BELLWETHER

-n. one that takes the lead or initiative

Key Details	
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Fund Inception	11 August 2004
Benchmark	S&P/ASX 300 Accumulation Index
Number of Stocks Held	29

BELLWETHER PARTNERS LIMITED
Australian Share Fund
November 2009

Unit Price: 30 November 2009	
NAV Price	1.2161
Buy Price	1.2204
Sell Price	1.2118

Bellwether Partners Australian Share Fund Performance

To 30 September 2009	1 Month	3 Months	1 Year	2 Years (pa)	3 Years (pa)	5 Years (pa)	Inception (pa)
Fund Return (Gross)	2.53%	6.04%	39.07%	-6.15%	5.43%	14.47%	16.57%
S&P/ASX 300 Accumulation Index	1.80%	5.94%	32.52%	-11.16%	-0.79%	8.18%	10.40%
Out/Underperformance	0.73%	0.10%	6.55%	5.01%	6.22%	6.30%	6.17%

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

OVERVIEW

November was a relatively quiet month, trading in a tight range on low turnover. Nevertheless the ASX 300 finished up 1.8% recovering the small loss in October. The standout sector was Materials with a 9.0% rise, while the other sectors moved between the range: +2.2% (Telecoms) to -1.5% (Industrials). World markets were not as subdued, as the Dow rose 6.5%, the UK was up 2.9%, and the overall global market (ex Australia) up 2.9%. Japan went strongly against the trend, falling 6.9% due to competitive issues, as the US$ continues to slide against the Yen - and most other currencies, but the impact has been the most severe in Japan.

There was little new company news in November, apart from an indication that retail sales are ahead of budget and that is expected to hold through the Christmas period.

Merger & Takeover activity however did provide some news. AMP combined with AXA SA (AXA AP's French parent) to bid for AXA Asia Pacific on the basis that AMP would buy AXA AP and then onsell the Hong Kong operations to AXA SA. AXA SA already own about 50% of the Hong Kong operations and the acquisition would see them move to 100% ownership. AMP would then absorb AXA's AP's Australian operations, which would put the merged group in a more competitive position with the major banks in the growing area of asset management. It is seen by most observers as a win/win/win for the parties, although AXA AP are looking for the bid terms to be increased. The 2nd area of M&A was a bid by two very large Canadian pension funds for Transurban, the group that owns, managers and operates many of Australia's toll roads. That bid is not yet resolved.

The RBA increased interest rates by another 0.25% to 3.5%, while both Treasury and the RBA upgraded their economic growth forecasts. Employment, housing starts and finance data were all strong.

The A$ rose 1.8% against the US$, while being steady against other major currencies. The US$ softness contributed to a very strong rise in the gold price by 12.7% to US$1,179 per ounce. Oil slipped 2.4% as inventories increased.

The Bellwether Australian Share Fund performed strongly, increasing by 2.5% against the market rise of 1.8%.

OUTLOOK

After the strong rise from March to September for the markets, the consolidation phase in October/November is seen favourably and should help in laying the groundwork for further rises in 2010. Investors appear reluctant to push the market at the moment as the next major news flow won't be until the February 2010 profits reporting season. Companies will need to confirm that economic activity is indeed strong and that strength is flowing through to corporate profits. In the meantime we expect markets to continue to trade in a fairly narrow band with good stock selection being more important to performance than overall market movement. M&A activity is likely to continue at a higher level than we have seen over the past couple of years, as in addition to the 2 major deals mentioned above, several smaller deals are taking place, with the Chinese quite active in their endeavours to secure direct exposure to Australian mining assets.

POSITIVE CONTRIBUTORS

Rio Tinto Limited (RIO)

Portfolio Contribution	+0.26%

Rio followed up a strong October, with an even stronger November rising by 12.4%, outperforming the Materials sector which returned 9.0%. Commodity prices continued to rise, including iron ore and copper, as the expectations of a global recovery continued to grow. Rio also reconfirmed its commitment to the iron ore joint venture with BHP, its aim to reduce debt, and its intention to improve relations with the Chinese in 2010 during the Annual Investor Seminar held at the start of November.

JB Hi-Fi Limited (JBH)

Portfolio Contribution	+0.20%

JB Hi-Fi enjoyed a solid November with a rise of 11.5%, outperforming the consumer discretionary sector which rose by 0.6%. This is mainly attributable to the strong Australian dollar, solid employment growth and high consumer confidence figures, which only dropped slightly from 121.4 to 118.3, despite two consecutive rate rises. JB also benefited from Harvey Norman's management reiterating guidance and announcing that they expect a record holiday shopping season in 2009.

Newcrest Mining Limited (NCM)

Portfolio Contribution	+0.16%

Newcrest performed strongly during November, rising by 13.9%, outperforming the Materials sector. Intra month, Newcrest's share price got within 5% of their March 2008 high. This is mainly attributed to the strong performance of gold, which rose by 12.7% to US$1,179 per ounce for the month, as there have been no major announcements since their AGM in late October.

NEGATIVE CONTRIBUTORS

Westpac Banking Corporation (WBC)

Portfolio Contribution	-0.20%

Westpac fell by 6.4% in November despite their FY09 results released early in the month, which revealed a better than expected $4,627m cash earnings. Like recently released competitor results, key trends included: strong margins and lower than expected bad debts and asset growth. The sector underperformed, mainly because of 3 factors: (1) a switch trade into resources; (2) industry M&A rumours following AXA SA and AMP failed bid for AXA AP; and (3) the fallout over Dubai World debt, resulting in negative sentiment for global financials.

AXA Asia Pacific Holdings Limited (AXA)*

Portfolio Contribution	-0.14%

AXA rose by 36.8% during November, mainly due to a takeover offer from AMP Limited and AXA SA (AXA's largest shareholder), which was ultimately rejected. Under the offer, AMP would acquire the Australian and New Zealand businesses, while AXA SA would obtain the Asian business. On the day of the announcement, AXA shares rose by 32.6%. As this stock was not held in the portfolio, it was a negative contributor to performance.

Lihir Gold Limited (LGL)*

Portfolio Contribution	-0.12%

Like Newcrest, Lihir preformed strongly during the month, rising by 18.6% mainly due to the surging price of gold, which reached its all-time high of US$1,191 per ounce during the month. There has been no significant stock specific news on Lihir since the release of their third quarter 2009 production report in late October. As this stock was not held in the portfolio, it was a negative contributor to performance.

Top Five Holdings: 30 November 2009

Stock	Fund (%)	B/Mark (%)
BHP Billiton Limited (BHP)	13.88%	12.49%
Westpac Banking Corporation (WBC)	8.56%	6.39%
National Australia Bank Limited (NAB)	6.55%	5.40%
ANZ Banking Group Limited (ANZ)	5.88%	5.00%
Commonwealth Bank Of Australia (CBA)	5.37%	7.30%
Top Five	40.23%	-
Other Stocks	57.82%	-
Cash	1.95%	-
Total	100.00%	-

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