Portfolio Strategy	Australian Long/Short Equities
Fund Objective	To achieve a positive return over a rolling one-year period, primarily from taking long and short positions in listed Australian companies.
Investor Profile	**Non-Australian resident investors only**
Inception	12 July 2005
Domicile	Grand Cayman, Cayman Islands
Investment Advisor	Bellwether Partners Limited ASFL: 238460
Prime Broker/Custodian	Deutsche Bank AG, London Branch
Administrator	HSBC Institutional Trust Services (Asia) Limited
Investment Advisor Contact	Level 9, 63 Exhibition Street Melbourne Victoria 3000 AUSTRALIA Phone: (+613) 9661 0888 Fax: (+613) 9661 0898 Email: mail@bellwether.com.au Website: www.bellwether.com.au
Registered Office	P.O. Box 908 GT George Town Grand Cayman Cayman Islands

BELLWETHER PARTNERS LIMITED
OFFSHORE STRATEGIES FUND

Australian Equities Long/Short Portfolio

Performance Report

April 2006

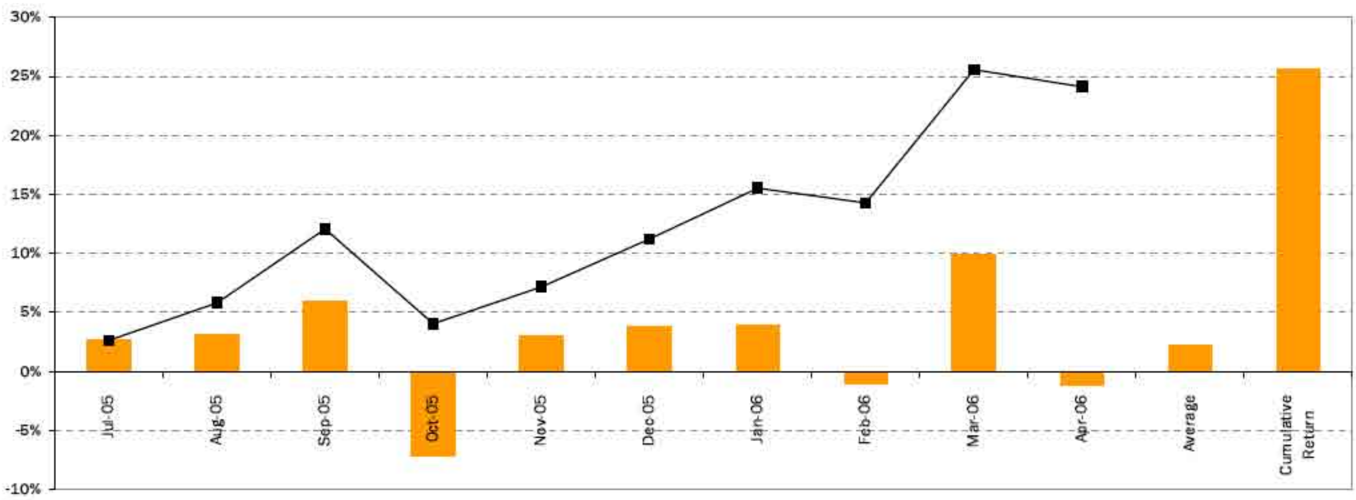
PORTFOLIO SUMMARY as at 30 April 2006

Total Net Asset Value (NAV)	$4,745,281.32
Total Cash	$636,654.26
Total Long Positions	51
Total Short Positions	26
Gross Long Exposure	177%
Gross Short Exposure	-75%
Futures Exposure	-27%
Net Exposure	75%

