

CF Canlife North American Unit Trust
Manager's Interim Unaudited Short Report
for the half year ended 15 January 2010

Investment Objective and Policy

The CF Canlife North American Unit Trust ('the Trust') aims to provide capital growth mainly from investment in shares quoted on North American 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 January	–
Final	15 July	15 September

Total Expense Ratio

Expense Type	15.01.10 %	15.07.09 %
Manager's periodic charge	1.50	1.50
Other expenses	0.06	0.06
Total expense ratio	1.56	1.56

Portfolio Turnover Rate

	15.01.10 %	15.07.09 %
Portfolio turnover rate	182.17	287.02

Distributions

Distributions are allocated annually on 15 July.

Performance Record

Accumulation units

Calendar Year	Highest Buying Price p	Lowest Selling Price p	Distribution per unit p
2005	440.86	340.29	–
2006	447.72	369.24	–
2007	453.33	390.24	–
2008	459.79	304.41	–
2009	490.32	312.69	–
2010*	493.34	452.53	–

* To 15 January 2010.

Net Asset Value

Date	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
15.07.07	125,822,713	30,471,788	412.92
15.07.08	97,837,467	26,895,393	363.77
15.07.09	96,957,579	25,806,101	375.72
15.01.10	108,428,387	23,640,485	458.66

Net Asset Value Performance to 15 January 2010 (%)

	6 months	1 year	3 years	5 years
CF Canlife North American Unit Trust	22.07	25.62	12.94	26.36
S&P 500 Index	21.80	34.64	-20.60	-4.09

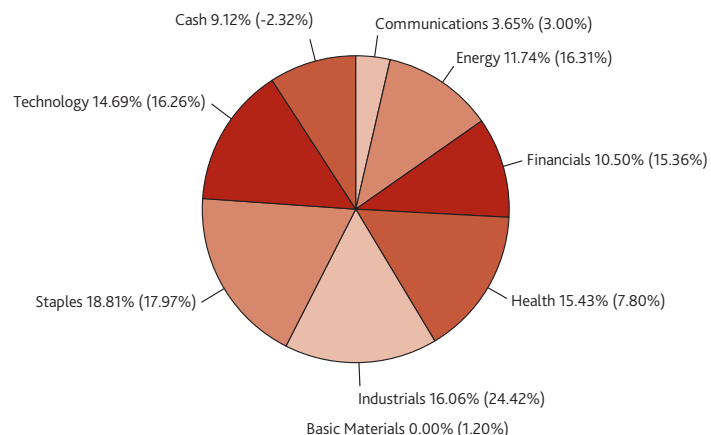
The performance of the Trust is based on the net asset value per Accumulation unit which includes income reinvested.

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 July 2009.

Major Holdings

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

Holding	% of Trust as at 15.01.10	Holding	% of Trust as at 15.07.09
Financial Select Sector SPDR	7.48	Financial Select Sector SPDR	8.34
Wal-Mart Stores	4.08	TiVo	4.12
Itron	3.07	Itron	3.29
Exxon Mobil Corporations	2.72	Exxon Mobil Corporations	2.62
Pharmaceutical Product Development	2.35	MetLife	2.21
Johnson & Johnson	2.26	Badger Meter	2.18
Procter & Gamble Company (The)	2.25	Procter & Gamble Company (The)	2.06
Abbott Laboratories	2.12	Rockwell Automation	1.90
Badger Meter	2.01	Microsoft Corporation	1.84
Verizon Communications	1.85	Wal-Mart Stores	1.83

Investment Review

The review period was a story of the beginnings of economic recovery and of stock markets rising sharply in anticipation of this. Global indices were dramatically and widely higher with the benchmark S&P 500 Index rising a creditable 21.8% in US dollars and 23% once translated into sterling.

To recap, the global economy has been through torrid times with collapsing housing markets, financial meltdown and dramatically weaker economies. But, with unprecedented intervention by the authorities we saw interest rates slashed, vast economic stimulus packages enacted and financial rescues put in place. Together these measures were very powerful and served to put a floor under the global economy.

As the review period progressed data releases got stronger and stronger and it is now clear we are in recovery mode. Our favoured indicator in the US is the ISM Index of manufacturing conditions because it gives such a good read on industrial activity. This reached a low in December 2008 and has been recovering ever since. It is now at levels consistent with strong economic growth. Moreover, new orders are very firm pointing to further growth in coming months.

Activity for the economy as a whole tells much the same story with 1st quarter 2009 Gross Domestic Product (GDP) declining by an alarming 6.4% (quarter on quarter annualised). By the third quarter growth had returned with an increase of 2.2% whilst the next release, expected shortly, is likely to show growth at or above 5%.

So far so good. Unprecedented stimulus has generated widespread recovery. However, there are issues which still concern us. Most notably, unemployment has remained stubbornly high with 10% of the available workforce without jobs. In turn, this raises significant concerns for consumer spending. Faced with poor job prospects, too much debt (arguably) and banks that won't lend, it is hard to construct an argument for a self sustaining recovery in consumption. This suggests to us that economic cycles in the US will remain short and shallow in the foreseeable future.

Despite record low interest rates we think that growth may slow in the next quarter or two and that will present some real difficulties for the authorities because budget deficits and national debts levels are very high and deteriorating.

The Stock Market

The anticipation of economic recovery is generally very good for stock markets and this time was no exception. Overall returns were very strong with a gain of 21.8% for the benchmark S&P 500 Index. The market rose consistently for most of the review period although saw some profit taking in the final week. Sector returns were consistent with a recovery theme. The best performer was industrials with a gain of 30.9%, next was basic materials (+29.8%) and then consumer cyclicals (+28%). The more defensive sectors underperformed although all still rose. Communications gained by only 6.8% whilst utilities were up 10% and consumer staples 12.5%.

Trust Activity

The Trust was set up for a recovering market early on in the year with overweight positions in industrials, consumer cyclicals and basic materials. The offsetting underweights were in consumer staples and healthcare. As the market continued to rise we reduced our risk profile slightly and adopted a rather more neutral stance. In terms of individual names sales included Dow Chemical and Freeport to reduce commodity exposure. Salesforce was removed after a very strong run up which took valuations too high, in our view. Our TiVo holding was scaled back after its successful court case. Additions included Wal-Mart Stores, which had underperformed significantly in 2009 and seemed good value to us. For much the same reason Proctor and Gamble, the consumer goods maker, was also added to the portfolio.

Outlook

The economic picture is dramatically better than six months ago with robust growth in the US and elsewhere. In turn, this will lead to a strong recovery in corporate earnings. However, despite the rosy picture, we fear for the durability of this recovery. There are still widespread problems of over indebtedness and high unemployment which in turn will keep a lid on sustainable growth. As such we believe a more balanced approach is appropriate this year.

Canada Life Asset Management Limited

Investment Manager
22 February 2010

Buying and Selling Units

The Manager will accept orders to deal in the units on normal business days between 8.30am 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 North American Unit Trust for the half year ended 15 January 2010. 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.

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 & Depository (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
Gelder 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