ON BEHALF OF THE TRUSTEE,

(signed) Wayne L. Pushka
President

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

Financial Statements

continued

STATEMENT OF OPERATIONS

For the period ended June 30, (Unaudited)	From January 1, 2006 to June 30, 2006	From January 1, 2005 to June 30, 2005
INCOME		
Dividends (net of withholding taxes – 2006: \$6,559; 2005: \$6,721)	\$ 233,121	\$ 391,795
Interest	48,405	10,522
	281,526	402,317
EXPENSES		
Management fees (Note 8)	75,262	80,277
Legal fees	5,400	25,948
Service fees (Note 8)	50,173	54,065
Board and insurance expenses	44,350	51,715
Administrative expenses (Note 8)	63,712	71,516
Interest expense	1,298	39,263
Loan facility fees (Note 9)	-	4,000
Custody, valuation and transfer fees	33,505	36,225
Accounting and audit fees	23,047	21,005
Regulatory and listing expenses	13,213	17,120
Unitholder servicing expenses (Note 8)	34,390	36,748
	344,350	437,882
NET INVESTMENT LOSS	(62,824)	(35,565)
CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS	(2,062,620)	280,795
NET REALIZED GAIN ON SALE OF INVESTMENTS	1,854,075	594,880
INCREASE IN NET ASSETS FROM OPERATIONS	\$ (271,369)	\$ 840,110
INCREASE IN NET ASSETS FROM OPERATIONS PER UNIT ⁽¹⁾	\$ (.17)	\$ 0.32

⁽¹⁾Based on the weighted average number of units outstanding during the period.

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

Financial Statements

continued

STATEMENT OF CHANGES IN NET ASSETS

For the period ended June 30, (Unaudited)	From January 1, 2006 to June 30, 2006	From January 1, 2005 to June 30, 2005
NET ASSETS, BEGINNING OF PERIOD	\$ 24,220,496	\$ 25,449,102
(DECREASE), INCREASE IN NET ASSETS FROM OPERATIONS	(271,369)	840,110
CAPITAL UNIT TRANSACTIONS (Note 5)		
Paid for units redeemed	(8,502,459)	(2,136,459)
DISTRIBUTIONS TO UNITHOLDERS (Note 6)		
From net investment income	-	-
From capital gains	-	-
Return of capital	(832,195)	(955,881)
	(832,195)	(955,881)
NET ASSETS, END OF PERIOD	\$ 14,614,473	\$ 23,196,872

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

Financial Statements

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STATEMENT OF CASH FLOW

For the period ended June 30, 2006 (Unaudited)	From January 1, 2006 to June 30, 2006	From 1, 2005 to June 30, 2005
CASH FLOW FROM (TO) OPERATIONS		
Results from operations	\$ (271,369)	\$ 840,110
Items not affecting cash:		
Net realized gain on sale of investments	(1,854,075)	(594,880)
Change in unrealized appreciation of investments	2,062,620	(280,795)
Change in non-cash working capital	(44,216)	57,469
	(107,040)	21,904
CASH FLOW FROM (TO) INVESTING ACTIVITIES		
Purchase of investments	(1,468,717)	(62,686)
Proceeds from sale of investments	10,481,498	3,096,141
Distributions paid	(832,195)	(969,649)
	8,180,586	2,063,806
CASH FLOW FROM (TO) FINANCING ACTIVITIES		
Paid for units redeemed	(8,502,459)	(2,136,459)
Repayment of loans	-	(98,874)
	(8,502,459)	(2,235,333)
NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(428,913)	(149,623)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF PERIOD	955,731	505,907
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	\$ 526,818	\$ 356,284
INTEREST PAID	\$ 1,298	\$ 30,327

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

Financial Statements

continued

STATEMENT OF INVESTMENT PORTFOLIO
As at June 30, 2006 (Unaudited)

