

Key Facts

Portfolio Strategy	Australian Long/Short Equities
Fund Objective	To achieve a positive return over a rolling one year period, 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 AFSL: 238460
Prime Broker/Custodian	Deutsche Bank AG, London
Administrator	Kingsway Taitz Fund Administration Pty Ltd
Investment Advisor Contact	Level 9, 63 Exhibition Street Melbourne Vic 3000 Australia Phone: 61 3 96610888 Fax: 61 3 96610898 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

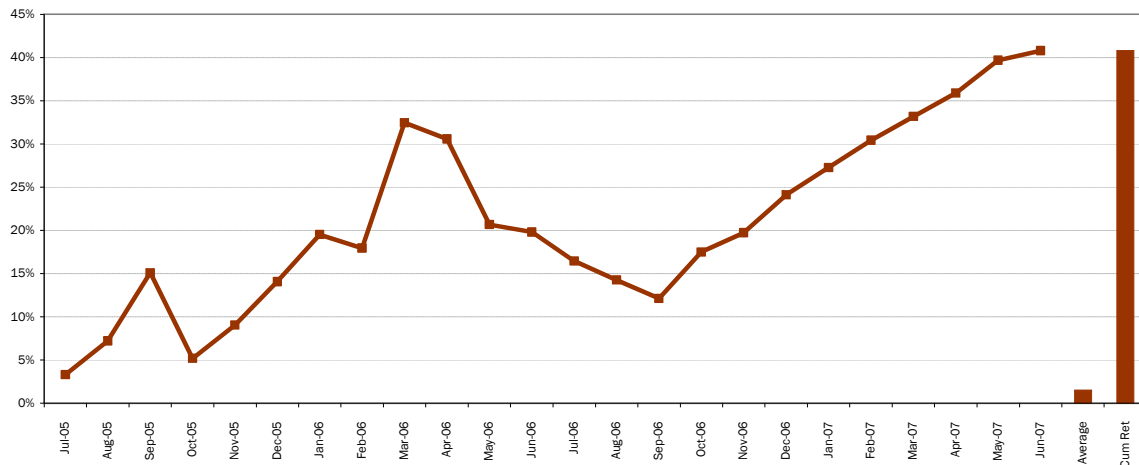
Australian Equities Long/Short Portfolio

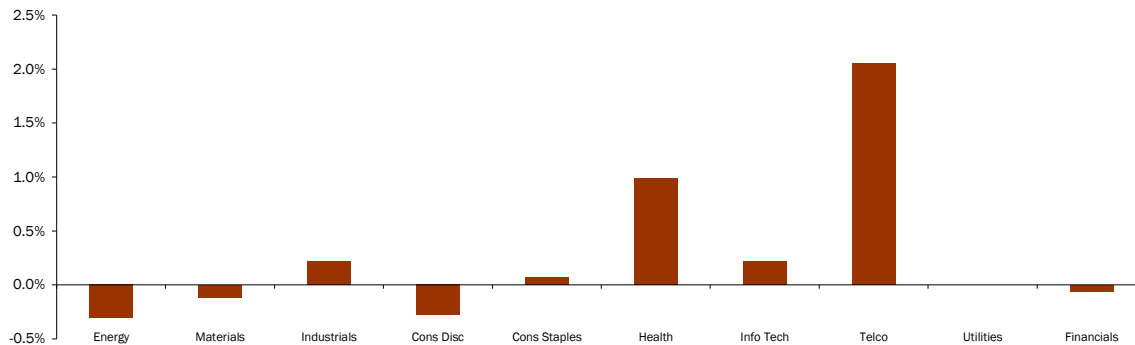
Performance Report: June 2007
Portfolio Summary: 29 June 2007

Gross NAV Unit Price	140.82
Monthly Return	0.80%
Return from Inception	40.84%
Total Cash as % of NAV	0.78%
Total Long Positions	34
Total Short Positions	1
Gross Long Exposure	99.80%
Gross Short Exposure	0.57%
Futures Exposure	-
Net Exposure	99.22%

Monthly Performance (After Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	2.53%	2.48%	2.11%	2.05%	2.80%	0.80%						
2006	4.79%	-1.31%	12.30%	-1.42%	-7.58%	-0.72%	-2.79%	-1.89%	-1.88%	4.80%	1.90%	3.67%
2005	-	-	-	-	-	-	3.29%	3.80%	7.35%	-8.60%	3.66%	4.59%

Monthly Returns (After Fees)


**Contribution to Total Return by GICS Sector: June 2007****Overview**

The close of the June 2006 financial year marked the fourth consecutive financial year of strong equity returns with total growth of around 140% during that time. The S&P/ASX 300 Accumulation Index had declined marginally by month end (down 0.11%) but recorded a 29.21% gain to 30 June. Although quiet in terms of index movement, the month of June was a very active month with A\$156 billion of stock turnover. Highlights for the month included:

- No interest rate rise by the RBA.
- A March quarter GDP growth rate of 1.6%.
- An increase in employment of 39,000, pushing the unemployment rate down to 4.2%, which is the lowest in 32 years.