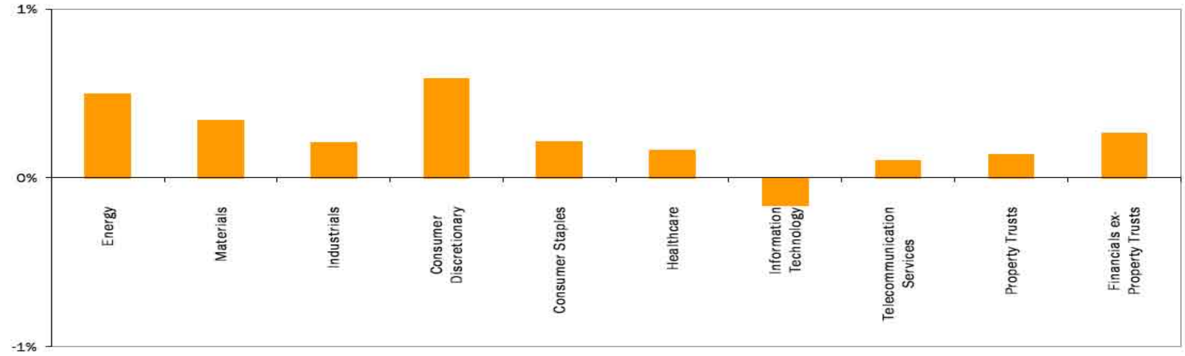
MONTHLY PERFORMANCE (After Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006	3.88%	-1.08%	9.89%	-1.17%	-	-	-	-	-	-	-	-	11.52%
2005	-	-	-	-	-	-	2.63%	3.10%	5.92%	-7.16%	3.00%	3.78%	11.27%
Cumulative													24.13%

MONTHLY RETURNS (AFTER FEES)



CONTRIBUTION TO TOTAL RETURN by Sector (GICS): April 2006



PERFORMANCE CONTRIBUTIONS

Top 5	Contribution (%)	Position
LHG	**0.76%**	**Long**
OXR	**0.66%**	**Long**
EQN	**0.43%**	**Long**
RIN	**0.41%**	**Long**
PBL	**0.41%**	**Long**

Bottom 5	Contribution (%)	Position
MTN	**-1.02%**	**Long**
BHP	**-0.49%**	**Long/Short**
MRE	**-0.45%**	**Short**
EXL	**-0.42%**	**Short**
MCG	**-0.25%**	**Long**

OVERVIEW

The Australian equity market was bullish again in April, setting fresh intra month price records. Commodities led early gains but lost ground at the end of the month following an unexpected interest rate rise in China. Base metals prices dropped soon after given the potential impact of the rate increase on Chinese demand. Investors engaged in profit taking and shifted out of the Materials sector, adopting more defensive positions. The Technology (+2.89%), Telecommunications (+4.54%) and Materials (+4.08%) sectors outperformed while REITs (+0.18%), Industrials (+0.22%) and Consumer Discretionary (+0.71%) lagged.

Domestic economic data continued to be positive with employment, retail sales and private sector credit growth exceeding market expectations. Later in the month the market experienced some trading volatility on expectations of an interest rate rise. Analyst consensus suggested a 0.25% rise given Treasurer Peter Costello's comments that inflationary pressures are building within the economy (subsequently confirmed by the RBA announcement of 3rd May).

Demand for raw materials continues to remain strong with the small interest rate rise in China being implemented because of extremely strong demand in certain industries in that country. US economic activity remains firm in the short term, although signs of a slowing housing sector and softening consumer spending trends remain.

The Bellwether Offshore Fund Australian Shares Long/Short portfolio lost ground in April due to a large (26.4% of holdings) cash allocation, a defensive position adopted to offset market volatility. Long positions in the Materials sectors detracted most value, following the sharp fall in metals prices toward the end of the month.

OUTLOOK

The December '05 reporting season was followed up in April by several banks reporting results in line with positive market expectations for the 6 months ending March. First quarter profit results reported by American companies in April have on the whole also been strong, with upward earnings surprises being at the highest levels in several years.

Nevertheless, global evidence is emerging of rising cost pressures in certain sectors due to high metal and energy costs. To date, much of these business cost pressures have been offset by improving productivity and the increased use of (low) Chinese labour in manufacturing processes. Ongoing strong GDP growth in China caused a 28 basis point rise in official interest rates in April, while the Bank of Japan has indicated it may lift its zero interest rate policy in coming months. At the same time, the US Federal Reserve Board has signalled the possible end to its succession of 0.25% rate rises over the last two years, causing a strengthening of Asian currencies against the $US. With the $A rising due to the RBA lifting local interest rates by 0.25% to 5.75% and the Euro also rising against the $US on the prospect of higher interest rates there, conditions have been conducive for a strong rally in the gold price, rising US$73/oz or 12.5% over the month.

From a geo-political perspective also, the gold price continues to perform strongly. There is evidence that countries holding trading surpluses with the USA, and who have funded this US deficit with purchases of US treasuries, are beginning to 'diversify' their foreign reserves into non US$ exposures such as Euros and gold. This also appears to be the situation with oil exporters earning significant petro-dollars, particularly OPEC cartel members. Lingering uncertainty regarding Iran's intentions for its nuclear capabilities is also providing an environment for rising gold and oil prices.

