

CF Canlife Far East Unit Trust
Manager's Interim Unaudited Short Report
for the half year ended 15 December 2009

Investment Objective and Policy

The CF Canlife Far East Unit Trust ('the Trust') aims to provide capital growth mainly from investment in shares quoted on Far East markets, excluding Japan. 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	15.12.09 %	15.06.09 %
Manager's periodic charge	1.50	1.50
Other expenses	0.13	0.13
Total expense ratio	1.63	1.63

Portfolio Turnover Rate

	15.12.09 %	15.06.09 %
Portfolio turnover rate	533.56	427.65

Distributions

Surplus income is allocated annually to unitholders in accordance with the Prospectus.

Performance Record

Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	285.20	221.10	2.4247
2005	369.92	260.81	4.1990
2006	445.16	332.65	3.7600
2007	774.10	402.63	1.2114
2008	688.35	354.61	1.8190
2009*	747.44	417.49	5.8447

* To 15 December 2009.

Net Asset Value Per Unit

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.06.07	97,906,703	18,868,111	518.90
15.06.08	91,773,096	16,883,560	543.56
15.06.09	77,728,683	14,798,710	525.24
15.12.09	104,124,695	14,797,117	703.68

Net Asset Value Performance to 15 December 2009 (%)

	6 months	1 year	3 years	5 years
Canlife Far East Unit Trust	33.97	73.65	73.43	179.19

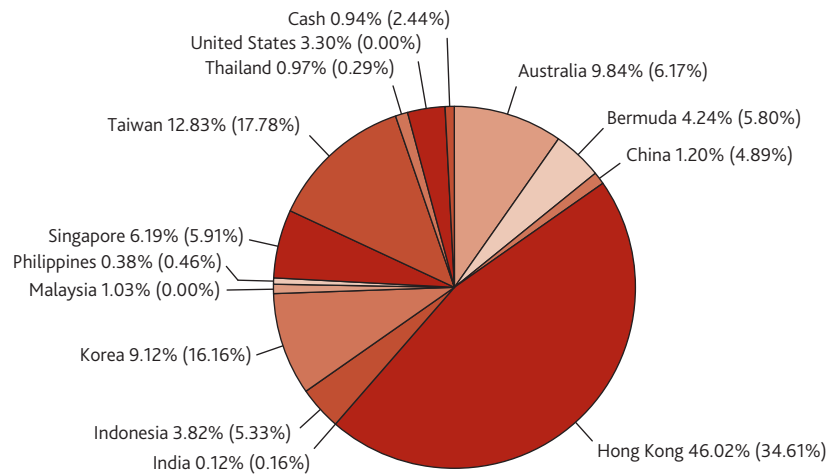
The performance of the Trust is based on the net asset value per Accumulation unit which includes income reinvested.

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 June 2009.

Major Holdings

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

Holding	% of Trust as at 15.12.09	Holding	% of Trust as at 15.06.09
CNPC Hong Kong	3.75	Samsung Electronics Company	3.34
Haier Electronics Group	2.78	C C Land Holdings	2.65
Lee & Man Paper Manufacturing	2.54	Hyundai Department Store	2.64
Tencent Holdings	2.45	NetEase.com ADRs	2.48
GOME Electrical Applications Holdings	2.24	Li Ning Company	2.38
Hon Hai Precision Industry	2.14	Australia and New Zealand Banking Group	2.16
Shinhan Financial Group Company	2.06	Yuanta Financial Holding	2.12
Skyworth Digital Holdings	2.01	Shui On Land	1.99
Focus Media holding	1.99	DBS Group Holdings	1.94
DBS Group Holdings	1.88	Hon Hai Precision Industry Company	1.93

Far East Unit Trust Report Interim (December 2009)

The period under review witnessed strong performance by Far East equities. All markets rose. The best performing market was Taiwan (+25%). This was followed by Indonesia (+23%), Singapore (+22%), Philippines (+21%), Hong Kong (+20%), China H shares (+20%), Korea (+19%), Thailand (+19%), Australia (+18%) and Malaysia (+18%). The worst performing market was India (+13%).

The Economy

Far East economies exhibited strong V shaped recovery in the third quarter of 2009. Industrial production for the whole region grew strongly. Exports for certain countries such as Korea and Taiwan expanded too. Those economies that contracted the most in the first quarter, expanded the most in the third quarter. These were Singapore, Hong Kong and Taiwan. This prompted analysts to raise their forecast of economic growth rate for the region.

China's economic growth continues to gather momentum as shown by all economic indicators. It achieved its 8% target. Property transactions and prices surged in most cities. The Chinese government is concerned about the long term effect of the current high loan growth and high level of foreign money coming into the country. It has changed its policy focus from promoting growth to managing inflationary expectations. The Chinese Central Bank started issuing 3 months and 1 year bonds and bills with rising interest rates. They are likely to continue doing this in the future. The authority has also tightened the issuance of second home mortgage, monitored bank lending and curbed investment in certain heavy industries. They also approved a stream of new listings to cool down the domestic stock market.

The Chinese currency, Renminbi, is expected to appreciate 3-5% throughout 2010. China has set up currency swap agreements with six countries to settle trade in Renminbi. It is in talks with nine others to do the same. This is likely to be a long term trend. The one area that the Chinese government is keen to continue to promote is domestic consumption and a number of policies have been put in place to that effect.

The Stock Market

Far East equities outperformed the developed markets during the period in question as foreign investors allocated more funds into Far East markets. Investor sentiment remained upbeat throughout the period. There were a lot of placements by corporate, right issues and new listings. These were all well received by the markets.

The Trust took a positive view and remained fully invested throughout the period. It maintained an overweight position in China and Hong Kong and an underweight position in defensive markets such as Malaysia and Australia. The weighting in Korea was reduced as the Korean currency appreciated sharply and thus hurting future export potential. The Trust also preferred consumption and consumption related stocks. It maintains a heavy overweight position in this sector across all the markets. It bought stocks such as Dongfeng Motor, Gome Electronics, Haier Electronics, Lianhua Supermarkets, Hengdeli, China Dongxiang, Lifestyle, Indofood, Parkway, Goodman Fielder, Westfarmers, and Hyundai department stores.

Outlook

The concern in 2010 for the region is inflationary pressure and asset bubble. It is thus important to see how central banks in the region will adjust their respective policies. Apart from HK dollar and Chinese Renminbi, the other Asian currencies have appreciated significantly. This raised the question of whether there will be capital controls going forward. Asian central banks are likely to tighten monetary policies ahead of the developed countries. Australia was the first country in Asia Pacific to raise interest rates by 25bp on three separate occasions. Vietnam hiked its rates by 100bp. Korea, India and China are likely to follow in that order. Corporates have reported robust earnings recovery and analysts have been revising up earnings forecast. The consensus EPS growth for 2010 is 28% for the region. Regional domestic demand is likely to grow strongly in 2010 and this will be the main theme for the region next year. The current market valuation is 14.4x 2010 earnings which is fair valued by historical standard.

Canada Life Asset Management Limited

Investment Manager

22 December 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 Far East Unit Trust for the half year ended 15 December 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 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.

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)

INDEPENDENT AUDITORS

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