

CF Canlife General Unit Trust
Manager's Interim Unaudited Short Report
for the half year ended 15 January 2010

Investment Objective and Policy

The CF Canlife General Unit Trust ('the Trust') aims to provide a balance between capital growth and income growth. To achieve this aim investment will be primarily in UK equities with at least seventy-five per cent by value of the property of the Trust in this sector at any one time. The Trust will not invest in companies which manufacture products containing tobacco. It is not intended that the Trust will have an interest in any immovable property or tangible movable property.

Risk Profile

The Trust has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The Manager reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

Accounting and Distribution Dates

	Accounting	Distribution
Interim	15 January	15 March
Final	15 July	15 September

Total Expense Ratio

Expense Type	15.01.10 %	15.07.09 %
Manager's periodic charge	1.50	1.50
Other expenses	0.02	0.02
Total expense ratio	1.52	1.52

Portfolio Turnover Rate

	15.01.10 %	15.07.09 %
Portfolio turnover rate	58.49	67.82

Distributions

Unit Class	Interim 15.01.10 pence per unit
Income	1.5307
Accumulation	3.5364

Performance Record

Income units

Calendar Year	Highest Buying Price p	Lowest Selling Price p	Distribution per unit p
2005	306.27	242.54	3.2951
2006	339.73	281.44	3.4969
2007	368.22	306.88	3.8634
2008	357.88	197.42	4.6905
2009	297.18	196.49	5.8747
2010*	302.24	281.32	1.5307

Accumulation units

Calendar Year	Highest Buying Price p	Lowest Selling Price p	Distribution per unit p
2005	662.85	520.33	7.0611
2006	744.07	611.47	7.5880
2007	813.87	675.78	8.4927
2008	792.69	444.50	10.4185
2009	686.58	447.09	13.3116
2010*	698.28	649.94	3.5364

* To 15 January 2010.

Net Asset Value

Date	Unit Class	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.07.07	Income	31,206,116	9,044,285	345.04
	Accumulation	152,174,677	19,911,544	764.25
15.07.08	Income	22,777,768	8,257,940	275.83
	Accumulation	104,077,621	16,758,474	621.04
15.07.09	Income	17,437,823	7,571,578	230.31
	Accumulation	87,182,789	16,385,268	532.08
15.01.10	Income	20,643,815	7,335,013	281.44
	Accumulation	96,504,955	14,761,713	653.75

Net Asset Value Performance to 15 January 2010 (%)

	6 months	1 year	3 years	5 years
CF Canlife General Unit Trust	22.87	30.80	(6.95)	25.14

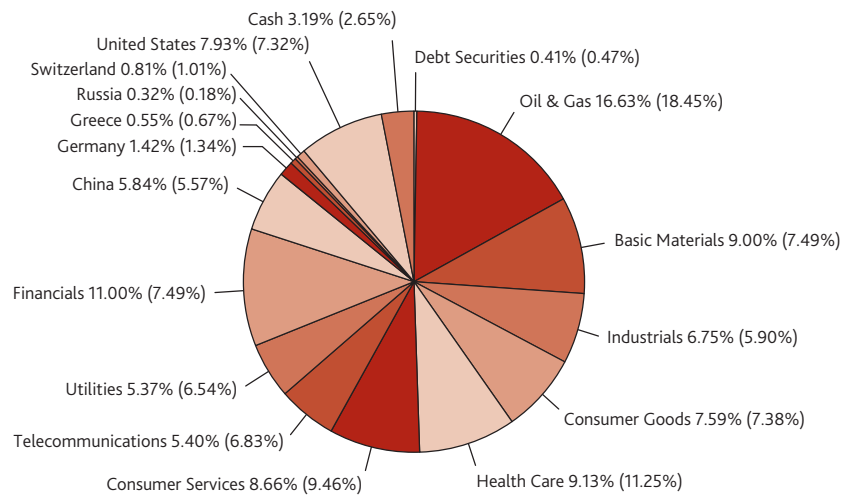
The performance of the Trust is based on the net asset value per Accumulation unit which includes income reinvested.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

INVESTMENT MANAGER'S REPORT

Sector Spread of Investments



The figures in brackets show allocations at 15 July 2009.

Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Trust as at 15.01.10	Holding	% of Trust as at 15.07.09
BP	6.73	BP	7.44
Royal Dutch Shell 'B'	5.47	Royal Dutch Shell 'B'	5.90
GlaxoSmithKline	4.73	Vodafone Group	5.38
HSBC Holdings	4.64	GlaxoSmithKline	5.37
Vodafone Group	4.23	AstraZeneca	4.69
BG Group	3.44	BG Group	3.74
AstraZeneca	3.41	HSBC Holdings	3.73
Rio Tinto	2.50	BHP Billiton	2.89
Anglo American	2.48	Tesco	2.66
BHP Billiton	2.48	Itron	2.30

Investment Review

This is the semi annual review up to 15 January 2010, during which time the FTSE All-Share Index has risen by 25.3%. The total return (net income reinvested) from the Trust's units rose by 23.5%. Mid and small companies continue to outperform, rising by 26.3% and 28.8% respectively.

Enormous levels of Government stimulus helped the global economy to recover in the second half of 2009. Interest rates remain at the lowest they have ever been in most of the developed Western economies with Governments continuing to add liquidity into some of these economies. The balance of world growth has shifted to the emerging markets with China growing at close to 10%. This is helping to keep demand for commodities and therefore their prices high.

In the UK, the picture remains bleak. Provisional figures suggest that we managed to break out of recession with GDP growing by 0.3% in the final quarter of 2009. The vehicle scrappage scheme would have helped this figure. In addition, some consumption would have been in advance of the rise in VAT. Consensus expects the economy to grow at 1.5% this year; however, we would not be surprised if we return to a slowing economy this quarter. The adverse weather will affect output and consumer confidence has again started to wane. Individuals' savings ratio rose to 8.6% of disposable income as people sought to reduce debt ahead of uncertain times.

Inflation is also rising. The Consumer Price Index (CPI) rose to 2.9% in December, above the Bank of England's 2% target. Further, upwards pressure will result from the VAT reversion and weakening pound. It is hard to envisage that interest rates will increase to combat this, as the economy remains fragile. Finally, the Government remains highly indebted; as a result, the UK's credit rating is under threat. In the unlikely event that it is downgraded then we will see massive selling of Government bonds and the UK pound (£) would collapse further.

The Stock Market

The UK market has continued to rise and is now over 50% higher than the trough reached in March last year. The downturn forced companies to cut costs and focus on efficiency. The benefits of this enhanced efficiency, along with the expected economic recovery, have enabled analysts to upgrade their expectations. Most companies remain cautious about their own prospects. The more cyclical segments of the market have outperformed and are now no longer looking such good value. We are starting to see better relative valuations in the larger, more defensive and global companies.

During the period, we have continued to see companies rebuilding their balance sheets by making rights issues and refinancing their debt. We have also started to see corporate activity, BA is looking to merge with Iberia and recently Cadburys surrendered to a take over approach from the US food company Kraft. Many people think that there will be more takeovers this year as the pound (£) has fallen in value making UK companies relatively more attractive.

On a sector basis the pattern of cyclical out-performance is evident, Forestry and paper +48% relative; Industrial engineering +35%; Autos and parts +31% and Mining +28% have lead the market rally. General retail -17%; Construction and materials -17%; Electricity -16% and Pharmaceuticals -14% have lagged.

Trust Activity

Given our cautious view on economic recovery, we continue to favour large defensive companies, but have added to cyclicalities over the period.

We added financial exposure with further purchases of RBS, Barclays, HSBC and Lloyds. We will continue adding to our positions selectively. We also bought back into the Life Assurance company Prudential. We also bought the support services companies Serco Group and G4S. We cut our exposure to the retailers by selling Marks and Spencer and Carphone Warehouse. We also lowered our weight in some other defensive sectors by selling United Utilities.

The Trust continues to benefit from its foreign holdings. Although some of these have also been volatile, we have gained on the currency translation. We have sold out of TiVo completely and have reinvested the money into the health sector, which is trading at very reasonable ratings.

Outlook

The market has rebounded and now looks fair value in historical terms. It remains attractive compared to bonds, as these have seen strong purchases due to the quantitative easing policies. We continue to believe that the economic recovery in the UK will be weaker and take longer than currently expected and hence the market could be due for some short-term profit taking.

Canada Life Asset Management Limited

Investment Manager
19 February 2010

Buying and Selling Units

The Manager will accept orders to deal in the units on normal business days between 8.30am and 5.30pm. Instructions to buy or sell units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Reports and Accounts

This document is a short report of the CF Canlife General Unit Trust for the half year ended 15 January 2010. The full Report and Accounts for the Trust is available free of charge upon written request to Capita Financial Managers Limited, Ibex House, 42 – 47 Minories, London EC3N 1DX.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Trust during the half year it covers and the results of those activities at the end of the half year.

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