SECURITY PORTFOLIO	NUMBER OF SHARES	AVERAGE COST	MARKET VALUE	% OF NET ASSETS
CANADIAN EQUITIES				
Alcan Inc.	6,257	\$ 308,380	\$ 327,179	2.2
Aliant Inc.	10,203	276,751	338,434	2.3
Bank of Montreal	5,774	302,498	346,786	2.4
Bank of Nova Scotia	8,100	276,249	358,182	2.5
BCE Inc.	13,494	362,588	355,972	2.4
Canadian Imperial Bank of Commerce	4,415	293,240	329,845	2.3
Canadian Oil Sands Trust	10,300	109,156	370,800	2.5
Canadian Tire Corporation	5,300	247,193	350,754	2.4
Canadian Utilities Limited	8,800	237,769	324,280	2.2
Cascades Inc.	33,300	457,493	368,298	2.5
Emera Inc.	19,050	324,893	358,902	2.5
Enbridge Inc.	10,400	255,043	353,288	2.4
EnCana Corp.	6,488	181,755	381,247	2.6
Finning International Inc.	9,500	305,971	353,400	2.4
Great-West Lifeco Inc.	12,900	316,437	367,134	2.5
IGM Financial, Inc.	7,900	265,208	351,629	2.4
Imperial Oil Ltd.	8,960	182,420	365,389	2.5
Loblaw Companies Limited	6,800	424,351	350,200	2.4
Manitoba Telecom Services Inc.	7,906	370,169	359,011	2.5
Manulife Financial Corporation	9,910	261,172	350,517	2.4
MDS Inc.	17,400	375,790	354,090	2.4
Molson Coors Canada Inc - B	4,104	466,505	387,904	2.7
National Bank of Canada	5,800	254,240	330,600	2.3
Petro-Canada	7,100	207,924	376,016	2.6
RioCan Real Estate Investment Trust	16,950	241,705	366,798	2.5
Royal Bank of Canada	7,970	236,252	361,200	2.5
Saputo Inc.	10,600	348,859	374,286	2.6
Sun Life Financial Inc.	7,900	289,801	350,365	2.4
The Thomson Corporation	7,900	353,035	339,779	2.3
The Toronto-Dominion Bank	6,043	269,741	342,518	2.3
Westshore Terminals Income Fund	34,300	435,456	366,323	2.5
TOTAL CANADIAN EQUITIES		\$ 9,238,044	\$ 11,011,124	75.4
US EQUITIES				
3M Co.	3,900	\$ 459,854	\$ 350,315	2.4
General Electric Company	9,610	408,208	352,253	2.4
Hewlett-Packard Company	10,100	293,253	355,837	2.4
Intel Corporation	17,500	683,957	368,801	2.5
International Business Machines Corporation	4,100	494,478	350,269	2.4
Johnson & Johnson	5,400	409,670	359,840	2.5
Microsoft Corporation	14,400	517,057	373,132	2.6
Pfizer Inc.	13,900	666,247	362,804	1.5
The Home Depot, Inc.	8,600	416,329	342,297	2.3
TOTAL US EQUITIES		4,349,053	3,215,548	22.0
TOTAL INVESTMENTS		\$ 13,587,097	\$ 14,226,672	97.4
OTHER ASSETS, NET OF LIABILITIES			387,801	2.6
TOTAL NET ASSETS			\$ 14,614,473	100.0

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

Notes to the Financial Statements

June 30, 2006 (Unaudited)

1. THE FUND

a) Establishment of 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 of 2,500,000 Units at \$10 per Unit. 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 under the symbol PBK.UN. The Fund began operations on May 31, 2004 when it completed its initial public offering. The Fund will terminate operations on December 31, 2011 and the net assets will be distributed pro rata to Unitholders. The Manager of the Fund is Crown Hill Capital Corporation, which is a wholly-owned subsidiary of First Paladin Inc.

Effective June 24, 2005 the name of the Fund changed from Profit Booking Blue Chip Trust to Crown Hill Dividend Fund.

b) Fiscal Periods

The financial statements of the Fund are prepared as at June 30, 2006 and June 30, 2005 and for the period ended June 30, 2006 and the period ended June 30, 2005.

2. INVESTMENT OBJECTIVES OF THE FUND

The stated investment 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Notes to the Financial Statements

continued

June 30, 2006 (Unaudited)**a) Investment Valuation***Portfolio Securities*

Securities listed on a public stock exchange are valued at their closing sale price on the valuation date. Securities not traded on that date are valued at the average of the closing recorded bid and ask prices. Securities not listed on any exchange are valued based upon the available public quotations in common use or at a price estimated to be the fair value thereof as determined by the Manager of the Fund.