M&A activity included an offer by Wesfarmers to purchase Coles after potential private equity participants withdrew and a bid for Multiplex by Canadian based Brookfield Asset Management. The Cemex bid for Rinker is now complete. The decoupling of global economies continued in June, reflecting increasing confidence in China's ability to move independently of the slowing US economy and drive global growth together with an improving European performance. This was in turn reflected in the Australian market with the Energy, Materials and Industrial sectors outperforming while the more defensive sectors such as Telecommunications, Property Trusts and Consumer Discretionaries and Staples lagging.

The Bellwether Partners Offshore Strategies Fund had a good month in June, returning a positive 0.80%. Resource holdings and the avoidance of poor performers were the main contributors to performance. In addition, a dampening of M&A activity in the market over the month enabled our stock selection process to demonstrate its value.

Outlook

Liquidity remained a central theme in the market with takeovers, share buybacks and the Government's Future Fund commencing investment. The extremely high level of Superannuation contributions for the year to June 2006 at A\$114 billion, which was up 42% on the previous financial year, also impacted on market activity and provided a favourable environment for ongoing share price appreciation.

However, high cash levels and inflows alone are not enough to generate future price appreciation. Supportive fundamentals such as a firm domestic and global economy, stable interest rates, positive employment data and strong corporate profits are also required. At Bellwether we believe that these fundamentals are indeed in place and we are confident that on a medium term view further share price growth will occur; despite what is now one of the longest bull runs ever.

We also continue to rationally observe issues and indicators such as:

- Credit market worries in the US, particularly in sub-prime assets.
- The role of private equity in driving market liquidity.
- The ability of other economies to continue to defy a slowdown in the US.
- Extreme volatility in the Shanghai market from time to time.

On balance, we believe valuations are fair in the context of the economic and profit outlook, the interest rate environment and the ongoing support from liquidity. We note though that while equity growth will continue, it may not do so at the rate we have enjoyed over the past four years.

Top 5 Performance Contributors

	Contribution (%)	Position
BHP	1.12%	Long
JBH	0.43%	Long
WOR	0.39%	Long
AIX	0.27%	Long
OXR	0.20%	Long

Top 5 Performance Detractors

	Contribution (%)	Position
WDC	-0.38%	Long
LEI	-0.19%	Long
GPT	-0.19%	Long
CPR	-0.18%	Long
CAB	-0.15%	Long

Positive Contributors
BHP Billiton Limited (BHP)

Portfolio Contribution +1.12%

BHP Billiton gained 11.1% during June. Industrial action in South America helped the copper price (+2.8%), while oil was particularly strong (+10%). The “stronger for longer” metal price and earnings outlook is providing positive support for the company.

JB Hi-Fi Limited (JBH)

Portfolio Contribution +0.43%

JB Hi-Fi (+19%) upgraded its 2006/07 profit guidance in June to 10% above the previous figure. Computer and video game sales were particularly strong, while cheaper imports as a result of a high Australian dollar were also a positive. JB’s business strategy of high turnover and competitive pricing of consumer goods is proving very effective in the current buoyant economic conditions.

WorleyParsons Limited (WOR)

Portfolio Contribution +0.39%

WorleyParsons gained 14% for the month, in line with the strong oil price (+10%). The company, which provides infrastructure and professional services to the oil industry, has a strong pipeline of new work and is well placed for profit growth.

Negative Contributors
Westfield Group (WDC)

Portfolio Contribution -0.38%

Westfield fell 6.6% in June following a \$3 billion capital raising at a discount to the market price. The funds are to be used towards financing a massive expansion program in Australia, New Zealand, the US and the UK in the next three years. Expenditure in the new projects is expected to be in the order of \$10 billion.

Leighton Holdings (LEI)

Portfolio Contribution -0.19

Leighton fell 7% as investors took profits following an exceptional May, where it gained a massive 28%. A strong pipeline of infrastructure and mining projects in Australia as well as offshore opportunities in Asia are expected to see Leighton maintain a strong level of “work in hand” and also a strong profit position.

GPT Group (GPT)

Portfolio Contribution -0.19%

GPT followed the S&P/ASX 200 REIT index down (-6.3%), falling 9.3% on sector related selling. The company made its second acquisition in the US seniors housing market during the month, believing that demographic trends support assisted living in the US.