These trends of emerging producer inflation, rising interest rates and a weakening $US are expected to continue for the foreseeable future. Consumer spending patterns, both overseas and locally, can be quite fickle under an environment of rising petrol costs and rising interest rates and will need to be observed carefully for changing trends in discretionary spending and the property market.

Overall, favourable conditions remain for domestic equities, particularly resource stocks and non manufacturing/packaging industrials. Structural aspects to the US economy remain of concern (trade deficits, reliance upon home pricing fuelled consumer spending and household debt) which may impact the US dollar and investor confidence in US markets.

TOP PERFORMERS

(1) +0.76% (LHG)

Lihir Gold rose 18.7% over the month on the back of high sensitivity to a strongly rising gold price. Lihir has attracted significant investor interest seeking an unhedged gold producer of reasonable size to capture exposure to the gold price. There was a preference by investors for these fundamentals in a gold producer during the month compared to Newcrest, which is partially hedged.

(2) +0.66% (OXR)

Oxiana continued its strong share price rally of the last 10 months, rising a further 27.6% in April. The stock was supported by the continuing theme of rising copper, gold, silver and zinc prices. Since the start of 2006, the zinc price is up 65.8%, silver price up 53.0%, copper price up 52.5% and gold price up 27.6% in US$ terms. Numerous stockbroker upgrades to commodity price assumptions during the month also led to profit forecast and valuation upgrades for Oxiana and other major resource plays. Oxiana also held an upbeat AGM during the month detailing further progress on the Prominent Hill project in South Australia, which provided further impetus to positive investor sentiment to the stock.

(3) +0.43% (EQN)

Equinox's share price rose 13% during the month of April. Equinox is a junior resource exploration company with a significant copper/cobalt/uranium deposit in Zambia, southern Africa. Equinox is in the pre-development phase of the 100% owned Lumwana Project, which is expected to be developed as a significant copper producing mine from 2008 with the potential for uranium and cobalt by products or credits.

(4) +0.41% (RIN)

Rinker continues to report strong trading conditions, particularly from its American heavy building materials division. During April, the company's share price rose 6.8%. While Rinker has positioned itself well in certain key markets in America, the outlook of overall housing and economic conditions in America will nevertheless affect sentiment to the stock over time.

(5) +0.41% (PBL)

PBL rose 7.3% during April, supported by ongoing strong economic conditions in Australia for media stocks, combined with establishing a gaming footprint in Macau with joint venture Hong Kong based company, Melco. While Channel Nine television ratings were mixed, the increasing non TV mix of businesses within the PBL group continues to trade well.

BOTTOM PERFORMERS

(1) -1.02% (MTN)

Marathon saw its share price decline 24.8% over April after rising 69.8% in the previous month. Although exhibiting some volatile price behaviour from month to month, the continuing strong uranium price, ongoing encouraging drilling results at the company's South Australian prospects and evolving state government preparedness to allow additional uranium mining in the future augers well for the medium term outlook for the company.

(2) -0.49% (BHP)

BHP, although rising 4.6% over the month, was only held in the Portfolio for part of this time resulting in a negative contribution. The company benefited from rising commodity prices and broker upgrades, while its March quarter production report was solid without being spectacular due to some weather related disruption to iron ore shipments and natural field decline in oil production.

(3) -0.45% (MRE)

Minara Resources reported a relatively weak FY05 profit result in late February, which Bellwether expected to lead to share price weakness and hence we expected to derive benefit from a short position. Rising commodity prices more than offset this anticipated downward impact, leading to an overall rise of 7.5% over the month. Bellwether is no longer short this stock.

(4) -0.42% (EXL)

Excel Coal rose 13.7% during the month, negatively effecting the short position. Despite a soft price outlook for some coal types approaching the annual price negotiation period, combined with a placement of new scrip and management sell down in late February, the company's share price recovered further in April on the back of a general resource sector improvement and a firming spot price coal market.

(5) -0.25% (MCG)

Macquarie Communications Group saw its share price decline 6.0% during April, removing value given the Fund's long position in the stock. The prospect of rising interest rates impacted valuation upon many infrastructure and utility type entities. With the prospect of ongoing global interest rate rises, the Fund has subsequently exited this investment.