



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:	R62,6m
Dealing:	Quarterly
Investment:	Ordinary unlisted shares
Management Fee¹:	1.20% pa
Administration Fee¹:	0.24% pa
Performance Fee¹:	12% of realised & unrealised gains using the high water mark principle
Share price:	R1,016.05

Top holdings

Cash	33.3%
Hedge Funds	9.8%
RedSun Loan	9.7%
Sasol	7.8%
Billiton	6.9%
Vox Telecom	6.6%
Standard Bank	6.1%
Listed Prefs	5.7%
MTN Group	4.6%
York	3.1%
Metmar	2.9%

Share Price history²

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD %
2006/7	-	-	1,015	1,071	7.1%
2007/8	1,182	1,194	1,197	1,190	11.1%
2008/9	1,219	1,156	1,029	986	-17.1%
2009/10	1,016	-	-	-	3.0%

Share Price Performance Calculation

The share price represents the net asset value calculated at the end of May, August, November and February each year, in accordance with the Offer document. The YTD performance represents the percentage movement in the share price for the period under review (i.e. latest share price / previous year end price less 1). Past performance is not necessarily a guide to future performance.

1. Excl VAT
2. Rounded to nearest Rand

Conexus Capital Trust

Trust Information

Investment:	Vesting Trust
Trust NAV:	R93.8m
Initial charges:	Nil
Management Fee¹:	1.20% pa
Administration Fee¹:	0.24% pa
Performance Fee¹:	12% of realised gains using the high water mark principle

Investments

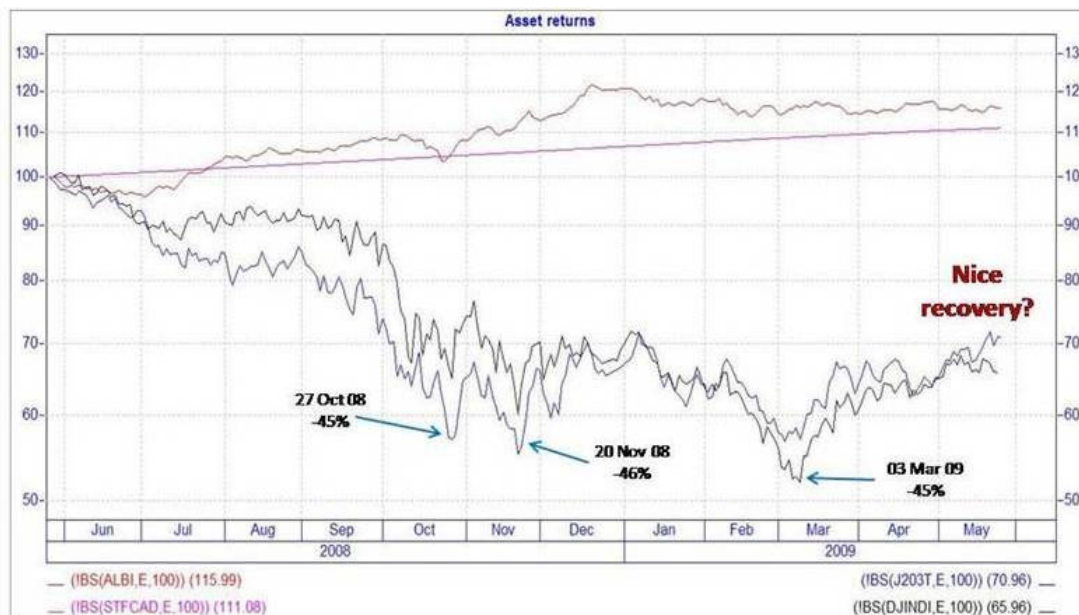
Description	Cost	Estimated Mkt Value	IRR ¹
Unrealised	R91.5m	R100.8m	10.5%
Realised			
Hillson Drilling			34.5%
Total			11.0%

1. Excl VAT

1. IRR represents annualised IRR net of management fees and prior to performance fees.

Investment Manager Commentary

It appears that bumping along the bottom is more of a reality and hopefully 3 March 2009 was the last bump! Since our report in early March, the ALSI has corrected to the extent of 27.8% showing a nice recovery and equity portfolios have reflected this.



As is always the case with markets, hindsight is the easy part and we need to take a view of "where to from here?". Clem Sunter provides two scenarios, being "new balls please" which is supported by Obama and Bernanke who argue a V shaped recovery. The alternative scenario is a "perfect storm" expecting a prolonged recession post the long boom the world experienced since the 1970's.

Investment Manager Commentary (continued)

Fortunately the probabilities are in favour of a V shaped recovery as economies enter 2010. Markets might be leading this now and this is helped by a feeling of reduced risk of systemic failure as the financial plumbing of the world appears to normalise. The flags that support "new balls please" would be the unprecedented Central Bank interventions (including the US government stance on General Motors), a significant technological development possibly around a key resource such as energy, and a better economic balance between the East and the West (ie avoidance of a China meltdown). Going forward we need to expect banks to be more tightly regulated implying that credit facilities will remain tight for a long time to come as the world adjusts to more realistic asset values that are less geared.

South Africa might experience a shallower V if the new leadership is inclusive and adopts the urgency to provide support to the economy. We have the advantage of the key drivers being resources, small business and strong tourism and agricultural sectors all of which Government are supportive of. It would also appear that our banks are in better shape than most countries and the return to normal relationships will be quicker. This has been driven by our Reserve Bank Governor, Tito Mboweni, who has used monetary policies carefully but effectively. Interest rate declines have been appropriately timed and will provide the necessary relief to the economy.

Trying to attach an alphabetic letter to the market movement doesn't make much sense as the graph above looks more like a "slinky". Things have been tough and there is definitely a feeling that the gloom is lifting, as shown by the quoted portfolio. We believe Conexus' private equity investments are demonstrating the same and might resume a normal growth profile more quickly. We are proud of the fact that while most of the Conexus Capital Trust investments have missed targets, it is likely that all will be profitable in their current financial year. The exception is South Point that has managed to be completely unscathed by the economic stresses in demonstrating strong balance sheet growth and an expanding portfolio in the student accommodation market. We still have a significant cash balance in Conexus as a whole and are seeing many opportunities, some of which manifest themselves out of the economic crisis and we hope to take advantage of these circumstances.

Investment Manager:

Clive Douglas Investments (Pty) Ltd

Advisor (corporate & legal):Metier Investment & Advisory Services (Pty)
Ltd**Structured & Administered by:**

Realtime Financial Solutions (Pty) Ltd

Disclaimer

The information and opinions contained in this document are recorded and expressed in good faith and in reliance on sources believed to be credible. However no representation, warranty, undertaking or guarantee of whatever nature is made or given concerning the accuracy and/or completeness of such information and/or correctness of such opinions. Neither the Investment Manager, the Advisor nor the Administrator will accept any responsibility for any investment decisions based on the information and opinions contained in this document. Past performance is no guarantee of future performance.