CONEXUS FACT SHEET

MAY 2007

Conexus' investment objective is to provide Investors with the opportunity to achieve long-term capital appreciation together with dividend growth through active management by investing in a portfolio of equities, derivative instruments, other securities listed on the JSE and OTC markets, private equity and private equity related securities and instruments listed on the Bond Exchange of South Africa. The Investment Manager targets a substantial portion of the investments being made in private equity investments that may be regarded as high risk by virtue of these positions being illiquid in nature and where governance and reporting standards may not be as developed as those in public markets. Investors in Conexus will own ordinary shares in Conexus Investment Fund Limited (which will house most listed instruments) as well as a beneficial ownership through a vested interest in the Conexus Capital Trust (which will house private equity investments).

Conexus Investment Fund Limited

Company information

Launch Date:	October 2006
Company NAV:	R87.3m
Dealing:	Quarterly
Investment:	Ordinary unlisted shares
Management Fee[1]:	1.20% pa of NAV
Administration Fee[1]:	0.24% pa of NAV
Performance Fee[1]:	12% of realised & unrealised gains on a high watermark basis of NAV
Share price[2]:	R1,181.96

1. Excl VAT
2. Rounded to nearest Rand

Top holdings

Cash	39.7%
Datapro	18.1%
Hedge funds	8.0%
Listed Prefs	4.9%
Sasol	4.2%
BHP Billton	3.7%
Datatec	3.5%
Johnnic	3.3%
Wesco	3.2%
MTN	2.1%
RMB Holding	1.9%

Share Price history

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD %
2006/7	-	-	1,015	1,071	7,1%
2007/8	1,182	-	-	-	10,4%
2008/9	-	-	-	-	-
2009/10	-	-	-	-	-

Fee Calculations

Conexus Investment Fund Limited management and administration fees are calculated after providing for income and/or capital gains tax. Performance fees are calculated on a pre-tax basis. These methodologies of calculating fees align the interests of the manager with those of the shareholders.

Conexus Capital Trust

Trust Information

Investment:	Vesting Trust
Trust NAV:	R4.2m
Initial charges:	Nil
Management Fee[1]:	1.20% pa of NAV
Administration Fee[1]:	0.24% pa of NAV
Performance Fee[1]:	12% of realised gains on a high watermark basis of NAV

1. Excl VAT

Investments

Series	Investment	Date	Cost	Proceeds	IRR
1	South Point Property	Feb 2007	R4m	n/a	n/a

Investment Manager Commentary

The old saying of "sell in May and go away" would have been a mistake to implement this year. The nervousness seen in the market and expressed in the last quarterly (end February) report, dissipated faster than it occurred. What is interesting is this was driven by very strong domestic factors and results produced by quoted companies. The results were so good that the market rating and valuation criteria, as evidenced in the P/E multiple (currently 15.6X) has declined from the end January peak. The February "correction" is almost unnoticeable and certainly forgotten, as equity investors gratefully accept a return of 13% year to date.

The trick is to look to the future and question if this extended "bull run" can complete a fifth year on a virtually uninterrupted basis. The underpin to company growth is the strong economy which remains in-tact, but there are some warnings that the same pace of growth will be difficult to achieve. Some indicators are inflation breaching the 6% target and new car sales weakening in spite of expanding credit data. We have had rate hikes and it appears that there are more to come, which could cause the consumer to allocate more of his purse to necessities and reducing debt. We have also recently seen a disruption in government services due to strike action which will be detrimental to the functioning of the economy. It is therefore likely that consumer driven stocks are due for a breather. However, the resource stocks will probably continue the run and have the benefit of being a natural Rand hedge which is a possible upside as inflation naturally weakens the currency. The key to resources is to avoid a significant slowdown in any of the major world economies, and the US may raise concerns in this regard.

The return (+10.4%) delivered to Conexus in the last quarter is very satisfactory and more so when it is recognised as after costs and taxes, i.e. this is the true value to the investor net of everything. The portfolio has continued to be managed conservatively with large cash and near cash content. However, to use this cash more productively a relationship has been developed with Peregrine to employ some of the money in equity hedge funds that have to date given far better returns than those available from cash. It remains to be seen if the hedge protection will be demonstrated should the market correct. The arrangement with Peregrine also maintains the liquidity required in Conexus by allowing a 70% borrowing facility against the investment in some of the hedge funds. This facility is at favourable rates and could be useful if required to invest in a private equity opportunity. It is also possible that some direct hedging activities might take place in the Conexus portfolio.

The main equity driver has been Datapro which, while listed on Alt X, has been similar to a private equity deal. Due to the share price performance this now comprises a large portion of the portfolio. There may be a similar opportunity arising in a commodity based investment.

As previously reported, a number (>30) of private equity deals have been looked at and continue to manifest themselves. A lot of work is done in this regard and investors enjoy the "optionality" of this while benefiting from the growth achieved in the quoted arena. Private equity deals will be closed on the basis that more value is available than in the quoted markets. To date South Point is the first and only deal closed and it is expected that the commitment of a further R8m will be made before the end of June. The return on these investments is not quantified as they are held at cost to avoid valuation debates. Any private equity returns are over and above that in the quoted portfolio (Conexus Investment Fund Ltd)

Investment Manager:	Advisor (corporate & legal):	Structured & Administered by:
Clive Douglas Investments (Pty) Ltd	Metier Advisory (Pty) Ltd	Realtime Financial Solutions (Pty) Ltd