

Key Details

Investment Manager	Bellwether Partners Limited AFSL: 238460 Level 9, 63 Exhibition Street Melbourne Victoria 3000
Contact	Ph: 61 (0)3 96610888 Email: mail@bellwether.com.au Web: www.bellwether.com.au
Fund Inception	11 August 2004
Benchmark	S&P/ASX 300 Accumulation Index
Number of Stocks Held	25

BELLWETHER PARTNERS LIMITED

Australian Share Fund

July 2009

Unit Price: 31 July 2009	
NAV Price	1.0822
Buy Price	1.0860
Sell Price	1.0784

Australian Share Fund Performance

To 31 July 2009	1 Month	3 Months	1 Year	2 Years (pa)	3 Years (pa)	4 Years (pa)	Inception (pa)
Fund Return (Gross)	7.42%	14.50%	-1.68%	-6.20%	3.68%	9.80%	14.93%
S&P/ASX300 Accumulation Index	7.34%	13.22%	-10.28%	-13.18%	-1.01%	3.61%	8.45%
Out/Underperformance	0.08%	1.28%	8.60%	6.98%	4.69%	6.19%	6.48%

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

OVERVIEW

July not only consolidated the market rise since March but accelerated the trend with renewed vigour. The Australian market rose by 7.3% in July - again outperforming the World (ex Australia) rise of 6.3%. Not only are equity markets rising but debt markets too are showing improved confidence that global economies are on a recovery path with credit availability slowly freeing up and margins between government and corporate debt declining to levels which are more consistent with historical behaviour.

Investor focus continues to shift towards companies geared to economic growth. Growth forecasts for China provided a favourable backdrop for commodity prices and resources stocks. Materials, Industrials and Consumer Discretionary sectors strongly outperformed in July while selling in the more risk adverse space of Healthcare, REIT's and Telecoms provided funding for the switch to growth orientated stocks.

Australian economic data continued to improve with retail sales, consumer confidence and unemployment data stronger than expected. The RBA kept interest rates on hold at 3.0% and indicated that potential for further cuts is diminishing. The Australian dollar was well supported at 83.6c, up 2.9c. Gold enjoyed a very strong month rising by US\$28 to US\$954 an ounce. Oil was steady at US\$69.45 per barrel.

The Bellwether Partners Australian Share Fund (ASF) marginally outperformed the market demonstrating that our robust process is able to perform well in both strong and weak market conditions.

OUTLOOK

With the market having risen by 36.6% since March investors are likely to become more cautious but the rise is not inconsistent with rallies after a severe bear market in past cycles. Valuations are still not expensive and earnings will benefit from the heavy cost cutting and balance sheet improvement undertaken by most companies.

There is still some way to go before the "all clear" can be signalled but we are confident that the share market will provide a robust return over the next 12 months, particularly when dividends are taken into account. However the improvement will certainly be at a more moderate and responsible rate than we have seen over the past 5 months.

**POSITIVE CONTRIBUTORS****Leighton Holdings Limited (LEI)****Portfolio Contribution** +0.48%

Leighton had an outstanding month in winning new business contracts and that flowed through to their share price which rose 28.4%. The company won two Abu Dhabi construction contracts as well as work on Melbourne's M80 Ring Road and site preparation works for Chevron's Gorgon LNG project. Later in the month a Leighton subsidiary, Thiess, was part of a consortium that won the contract to built Australia's largest desalination plant in Victoria.

Asciano Group (AIO)**Portfolio Contribution** +0.39%

Asciano rose 19.9% in July following its successful capital raising (including a \$1.35bn placement which was approved by shareholders during the month). The company also announced it will proceed with a security purchase plan of up to \$100m. This strengthening of the balance sheet was welcomed by the market as was the news of a major Hunter Valley coal haulage contract renewal.

Rio Tinto Limited (RIO)**Portfolio Contribution** +0.38%

Materials generally were strong in July rising 9.5%. Rio outperformed by rising 15.7% as base metals were firm on the basis of improved economic conditions and forecast ongoing strong demand for bulk commodities from China. Both Rio and BHP delivered monthly production reports that were a little stronger than expected.

NEGATIVE CONTRIBUTORS**Commonwealth Bank of Australia Limited (CBA)*****Portfolio Contribution** -0.64%

The banking sector rose strongly in July being up 9.4%. Commonwealth rose by 9.7% but classifies as a negative contributor because it is not held in the ASF. The other major banks are held, including ANZ which rose by 12.4%. The bank strength emanated from the general improvement in the economic outlook including increased business activity and lending.

Bluescope Steel Limited (BSL)***Portfolio Contribution** -0.17%

Bluescope rose an astounding 33.2% in July after announcing its intention to restart No.5 Blast Furnace towards the end of August due to: (1) higher hot rolled coil prices; (2) an improvement in domestic volumes; (3) an end to destocking in global steel markets; and (4) demand from offshore internal/external customers.

AMP Limited (AMP)***Portfolio Contribution** -0.16%

AMP enjoyed a nice rise of 15.2% in July. Companies managing extensive assets including a strong exposure to shares (such as AMP) benefit from the rise in the market on two fronts: (1) is the higher management fees on the higher volume of funds under management and (2) the more direct benefit from an increase of the value of their corporate balance sheet assets which are held to support their insurance business. AMP's superannuation business is also performing solidly.

Top Five Holdings: 31 July 2009

Stock	Fund (%)	B/Mark (%)
BHP Billiton Limited (BHP)	15.32%	13.06%
Westpac Banking Corporation (WBC)	9.68%	6.55%
National Australia Bank Limited (NAB)	6.66%	4.91%
ANZ Banking Group Limited (ANZ)	5.79%	4.48%
Rio Tinto Limited (RIO)	5.37%	2.70%
Top Five	42.82%	-
Other Stocks	54.90%	-
Cash	2.28%	-
Total	100.00%	-

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

This fund is issued by Bellwether Partners Limited, AFS Licence 238460. This document provides general information only and is not financial product advice. It does not take into account your individual objectives, financial situation or needs. An Information Memorandum (IM) for the Bellwether Partners Australian Share Fund is available at www.bellwether.com.au or by contacting Bellwether on (03) 96610888. You should read the relevant IM and assess whether the information in it is appropriate for you, and consider talking to a financial adviser before making an investment decision. Past performance is no indication of future performance. Any information used in this publication that was taken from other sources is believed to be accurate at the time of publication. However, subject to any contrary provision in any applicable law, neither Bellwether Partners Limited nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it.