

## SATRIX DIVIDEND PLUS

Share code: STXDIV ISIN: ZAE000102018

A portfolio in the Satrix Collective Investment Scheme ("Satrix") registered as such in terms of the Collective Investment Schemes Control Act, 45 of 2002 (the "Act") (the "portfolio")

## ABRIDGED AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

## Income statement

for the year ended 31 December 2008

	2008	2007
REVENUE	R	R
Dividend income	17 919 747	4 153 101
Fee income: Securities lending	36 816	-
Interest income	256 102	69 810
	18 212 665	4 222 911
Fair value adjustment, net of transaction costs	(1 083 154)	(385 724)
EXPENSES		
Management and administrative expenses	(1 512 221)	(819 877)
Income available for distribution	15 617 290	3 017 310
Distributions	(15 441 447)	(3 002 050)
Change in net assets attributable to investors before tax	175 843	15 260
Taxation	-	-
Change in net assets attributable to investors	175 843	15 260

## Balance sheet

as at 31 December 2008

	2008	2007
ASSETS		
Listed investments held at fair value through profit or loss	365 919 570	349 299 066
Trade and other receivables	237 855	98 951 045
Cash and cash equivalents	2 684 938	2 722 526
Total assets	368 842 363	450 972 637
LIABILITIES		
Net assets attributable to investors	366 110 673	349 314 326
Trade and other payables	2 731 690	101 658 311
Total liabilities	368 842 363	450 972 637

Statement of changes in net assets attributable to investors  
for the year ended 31 December 2008

	Capital attributable to investors R	Income attributable to investors R	Total R
Balance at 30 August 2007	-	-	-
Change in net assets attributable to investors	-	15 260	15 260
Revaluation of securities	(12 593 677)	-	(12 593 677)
Net creation of securities	361 892 743	-	361 892 743
Balance at 31 December 2007	349 299 066	15 260	349 314 326
Change in net assets attributable to investors	-	175 843	175 843
Revaluation of securities	(36 133 567)	-	(36 133 567)
Net creation of securities	52 754 071	-	52 754 071
Balance at 31 December 2008	365 919 570	191 103	366 110 673

Cash flow statement  
for the year ended 31 December 2008

	2008 R	2007 R
Cash utilised by operations	(1 937 948)	(272 532)
Dividend income	18 508 058	3 386 759
Fee income: Securities lending	32 240	-
Interest income	246 722	23 941
	16 849 072	3 138 168
Net cash outflow from investing activities	(53 837 225)	(362 278 467)
Net cash inflow from financing activities	36 950 565	361 862 825
Net creation of securities	52 754 072	361 892 743
Cash distributed to security holders	(15 803 507)	(29 918)
Net (decrease)/increase in cash and cash equivalents	(37 588)	2 722 526
Cash and cash equivalents at the beginning of year	2 722 526	-
Cash and cash equivalents at the end of year	2 684 938	2 722 526

Notes to the financial statements  
for the year ended 31 December 2008

Basis of preparation

The financial statements are prepared on a historic cost

basis, except for financial instruments which are accounted for as set out in note 1.1.

#### Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and in accordance with the requirements of the Standard Exchange Traded Fund Trust Deed approved by the Financial Services Board ("FSB") and the Collective Investment Schemes Control Act No 45 of 2002 ("CISCA").

### 1. Accounting policies

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year.

#### 1.1 Financial instruments

##### Measurement

Financial instruments are recognised when, and only when, the Portfolio becomes a party to the contractual provisions of that particular instrument. Financial instruments are initially measured at their fair value plus, in the case of instruments not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the instruments. Subsequent to initial recognition these instruments are measured as set out below.

##### Investments

Listed investments are measured at fair value through profit or loss. Fair value is determined with reference to quoted market prices at the balance sheet date, as published in the financial press at reporting date.

##### Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest rate method, less impairment losses. Trade and other receivables are short term in nature and are not discounted.

##### Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

##### Financial liabilities

#### 1.1 Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Portfolio has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Derecognition of financial instruments

The Portfolio derecognises financial assets when and only when:

- The contractual rights to the cash flows arising from the financial assets have expired or have been forfeited by the Portfolio; or
- It transfers the financial assets including

substantially all the risks and rewards of ownership of the assets; or

- It transfers the financial assets, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the assets.

A financial liability is derecognised when and only when the liability is extinguished, that i.e. when the obligation specified in the contract is discharged, cancelled or has expired.

On derecognition of a financial instrument in its entirety (or part thereof), the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

#### 1.2 Trade and other payables

Trade payables and other accounts payable are recognised when the Portfolio becomes obligated to make future payments resulting from the purchase of goods and services.