Short-Term Investments

Short-term investments are recorded at cost and valued at cost plus accrued interest which approximates market value.

b) Investment Transactions and Income Recognition

- i. Investment transactions are accounted for on the trade date.
- ii. Interest income and expenses are recorded on the accrual basis.
- iii. Dividend income is recorded on the ex-dividend date.
- iv. Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost of the related investments.

c) Net asset value per unit

On each valuation date, the net asset value per unit is computed by dividing the net assets of the Fund by the total number of its units outstanding.

d) Foreign Exchange

The market value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the rates prevailing on each valuation date. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the foreign exchange rates prevailing on the respective dates of such transactions.

4. INVESTMENT PORTFOLIO

The following tables summarize movements in investments during the period ended June 30, 2006:

Investment summary at cost

Investments at cost – beginning of period	\$20,745,803
Investments made during the period	1,468,717
Dispositions during the period	(8,627,423)
Investments at cost – end of period	<u>\$13,587,097</u>

Notes to the Financial Statements

continued

June 30, 2006 (Unaudited)**Market value of investments**

Investments at cost – end of period	\$13,587,097
Unrealized gain on investments	639,575
Investments at market value – end of period	<u>\$14,226,672</u>

Realized gain on sale of investments

Proceeds of investments sold	\$10,481,498
Cost of investments sold	8,627,423
Net realized gain on investments	<u>\$1,854,075</u>

5. UNITS ISSUED AND OUTSTANDING

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Fund. Unitholders are entitled to redeem their Units outstanding in May of each year. Units will be redeemed at the net asset value per Unit on the redemption date.

In 2004, the Fund realized gross proceeds of \$26,934,730 based on the issuance of 2,693,473 units. Agent's fees of \$1,414,073 and issuance costs of \$729,543 were incurred in connection with the Offering.

The following unit transactions took place during period ended June 30, 2006. The comparative figures are for the period ended June 30, 2005:

	2006	2005
Balance of units outstanding – beginning of period	2,463,993	2,693,473
Units issued during the period	-	-
Units cancelled or redeemed during the period	(899,042)	(229,480)
Balance of units outstanding – end of period	<u>1,564,951</u>	<u>2,463,993</u>

Notes to the Financial Statements

continued

June 30, 2006 (Unaudited)

6. UNIT HOLDERS EQUITY

Unitholders' equity is comprised of unitholders' capital and retained earnings. The changes in unitholders' capital and retained earnings during the period ended June 30, 2006 and the period ended June 30, 2005 are summarized as follows.

	2006	2005
Unitholder's capital – beginning of period	\$22,679,898	\$24,791,114
Gross proceeds from offering (net of agent's fees)	-	-
Offering Costs	-	-
Redemption of units	(8,268,708)	(2,111,216)
Unitholders capital – end of period	<u>\$14,411,190</u>	<u>\$22,679,898</u>

	2006	2005
Retained earnings – beginning of period	\$1,540,598	\$657,988
Results from operations for the period	(271,369)	2,750,772
Distributions to unitholders	(832,195)	(1,842,919)
Excess of cost of units redeemed over net proceeds of issuance	(233,751)	(25,243)
Retained earnings – end of period	<u>\$203,283</u>	<u>\$1,540,598</u>

	2006	2005
Unitholders capital – end of period	\$14,411,190	\$22,679,898
Retained earnings – end of period	203,283	1,540,598
Unitholders equity	<u>\$14,614,473</u>	<u>\$24,220,496</u>

7. TAXATION

The Fund qualifies as a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada). The Fund is subject to applicable federal and provincial taxes on the amount of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year. No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized capital gains are distributed to the unitholders.

Notes to the Financial Statements

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June 30, 2006 (Unaudited)

8. FUND EXPENSES

The Fund is responsible for all expenses incurred. These expenses are Operational Expenses and Service Fees. All expenses of the Fund are initially paid by the Manager, which is then reimbursed by the Fund in a reasonable amount of time.

Operational Expenses include the Manager's Fees, Administrative costs, Unitholder Servicing costs and any other cost directly related to the operation of the Fund. Of these expenses, 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 \$11,436 was payable at June 30, 2006). Administrative costs for the year 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 \$33,867.

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. 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.

Service Fees for period totaled \$50,173 (2005 - \$50,065) which are trailer fees paid by the Fund to the Unitholder's investment advisor.

9. BROKERAGE COMMISSIONS AND PORTFOLIO TRANSACTIONS

The brokerage commissions fees paid the period were \$10,431 (2005 - \$3,022). The commissions were incurred solely for order execution services. The Fund does not pay any soft dollar commissions.

10. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current period's presentation.