

CF Canlife Growth Units
Manager's Interim Short Report
for the half year ended 15 February 2009

Investment Objective and Policy

The CF Canlife Growth Units ('the Trust') aims to provide capital growth mainly from investment in shares quoted on UK markets. 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 February	–
Final	15 August	15 October

Total Expense Ratio

Expense Type	15.02.09 %	15.08.08 %
Manager's periodic charge	1.50	1.50
Other expenses	0.01	0.01
Total expense ratio	1.51	1.51

Distributions

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

Price and Income History

Accumulation units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	330.50	282.30	5.3915
2005	398.06	311.39	4.7645
2006	447.04	368.06	5.5050
2007	486.22	401.80	6.7291
2008	469.48	270.10	7.7789
2009*	354.07	301.09	–

* To 15 February 2009.

Net Asset Value

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.08.06	498,620,228	127,004,731	392.60
15.08.07	511,185,223	121,579,708	420.45
15.08.08	466,181,824	119,814,370	389.09
15.02.09	373,349,078	119,453,556	312.55

Net Asset Value Performance to 15 February 2009 (%)

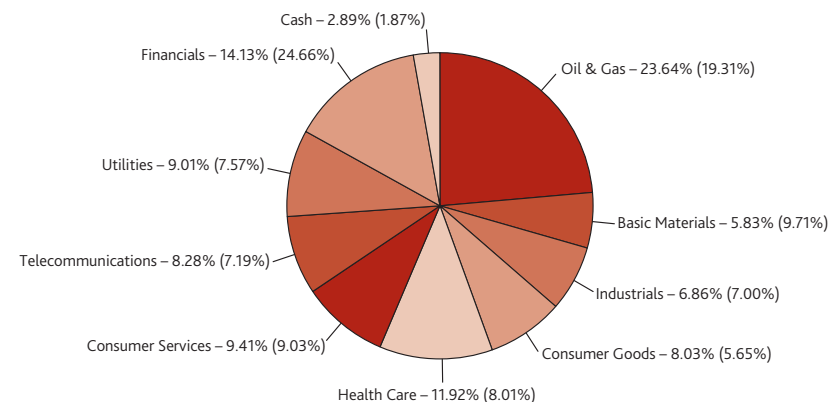
	6 months	1 year	3 years	5 years
CF Canlife Growth Units	(19.67)	(22.63)	(19.09)	(7.87)

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 August 2008.

Major Holdings

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

Holding	% of Trust as at 15.02.09	Holding	% of Trust as at 15.08.08
Royal Dutch Shell 'B'	8.80	BP	7.28
BP	8.77	BlackRock International Sterling Liquidity Fund	6.44
Vodafone Group	7.05	Royal Dutch Shell 'B'	6.38
GlaxoSmithKline	6.34	HSBC Holdings	5.70
BlackRock Institutional Sterling Liquidity Fund	6.16	Vodafone Group	5.46
BG Group	4.82	GlaxoSmithKline	3.83
AstraZeneca	4.51	BG Group	3.82
HSBC Holdings	3.78	AstraZeneca	3.32
BHP Billiton	3.50	BHP Billiton	3.26
Tesco	3.36	Anglo American	2.91

INVESTMENT MANAGER'S REPORT

Investment Review

This is the semi-annual review to the 15 February 2009, during which time the FTSE All-Share Index has fallen by 24.3%. The total return (net income reinvested) from the Trust's units is down by 19.7%. Mid and small cap companies have continued underperforming, falling by 29% and 35% respectively.

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 Government bail-outs of several others. The crisis has led to aggressive monetary easing; interest rates are now at the lowest rate the Bank of England has ever set; 1.0% and there remains the possibility of further cuts to come. Despite this monetary stimulus, the outlook is for sharply weaker economic activity in 2009, with consensus now expecting GDP to slow by about 2.6% and only recover by 0.6% in 2010. Unfortunately, we believe the risks are if anything towards a more protracted slowdown, as we still need to see the unwinding of leverage in the banking system, corporate sector and even with individuals. The 25% fall in house prices is worrying, some forecasters expect another 15% fall to come. Unemployment is picking up strongly. With this backdrop, we expect the consumer to become a drag on the economy for a considerable period of time.

The Stock Market

The markets continue to remain volatile, with large daily percentage movements both up and down being common place. We have taken most rallies as selling opportunities as the economic backdrop continues deteriorating. Stock markets are efficient forecasters of the economic outlook; hence they have experienced their second worst annual return on record. The poor economic outlook is now beginning to impact the corporate sector. Analyst forecasts and indeed corporate expectations remain overly optimistic and we will see many more profit warnings and downward revisions to expectations. In these markets, large, defensive companies with safe balance sheets have continued outperforming. The top ten companies now account for almost 50% of the total market. There have however been some major changes to these top ten companies. Last year we would have seen up to four banks and two mining companies amongst those top ten. The banking system has come under material stress with two banks being nationalised and three others receiving major government injections of capital. HSBC is the only bank left in the top ten. The mining sector has also taken a tumble and only one mining company remains in the top ten.

The sharp changes in economic conditions through the year and differing speeds of policy response and perceived sovereign risk have seen currencies also move with great volatility. Sterling has fallen by a third against the US\$, (a larger move than when we left the ERM) it has also fallen against the Euro and the Yen, making it the weakest major currency this year. This provides a degree of relief in the UK for our exporters, over 60% of the markets earnings. Also some of our major companies actually report in US\$ and therefore will gain on currency conversion back into sterling. This accounts for about 30% of the index.

On a sector basis, we have seen defensive sectors generally performing better than the cyclical sectors. Auto parts have been one of the worst performing sectors (-40.4% relative over the period). Other notably weak sectors have included Banks (-33.6%) and Mining (-24.5%). The better performing sectors have been Non-Life Insurance (+29.6% relative), Pharmaceuticals (+20.9%) and Oil and Gas (+20.9%).

Trust Activity

We continue to be heavily exposed towards large companies, which have helped us to continue outperforming this period. Given the unfavorable economic backdrop we would expect this to continue in the near future. We have been actively reinforcing our market views by selling aggressively indebted companies and buying more defensive ones. We have reduced our banking exposure, selling HBOS, RBS, Lloyds TSB and Standard Chartered completely and reducing our HSBC holding. We have also reduced our Life Assurance exposure, selling Old Mutual and Prudential and reducing our exposure to Legal and General. We also sold the mining companies Rio Tinto and Xstrata. We sold the property company Land Securities. We have bought the non life insurance companies RSA and Amlin, the retailers Sainsbury and Next, the beverage company Diageo and the media company Reed Elsevier.

Outlook

The market remains at very depressed levels and we can only reiterate that it is looking very cheap on both historical and relative terms. It is currently trading below 9 times next year's earnings, (which admittedly needs to be revised down significantly) and has a prospective yield that is higher than you can get on a 10 year bond. Historically these valuations have corresponded with low points in the market. Stock markets are efficient forecasters and tend to recover about six months before economic activity bottoms. As mentioned above, we are leaning towards the possibility that this downturn will be drawn out and we find it hard to believe that there will be any sustainable recovery in the short run. With this in mind, we will continue to concentrate on our themes of investing in quality, large cap defensive companies with low levels of gearing and a visible growing stream of earnings.

Canada Life Asset Management Limited

Investment Manager

25 February 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 CF Canlife Growth Units for the half year ended 15 February 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.

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