

CF Canlife European Unit Trust
Manager's Annual Short Report
for the year ended 15 June 2009

Investment Objective and Policy

The CF Canlife European Unit Trust ('the Trust') aims to provide capital growth mainly from investment in shares quoted on European markets (usually this will exclude the United Kingdom). 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 December	–
Final	15 June	15 August

Total Expense Ratio

Expense Type	15.06.09 %	15.06.08 %
Manager's periodic charge	1.50	1.50
Other expenses	0.10	0.09
Total expense ratio	1.60	1.59

Distributions

Unit Class	Final 15.06.09 pence per unit
Accumulation	2.5355

Price and Income History

Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	141.73	112.00	1.0211
2005	177.54	127.54	1.0685
2006	216.02	167.03	0.2701
2007	247.03	199.13	0.7310
2008	235.13	124.97	2.1354
2009*	164.43	118.81	2.5355

* To 15 June 2009.

Net Asset Value

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.06.07	285,553,692	123,421,705	231.36
15.06.08	205,205,872	99,739,426	205.74
15.06.09	134,522,379	93,233,034	144.29

Net Asset Value Performance to 15 June 2009 (%)

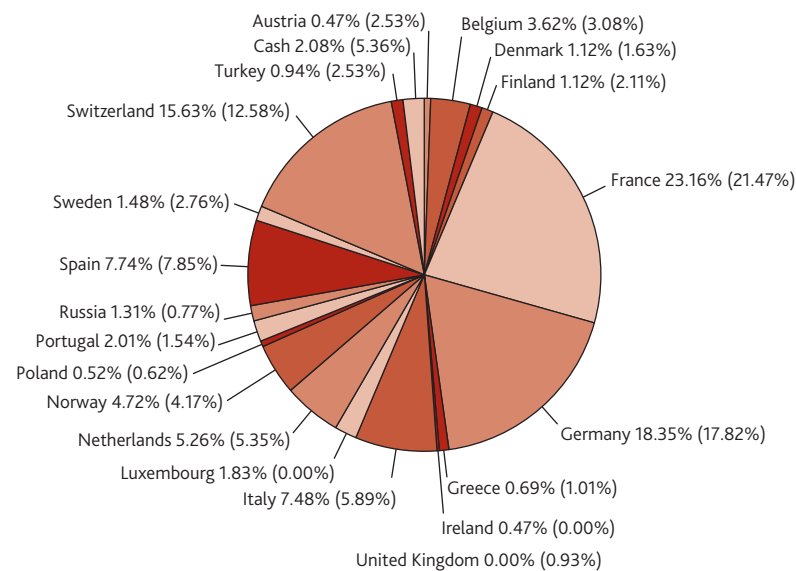
	1 year	3 years	5 years
CF Canlife European Unit Trust	-29.87	-16.92	21.61

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.

Sector Spread of Investments



The figures in brackets show allocations at 15 June 2008.

Major Holdings

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

Holding	% of Trust as at 15.06.09	Holding	% of Trust as at 15.06.08
Total	2.95	Nestlé	3.79
Nestlé	2.58	Roche Holding	3.06
Roche Holding	2.51	Technip	3.05
Telefonica	2.30	Électricité de France	2.49
ENI	1.98	StatoilHydro	2.42
Novartis	1.95	Repsol	2.38
E.ON	1.91	E.ON	2.23
Bayer	1.90	Telefonica	2.22
Électricité de France	1.81	BNP Paribas	1.93
Deutsche Telekom	1.69	Unicredito Italiano	1.89

INVESTMENT MANAGER'S REPORT

Investment Review

To describe the last year as 'eventful', would be a huge understatement. Between June and March, the European stock market saw falls of over 50% and this year, since the lows of March, we have seen a dramatic rally of almost 40%. We do, however, remain well below the highs of mid 2007 so the dramatic events of the last twelve months have been far from completely reversed. The problems the world economy faced last year were unprecedented. What started as a cyclical downturn in the US housing market, quickly spread into a global panic about the solvency of the global financial system and has been felt everywhere. The cost to restore order has been vast. Banks have written off thousands of billions of US Dollars. Governments have had to throw equally huge amounts of money back into the system to prevent a total collapse of the banks. At the moment, confidence has been restored, but we are only four months into the recovery. It is still far from clear that the path back to robust economic growth will be short and smooth. The collapse of Lehman Brothers sparked an overnight closure of normal lending conditions and with it a standstill of large sections of industry, such as residential construction and car sales. These industries continue to suffer, but the commitment shown by world leaders at the G20 meeting in March set the conditions necessary to kick start the recovery. The size of the problem was matched by the size of the efforts to bail out the world economy. Of greater long term importance has been the emergence of China on the world stage. The weakness of the US economy during recent years is in sharp contrast to the strength of China, and a great deal of the present optimism is down to the continuation of the Chinese efforts to sustain strong growth as they transform themselves from an export economy to a domestic led economy. Over the next few years, European companies face a huge challenge, but this process is well advanced. Companies will continue to shift their profiles away from the low growth developed economies and increasingly towards emerging economies where growth is set to re-accelerate in coming months.

Stock Market

The last four months have been the mirror image of the previous eight. The financials and industrials have bounced the most, just as they had fallen the most in the down turn. Companies with weak balance sheets have rallied strongly, just as they had suffered the most, as the financial crisis intensified. Some of these companies did go to the wall, but others saw their prospects transformed as they refinanced loans and raised new capital from the market.

Trust Activity

Managing the Trust during this year has been challenging. Market sentiment has at times been disturbingly pessimistic, but thankfully, more recently, it has become more optimistic. The sheer scale of market movements has forced activity to be much greater than normal so we have seen rotation between sectors and high cash levels put back to work as the market recovered.

Outlook

With strong signs that the market has bottomed out, the longer term outlook now looks much better than it has for some time, but we may still need patience before the economy resumes business as usual.

Canada Life Asset Management Limited

Investment Manager
25 June 2009

Buying and Selling Units

The Manager will accept orders to deal in the units on normal business days between 9.00am 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 European Unit Trust for the year ended 15 June 2009. 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 Minorities, 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 year it covers and the results of those activities at the end of the year.

MANAGER

Capita Financial Managers Limited
Head Office:
Ibex House
42 – 47 Minories
London EC3N 1DX
Telephone: 0870 607 2555
Fax: 0870 607 2550
Email: enquiries@capitafinancial.com
(Authorised and regulated by the
Financial Services Authority)

DIRECTORS OF THE MANAGER

C. Addenbrooke
L. Everitt
C. Hayes
K.J. Midl
J. Millan

INVESTMENT MANAGER

Canada Life Asset Management Limited
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA
(Authorised and regulated by the
Financial Services Authority)

TRUSTEE

BNY Mellon Trust & Depositary (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
(Authorised and regulated by the
Financial Services Authority)

REGISTRARS

Capita Financial Administrators Limited
Customer Service Centre:
2 The Boulevard
City West One Office Park
Gelderd Road
Leeds LS12 6NT
Telephone: 0845 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the
Financial Services Authority)

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF