BELLWETHER

-n. one that takes the lead or initiative

BELLWETHER PARTNERS LIMITED
Australian Share Fund
April 2010

Key Details	
Investment Manager	Bellwether Partners Limited AFSL: 238460 Level 9, 63 Exhibition Street Melbourne Victoria 3000
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Fund Inception	11 August 2004
Benchmark	S&P/ASX 300 Accumulation Index
Number of Stocks Held	30

Unit Price: 30 April 2010	
NAV Price	1.2305
Buy Price	1.2348
Sell Price	1.2262

Bellwether Partners Australian Share Fund Performance

To 30 April 2010	1 Month	3 Months	1 Year	2 Years (pa)	3 Years (pa)	5 Years (pa)	Inception (pa)
Fund Return (Gross)	-1.88%	6.46%	33.04%	2.35%	1.74%	14.09%	15.86%
S&P/ASX 300 Accumulation Index	-1.35%	6.45%	32.47%	-3.02%	-3.97%	8.40%	10.29%
Out/Underperformance	-0.53%	0.01%	0.57%	5.37%	5.71%	5.69%	5.57%

Performance numbers for periods of greater than one year have been annualized. Fund inception: 11 August 2004.

OVERVIEW

The Australian equity market fell slightly during April, with the S&P/ASX 300 falling by 1.3% after strong returns in February and March. Global markets (MSCI World ex Australia) rose by 0.2%, outperforming the Australian market. Global macroeconomic factors were again the major focus during the month, as Standard & Poor's downgraded Greece's credit rating to junk status. China increased the minimum down-payment requirement on houses to slowdown their booming property market, and ultimately economic growth. A volcanic eruption in Iceland caused major disruption to European air travel, and a civil lawsuit was brought against Goldman Sachs for fraud. Domestically, the uncertainty regarding the suggestions and outcomes of the Henry Tax Review hurt the Resources sector.

The majority of market sectors performed poorly over the month, with all sectors except for Property, Financials, and Telecoms posting negative returns. Telecoms was the strongest sector increasing by 5.5%, Property also performed well increasing by 4.0%. Healthcare was the worst performing sector falling 6.7%, followed by Consumer Staples which decreased by 4.0%.

Commodity prices were mixed, with Nickel rising by 5.1%, Aluminium falling by 2.3%, and Copper dropping by 4.7%. Gold rose 6.8% to finish at US$1,179 and Oil was particularly strong rising 2.9% to US$86.15.

Key economic indicators were mixed in April, while the Reserve Bank's decision to increase interest rates by 25bp to 4.25% was expected by the market. Australian consumption appears to be slowing, with retail sales falling by 1.4% in February. 1Q inflation of 0.9%, 2.9% YOY, has placed greater pressure on additional interest rate rises in the near term. Unemployment remained at 5.3%, while business and consumer confidence fell slightly. The Australian dollar was 0.7% higher to US 92.4c and 2.5% higher to EUR 69.5c.

The Bellwether Partners Australian Share Fund fell by 1.9%, underperforming the market which dropped by 1.3%.

OUTLOOK

In April, markets consolidated the strong returns made over February and March. Many observers believe the market is now at about "fair value", however there are still many stocks in the market that remain attractive based on valuations. The domestic equity market (and several international markets) reached post GFC highs mid month, before falling away due to the macro issues discussed earlier.

Evidence is growing that the US recovery is stronger than expected. Positive economic data released such as improvements in consumer spending and retail sales, strong rises in GDP, employment having its strongest rise in three years, and the ISM manufacturing index rising at its fastest rate in over five years. Also the 1Q10 US reporting season results very strong.

Greece's sovereign debt concerns will likely see a short-term fix, with Greece required to raise EUR€11bn by the end of May to cover debts that will mature by then. An expected EU bailout package should help reduce contagion fears, as similar bailouts would most likely be made available to other struggling EU nations if required.

POSITIVE CONTRIBUTORS

Macarthur Coal Limited (MCC)

Portfolio Contribution	+0.25%

Macarthur Coal had another strong month, increasing by 10.1% in April. Macarthur received a revised takeover proposal from Peabody Energy Corporation for $16 per share mid month, up from their $13 offer last month, and outbidding New Hope's offer of $14.50. MCC share rose by 8.2% on the day of the announcement.

ANZ Bank Limited (ANZ)*

Portfolio Contribution	+0.25%

ANZ fell 4.6% in April, underperforming the Financials sector which rose 0.3%. ANZ released its 2010 interim result, with a underlying profit for the half year ended 31 March 2010 of $2.3b, up 23% on the preceding half and 20% higher than the prior corresponding period. With expenses growing faster than expected and a dividend lower than anticipated, investors reacted unfavourably to the result.

Seek Limited (SEK)

Portfolio Contribution	+0.09%

Seek followed on from a strong February and March, rising by 4.6% in April. Seek outperformed the Industrials sector, which fell by 1.7%. There were no major news flows for Seek during the month, however positive price momentum and solid job numbers have assisted the stock.

NEGATIVE CONTRIBUTORS

Onesteel Limited (OST)

Portfolio Contribution	-0.24%

Onesteel dropped by 9.5% in April, underperforming the Materials sector which fell by 3.9%. Onesteel announced that following stoppages at its Whyalla Blast Furnace, production has been halted until connections between the blast furnace tap holes and the tuyeres have been re-established. OneSteel expects it to take around 4 weeks to return the blast furnace to normal levels.

Lihir Gold Limited (LGL)*

Portfolio Contribution	-0.16%

Lihir rose by 25.7%, outperforming the Materials sector. At the start of the month Lihir announced they had rejected Newcrest Mining's acquisition proposal. The offer was on the basis of 1 Newcrest share for every 9 Lihir shares plus $0.225 cash per Lihir share, less any interim dividend declared for the half year ended June 2010. Based on end of March prices, the offer was equivalent to $3.87 per share, valuing Lihir at approximately $9.2bn. Lihir rose 33.3% on the day of the announcement.

Westfield Group Limited (WDC)*

Portfolio Contribution	-0.16%

Westfield rose by 7.1% in April, out performing the Property Sector which returned 4.0%. Although there were no major news flows for Westfiled during the month, strong performance by US REITS has assisted the stock, as it holds numerous US assets.

Top Five Holdings: 30 April 2010

Stock	Fund (%)	B/Mark (%)
BHP Billiton Limited (BHP)	12.16%	11.89%
Commonwealth Bank Of Australia (CBA)	9.99%	7.87%
Westpac Banking Corporation (WBC)	9.74%	7.04%
National Australia Bank Limited (NAB)	6.38%	5.16%
Woolworths Limited (WOW)	4.18%	2.92%
Top Five	**42.45%**	-
Other Stocks	**56.06%**	-
Cash	**1.49%**	-
Total	**100.00%**	-

* Stocks with an asterisk are not currently held in the Australian Share Fund.