CF Canlife General Unit Trust

Manager's Annual Short Report

for the year ended 15 July 2009

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	15.07.09 %	15.07.08 %
Manager's periodic charge	1.50	1.50
Other expenses	0.02	0.03
Total expense ratio	1.52	1.53

Distributions

Unit Class	Interim 15.01.09 pence per unit	Final 15.07.09 pence per unit
Income	2.3233	3.5514
Accumulation	5.2310	8.0806

Price and Income History

Income units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	259.19	219.30	3.8125
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*	258.16	196.49	5.8747

Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	553.89	468.60	8.0469
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*	584.36	447.09	13.3116

* To 15 July 2009.

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

Net Asset Value Performance to 15 July 2009 (%)

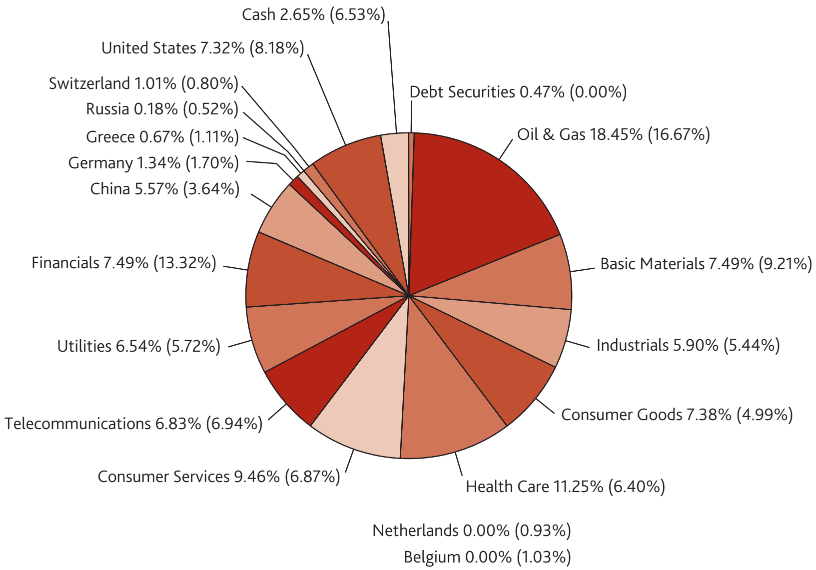
	1 year	3 years	5 years
CF Canlife General Unit Trust	(14.32)	(16.74)	12.23

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 July 2008.

Major Holdings

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

Holding	% of Trust as at 15.07.09	Holding	% of Trust as at 15.07.08
BP	7.44	BP	6.33
Royal Dutch Shell *'B'*	5.90	Royal Dutch Shell *'B'*	5.56
Vodafone Group	5.38	Vodafone Group	5.31
GlaxoSmithKline	5.37	HSBC Holdings	3.93
AstraZeneca	4.69	BG Group	3.17
BG Group	3.74	GlaxoSmithKline	3.17
HSBC Holdings	3.73	BHP Billiton	2.76
BHP Billiton	2.89	Anglo American	2.54
Tesco	2.66	AstraZeneca	2.47
Itron	2.30	Pall Corporation	2.30

INVESTMENT MANAGER'S REPORT

Investment Review

This is the annual review up to 15 July 2009, during which time the FTSE All-Share Index has fallen by 15.2%. The total return (net income reinvested) from the Trust's units is down by 14.2%. Mid and small cap companies have outperformed, falling by only 8.5% and 13.5% respectively. We have seen a large reversal in performance during the interim period from 16 January 2009. The Trust's units rose by 4.7%, the All-Share Index rose by 7.4%, mid caps rose by 22% and small companies rose by 19.6%.

The global economy slowed sharply in 2008. The stresses in the financial system intensified, leading to the failure of some major global financial organisations, and the Government bailing out several others. The crisis has led to aggressive government intervention. Interest rates are now the lowest they have ever been at 0.5%. Governments have also pumped liquidity into the system. This bail out of the financial system has put an effective safety net under the economy. World stock markets have staged a remarkable turnaround as belief in a sustained economic recovery has increased.

Unfortunately, we believe the risks are if anything towards a more drawn out recovery. We still need to see the unwinding of leverage in the banking system, corporate sector and even with individuals. The stabilisation of house prices could be short lived, long-term fundamentals point to valuations still being 10% too high. High levels of unemployment will serve to cap increases in earnings. Taxes will increase to finance the bailouts; indeed, VAT will increase back to 17.5% in January. Interest rates will also rise once the economic situation stabilises. With this backdrop, we will all feel a little bit poorer and the consumer will eventually become a drag on the economy.

The Stock Market

Sentiment has changed in the market. Last year, defensive larger companies with little debt outperformed a falling market. Analysts were overly optimistic and we experienced many profit warnings. In March, sustained government intervention stabilised the situation and since then smaller indebted cyclical companies have outperformed a rising market. Companies are now managing to beat downgraded expectations.

Many of the more indebted companies have also recapitalised their balance sheets by issuing new shares. As the chance of bankruptcy has reduced, these shares have performed extremely strongly.

In retrospect, cyclical companies offered value and defensive companies had risen to relatively expensive levels. Given our negative view on the economy, we continued to favour safety. Unfortunately, large cap defensive companies have been a source of funds for investment into the rights issues and more cyclical sectors in general.

Currencies have also been extremely volatile. Sterling has fallen by almost 20% against the US$. It has also fallen against the Euro and the Yen, making it the weakest major currency. This provides some relief in the UK for our exporters, accounting for over 60% of the markets earnings. In addition, some of our major companies actually report in US$ and therefore gain when currency is converted back into sterling.

On a sector basis, we have seen a great deal of rotation between defensive and cyclical sectors. For example, Pharmaceuticals have managed to return 22.5% over the year, but have actually fallen by 15.7% over the last six months. Mining on the other hand has fallen by 21.7% over the year but has risen by 36.6% over the past few months.

Trust Activity

We continue to be over-weight in larger defensive companies. This will continue in the near future given the unfavourable economic backdrop that we expect.

During the period, we switched out of banks, selling our holdings in RBS, HBOS, Barclays, Lloyds TSB and Standard Chartered. We also sold the property companies British Land, Land Securities and Liberty and the Life Assurance companies Aviva, Legal and General and Prudential. We switched these holdings into more defensive companies such as food retailers Morrisons and Sainsbury's and food and beverage producers Unilever and Diageo. General retailers have managed to perform well despite the slowdown and we have added to our exposure by buying Next. We switched some of our life assurance into general insurance by buying RSA and Amlin. Finally, more recently we have added a bit of cyclicality by increasing our holdings in the mining companies Rio Tinto and Antofagasta, and the engineering company Cookson.

The Trust has benefited from having a proportion of its assets in foreign securities. Although some of these have also been volatile, we have gained on the currency translation. One notable success has been TiVo. This US Company received a materially favourable judgment in a lawsuit and subsequently reached over 4% of the Trust, before we took some profits.

Outlook

The market has rebounded and no longer looks compellingly cheap. The valuation of cyclical companies in particular has risen. The recovery now needs to broaden out into the more defensive sectors of the market. We 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. If as we expect, the market does fall again, we will reassess our position and gradually build our cyclical exposure back to more normal levels.

Canada Life Asset Management Limited
Investment Manager
28 July 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 General Unit Trust for the year ended 15 July 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 year it covers and the results of those activities at the end of the year.

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