

SATRIX RAFI 40

Share code: STXRAF ISIN: ZAE000126033

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 THREE MONTHS ENDED 31 DECEMBER 2008

Income statement

for the three months ended 31 December 2008

	2008
	R
REVENUE	
Dividend income	584 204
Interest income	6 809
	591 013
Fair value adjustment, net of transaction costs	(81 886)
EXPENSES	
Management and administrative expenses	(139 749)
Income available for distribution	369 378
Distributions	(354 780)
Change in net assets attributable to investors before tax	14 598
Taxation	-
Change in net assets attributable to investors	14 598

Balance sheet

as at 31 December 2008

	2008
	R
ASSETS	
Listed investments held at fair value through profit or loss	121 905 400
Trade and other receivables	170 940
Cash and cash equivalents	74 315
Total assets	122 150 655

LIABILITIES

Net assets attributable to investors	121 919 998
Trade and other payables	230 657
Total liabilities	122 150 655
Statement of changes in net assets attributable to investors for the three months ended 31 December 2008	

	Capital attributable to investors R	Income attributable to investors R	Total R
Balance at 16 October 2008	-	-	-
Change in net assets attributable to investors	-	14 598	14 598
Revaluation of securities	5 302 055	-	5 302 055
Net creation of securities	116 603 345	-	116 603 345
Balance at 31 December 2008	121 905 400	14 598	121 919 998

Cash flow statement

for the three months ended 31 December 2008

	2008 R
Cash utilised by operations	(73 903)
Dividend income	584 204
Interest income	680
	510 981
Net cash outflow from investing activities	(117 210 211)
Net cash inflow from financing activities	
Net creation of securities	116 773 545
Net increase in cash and cash equivalents	74 315
Cash and cash equivalents at the beginning of year	-
Cash and cash equivalents at the end of year	74 315

Notes to the financial statements

for the three months 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").

The financial statements incorporate the principal accounting policies set out below.

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

Financial liabilities, other than those held at fair value through profit or loss, are measured at amortised cost. Financial liabilities arising from the securities issued by the Portfolio are measured at the fair value representing the investor's right to an interest in the Portfolio's net assets, i.e. the Net Asset Value ("NAV") of the Portfolio. Changes in the fair value are included in net profit or loss in the period in which the change arises and is designated as at fair value through profit or loss.

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, 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 investment income.

1.4 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 are recognised when the right to receive the expected payment is established.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

1.6 Taxation

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

1.7 Expenses

Expenses are recognised as incurred.

1.8 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 the 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.

1.9 Distributions

Distributions reinvested on behalf of investors on redeemable securities are recognised in the income statement as distributions.

1.10 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 RAFI 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 security 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.

1.11 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.

1.12 Distributions

In accordance with the Portfolio's Trust Deed, the Portfolio reinvests dividends on behalf of investors.

1.13 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.

1.14 Increase/decrease in net assets attributable to security holders

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

1.15 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 three months 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.

31 March 2009

Sponsor
Java Capital (Proprietary) Limited

Trustee
ABSA Bank Limited