

CF Canlife High Income Unit Trust
Manager's Interim Short Report
for the half year ended 15 March 2009

Investment Objective and Policy

The CF Canlife High Income Unit Trust ('the Trust') aims to provide a half-yearly income and some capital growth mainly from investment in shares, quoted on UK markets, providing an above-average yield. 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 March	15 May
Final	15 September	15 November

Total Expense Ratio

Expense Type	15.03.09 %	15.09.08 %
Manager's periodic charge	1.50	1.50
Other expenses	0.11	0.11
Total expense ratio	1.61	1.61

Distributions

Unit Class	Interim 15.03.09 pence per unit
Income	6.5165

Price and Income History

Income units

Calendar Year	Highest Buying Price P	Lowest Selling Price P	Distribution per unit P
2004	345.68	219.30	13.2279
2005	411.05	325.37	13.1231
2006	464.91	371.51	13.3461
2007	485.70	410.75	14.7607
2008	453.69	266.92	15.8617
2009*	338.24	262.51	6.5165

* To 15 March 2009.

Net Asset Value

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.09.06	73,506,121	18,317,551	401.29
15.09.07	74,288,281	17,420,908	426.43
15.09.08	64,283,634	18,383,668	349.68
15.03.09	53,419,647	20,170,010	264.85

Net Asset Value Performance to 15 March 2009 (%)

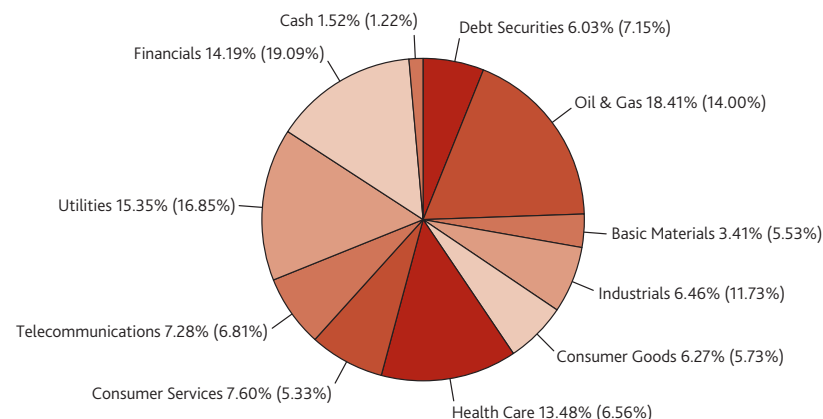
	6 months	1 year	3 years	5 years
CF Canlife High Income Unit Trust	(22.40)	(25.49)	(24.69)	14.33
FTSE All-Share Index	(26.76)	(31.04)	(29.69)	4.64

The performance of the Trust is based on the net asset value per Income unit with 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 September 2008.

Major Holdings

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

Holding	% of Trust as at 15.03.09	Holding	% of Trust as at 15.09.08
Royal Dutch Shell 'B'	8.44	HSBC Holdings	6.49
BP	7.87	BP	6.03
Vodafone Group	6.74	Royal Dutch Shell 'B'	5.84
GlaxoSmithKline	6.69	Vodafone Group	4.72
BlackRock Institutional Sterling Liquidity Fund	6.55	GlaxoSmithKline	4.48
AstraZeneca	6.51	Scottish & Southern Energy	3.70
RBS 4.125% 2011	3.90	National Grid	3.68
BHP Billiton	3.18	Centrica	3.54
National Grid	2.99	Treasury 5.75% 2009	3.16
Centrica	2.80	Europäische Hypothekenbank 5% 2008	3.10

INVESTMENT MANAGER'S REPORT

Investment Review

Production continued to fall over the past six months, both in the UK and globally. Gross domestic product (GDP) growth forecasts have now fallen to -3% for 2009, with a small recovery in 2010. History suggests that whilst possible, this hope for a speedy recovery might prove optimistic.

Although inflation is forecast to remain below 2% in the short term, actions taken by the government are potentially extremely inflationary. Meanwhile, unemployment has continued to rise and looks set to keep rising. The consensus estimates that the UK unemployment rate will reach 6.6% in 2010, up from 2.8% in 2008.

To combat these problems, interest rates globally have been slashed to nearly zero; the UK recently cut to 0.5%; the US have cut to 0.25%, and the European Central Bank (ECB) cut to 1.25%.

Government bailouts of banks around the world have become common, with the UK leading this process. Large government stakes have been taken in the vulnerable banks, raising equity cushions against bad debts, and heavily diluting the holdings of the existing shareholders. Taxpayers are likely to have to pay out for some of these rescue packages in due course through increased tax rates.

Market

UK equities fell sharply in September 2008 and have moved broadly sideways since then. Volatility has been high. Most sectors fared poorly, in particular the financials and real estate companies. General Insurance did much better, as did the integrated oil companies and defensive stocks such as tobacco companies and food retailers.

Bonds were the best asset class to be invested in, aided by government buying of bonds. Commercial property continued to steadily devalue. UK real estate companies have been very active in raising fresh equity to protect against default of bank covenants.

Activity

The portfolio continued to reduce its exposure to the banking sector, eliminating Royal Bank of Scotland and reducing HSBC. It is likely that bad debts and increasing regulation will weigh heavily on future returns for many years.

The portfolio took a new position in Sainsbury. Although expensive, the company has improved its operations recently, and its earnings should prove resilient through the difficult times ahead. The two pharmaceutical majors, AstraZeneca and GlaxoSmithKline, were also added to, as was Vodafone.

Outlook

The future is particularly unclear at the moment. The contraction in the global economy and the vast debt repayments that will follow are being offset by unprecedented large-scale government actions. It is likely that volatility is set to continue until the outcome becomes clearer. Equity valuations on long-term metrics remain attractive.

Canada Life Asset Management Limited

Investment Manager

8 April 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 High Income Unit Trust for the half year ended 31 March 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 half year it covers and the results of those activities at the end of the half year.

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