#### 1.3 Revenue

Revenue comprises income from securities lending activities and investment income.

#### 1.4 Securities lending fee income

The fees earned for the administration of securities lending activities are accounted for on an accrual basis in the period in which the service is rendered. Assets subject to securities lending are not derecognised.

#### 1.5 Investment income

Interest income is recognised in the income statement, using the effective rate method taking into account the expected timing and amount of cash flows.

Dividends in the form of cash and manufactured dividends are recognised when the right to receive the expected payment is established.

Manufactured dividends received are recognised as income in the income statement.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

#### 1.7 Taxation

Under the current system of taxation in South Africa, the Portfolio is exempt from paying tax on income or capital gains that are distributed to investors. Both income and capital gains are taxed in the hands of the investor.

#### 1.8 Securities lending

The Portfolio engages in securities lending activities for up to 70% of the market value of assets under management which is permitted by the Portfolio Trust Deed and approved by the Trustee. Collateral is held by the lending desk of the relevant financial institutions.

#### 1.9 Expenses

Expenses are recognised as incurred.

#### 1.10 Impairment

Financial assets that are measured at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. An impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the income statement.

#### 1.11 Distributions

Distributions payable on redeemable securities are recognised in the income statement as distributions.

#### 1.12 Creations and redemptions

Investors can acquire Satrix securities by trading on the JSE. These purchases will be made at the current market price of the securities plus a brokerage fee that is negotiable with the broker and any additional transaction costs applicable to such a trade.

The cash subscription price and the number of Satrix securities to be issued to an investor for cash will be determined by the amount which the investor invests (net of transaction costs) and will be a function of the pro rata cost to the Portfolio of acquiring the underlying basket of securities.

Investors subscribing for Satrix DIVI Plus securities, by the delivery of one or more full baskets of constituents securities, are obligated to subscribe for securities in blocks of 1 million Satrix securities.

Investors may sell securities by trading on the JSE.

Security prices are determined by reference to the net assets of the Portfolio divided by the number of securities in issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market price quoted on the JSE.

#### 1.13 Redeemable securities

All redeemable securities issued by the scheme provide investors with the right to require redemption for cash or in specie at the value proportionate to investor's share. Such instruments give rise to a financial liability for the net asset value of the redemption amount in the Portfolio's net assets at redemption date. In accordance with the Portfolio's Trust Deed and CISCA, the Portfolio is contractually obliged to redeem securities at the net asset value.

These securities have been designated as at fair value through profit or loss as they eliminate an accounting mismatch due to the underlying investments being classified as fair value through profit or loss.

1.14 Distributions

In accordance with the Portfolio's Trust Deed, the Portfolio distributes its distributable income and any other amounts determined by the Management Company, to security holders in cash. The distributions are payable at the end of each quarter and recognised in the income statement as distributions.

1.15 Net assets attributable to security holders

Securities are redeemable at the security holder's option and are therefore classified as financial liabilities. The securities may be sold back to the Portfolio at anytime. The fair value of redeemable securities is measured at the redemption amount that is payable (in cash and securities representing each investor's equal, undivided and vested interest in the assets as a whole, subject to liabilities, as defined by the Portfolio's Trust Deed) at the balance sheet date if security holders exercised their right to sell the securities back to the Portfolio.

1.16 Increase/decrease in net assets attributable to security holders

Income not distributed is included in net assets attributable to security holders.

1.17 Forthcoming requirements

Future amendments not early adopted in the 2008 annual financial statements

The following standards, amendments to standards, and interpretations, effective for the first time in the future accounting period, and which are relevant to the Portfolio, have not been adopted for the year ended 31 December 2008:

- IAS 1 'Presentation of Financial Statements' (effective 1 January 2009)

The changes include a requirement to introduce a statement of comprehensive income. There will be some limited presentational changes as a result of the introduction of this standard but no changes in the measurement and recognition.

- IAS 32 'Financial Instruments: Presentation - Puttable Financial Instruments and Obligations arising on Liquidation'

The amendments to IAS 32 address this and require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions:

- (i) Puttable financial instruments (for example, some shares issued by co-operative entities); and
- (ii) Instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required for

the instruments affected by the amendments. The amendments will apply for annual periods beginning on or after 1 January 2009, with earlier application permitted.

These financial statements have been audited by the independent auditors, KPMG Inc., and their unqualified audit opinion is available for inspection at the company's registered office. A full copy of these financial statements is available on the Satrix website [www.satrix.co.za](http://www.satrix.co.za).

31 March 2009

Sponsor  
Java Capital (Proprietary) Limited

Trustee  
ABSA Bank Limited