



**BELLWETHER PARTNERS LIMITED  
OFFSHORE STRATEGIES FUND**

**Australian Equities  
Long/Short Portfolio**

**Performance Report  
February 2006**

<b>Portfolio Strategy</b>	Australian Long/Short Equities
<b>Fund Objective</b>	To achieve a positive return over a rolling one-year period, primarily from taking long and short positions in listed Australian companies.
<b>Investor Profile</b>	<b>Non-Australian resident investors only</b>
<b>Inception</b>	12 July 2005
<b>Domicile</b>	Grand Cayman, Cayman Islands
<b>Investment Advisor</b>	Bellwether Partners Limited ASFL: 238460
<b>Prime Broker/Custodian</b>	Deutsche Bank AG, London Branch
<b>Administrator</b>	HSBC Institutional Trust Services (Asia) Limited
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<b>Registered Office</b>	P.O. Box 908 GT George Town Grand Cayman Cayman Islands

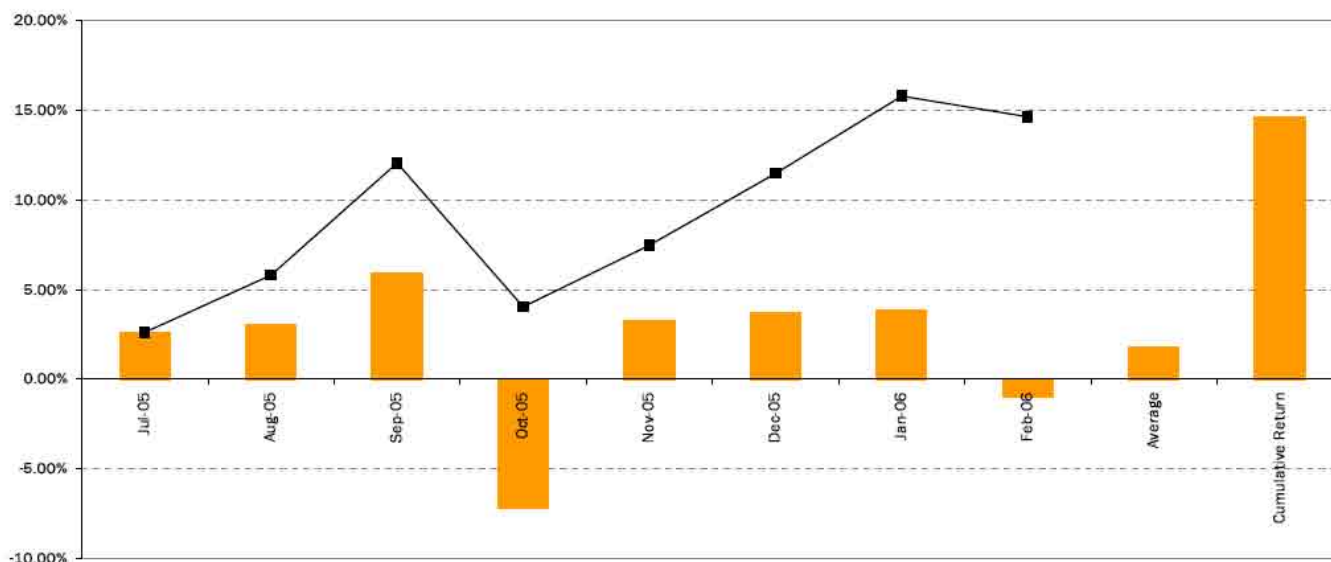
**PORTFOLIO SUMMARY as at 28 February 2006**

<b>Total Net Asset Value (NAV)</b>	\$4,369,657.13
<b>Total Cash</b>	\$ 599,498.43
<b>Total Long Positions</b>	36
<b>Total Short Positions</b>	12
<b>Gross Long Exposure</b>	151.93%
<b>Gross Short Exposure</b>	-50.19%
<b>Futures Exposure</b>	-
<b>Net Exposure</b>	101.74%

**MONTHLY PERFORMANCE (After Fees)**

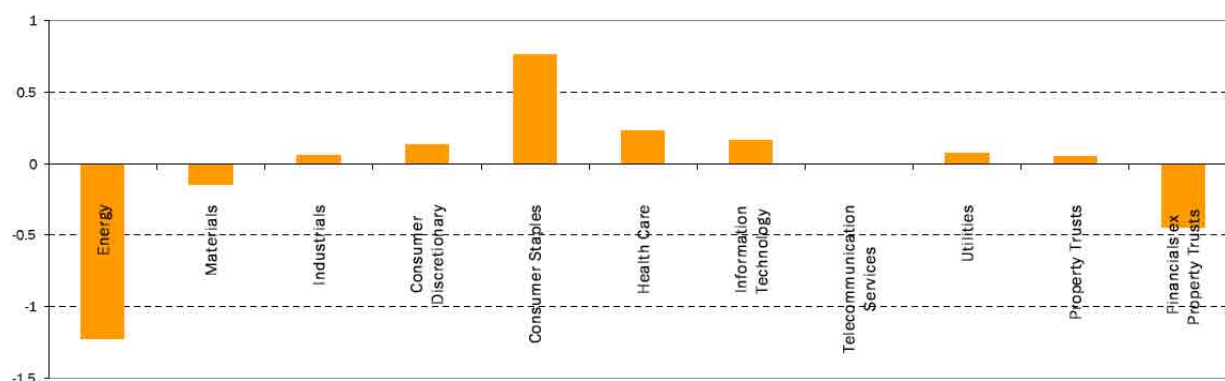
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2006</b>	3.88%	-1.08%	-	-	-	-	-	-	-	-	-	-	2.80%
<b>2005</b>	-	-	-	-	-	-	2.63%	3.10%	5.92%	-7.16%	3.00%	3.78%	11.27%
<b>Cumulative</b>													14.29%

**MONTHLY RETURNS (AFTER FEES)**





## CONTRIBUTION TO TOTAL RETURN by Sector (GICS): February 2006



## OVERVIEW

The Australian Equity market experienced little growth in February. Reporting season was the main focus during the period with investors keen to take profits from resource and energy stocks.

The Portfolio posted a moderate negative return during February. Consumer Discretionary stocks were the strongest over the period, with positions in Just Group (JST +1.12%) and David Jones (DJS +1.01%) shoring up against detractors BHP Billiton (BHP, -0.97) and Woodside Petroleum (WPL, -0.63%)

Domestically we are experiencing a commodity led market. Significant upside still exists in resources stocks, with spot commodity prices implying massive upside to current consensus numbers. In the short term, we are still bullish gold and energy stocks.

In the US, another rate rise at the next Fed meeting is likely, with the recent move to 4.75% (along with NZ\$ contagion) being a key factor behind the Australian Dollar's recent weakness. The A\$ sell-off has been a positive for exporters, but is a potential negative for any un-hedged importers. Retailers who benefited so strongly from the rising currency could be at risk.

## PERFORMANCE CONTRIBUTIONS

Top 5	Contribution (%)	Position
<b>JST</b>	<b>1.12%</b>	<b>Long</b>
<b>DJS</b>	<b>1.01%</b>	<b>Long</b>
<b>ABC</b>	<b>0.75%</b>	<b>Long</b>
<b>SSX</b>	<b>0.65%</b>	<b>Short</b>
<b>BSL</b>	<b>0.47%</b>	<b>Short</b>

Bottom 5	Contribution (%)	Position
<b>BHP</b>	<b>-0.97%</b>	<b>Long</b>
<b>WPL</b>	<b>-0.63%</b>	<b>Long</b>
<b>LHG</b>	<b>-0.50%</b>	<b>Long</b>
<b>HWI</b>	<b>-0.40%</b>	<b>Short</b>
<b>CTX</b>	<b>-0.36%</b>	<b>Long</b>

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