

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

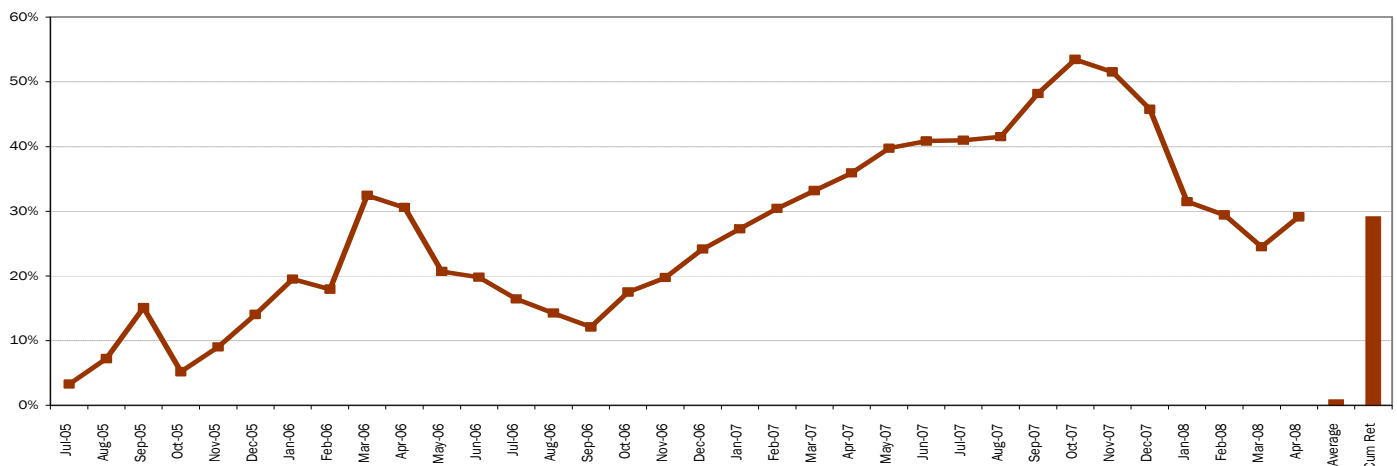
Australian Equities Long/Short Portfolio

Performance Report: April 2008

Portfolio Summary: 30 April 2008	
Gross NAV Unit Price	128.49
Monthly Return	3.71%
Return from Inception	29.13%
Total Cash as % of NAV	7.27%
Total Long Positions	31
Total Short Positions	1
Gross Long Exposure	94.29%
Gross Short Exposure	1.55%
Futures Exposure	-
Net Exposure	92.73%

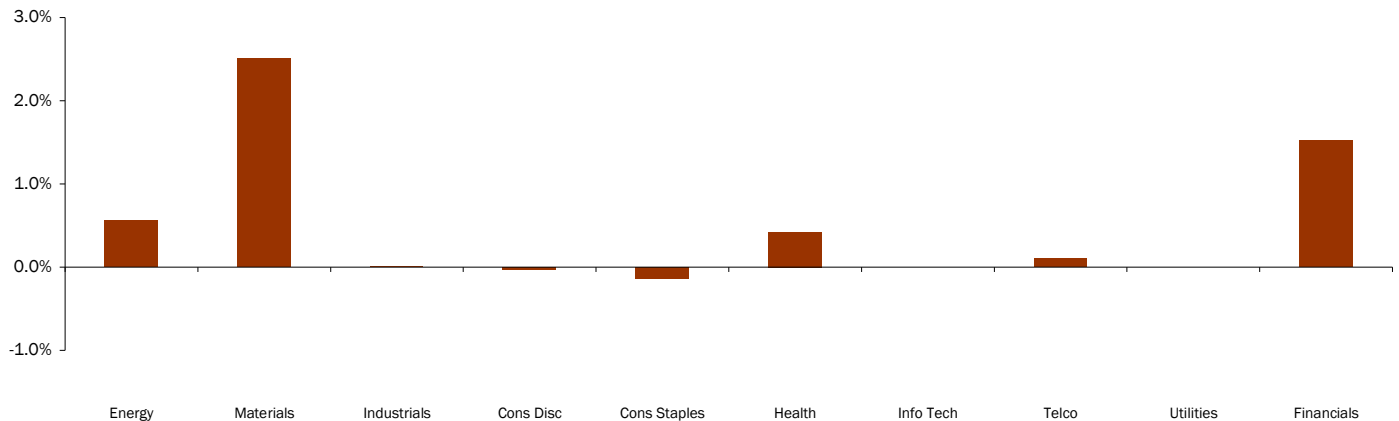
Monthly Performance (After Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	-9.78%	-1.56%	-3.80%	3.71%								
2007	2.53%	2.48%	2.11%	2.05%	2.80%	0.80%	0.09%	0.39%	4.70%	3.58%	-1.26%	-3.83%
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: April 2008



Overview

After five consecutive months of falls in the Australian share market, April finally broke the drought with the S&P/ASX300 Accumulation Index reporting a solid rise of 4.51%. While this sounds pretty good, and it is, it should be put into perspective by recalling that the previous five months yielded a negative return of 19.27%. We still have some way to go before the Australian share market gets back to its October 2007 highs.

A reasonable amount of Australian economic data was released during April. As was largely expected, the Reserve Bank of Australia left official interest rates unchanged at 7.25% early in the month. This decision came before the release of inflation for the first quarter of 2008, which surprised many on the upside with a rise of 1.3% for the quarter and 4.2% year on year. The view of economists on the interest rate implications of the inflation number are somewhat mixed, but the general consensus seems to be that rates will remain steady at current levels, before a possible decrease later in 2008, or early next year. This outlook is assuming inflation falls back from its current levels. The March unemployment rate remained at 30 year lows coming in at 4.0%. However, despite these economic indicators suggesting considerable resilience in the domestic economy, consumer confidence fell to a new low.

In comparison to Australia, economic data released in the US was weak. Non-farm payrolls fell by 80,000 in March and the unemployment rate rose slightly to 5.1% (from 5.0%). The closely followed ISM index rose slightly, but remained below the "50" level suggesting continued contraction in both the manufacturing and services sectors. The US housing market fell on every indicator that is commonly used by market participants and consumer

confidence also fell, no doubt dragged down by the bad news on the housing front.

In terms of sector performance, resource stocks performed well, largely in line with strong commodity prices, and this was especially true for oil which bubbled up to the \$US120 a barrel milestone. The Victorian Government chose not to renew existing gaming licences and refused compensation for the companies involved. This came as a surprise to the market and resulted in a sell down in the gaming stocks, helping to drag the consumer discretionary sector down.

The Bellwether Offshore Strategies Fund (OSF) performed very well in April by yielding a 3.71% return. This is the first positive return the OSF has posted since October 2007. This period of negative performance is, of course, a reflection of the troubled equity markets over the past six months. It should not be forgotten that before this period of instability, the OSF reported 13 consecutive months of positive performance.

Outlook

In April, the first tentative signs of a fundamental shift in strategy took place with the focus on risk minimization being replaced by a more optimistic focus on those stocks that may have been oversold since the Australian market hit its lows in mid March. Caution is still warranted however, as it is still too early to determine if the bad times are over or if this is just a pause in the current financial earthquake. While it should be kept in mind that after-shocks in these conditions are not an uncommon occurrence, at Bellwether we remain optimistic and believe the long term fundamentals underlying the Australian market remain strong.

Top 5 Performance Contributors

	Contribution (%)	Position
BHP	2.28%	Long
RIO	0.73%	Long
MQG	0.57%	Long
WOR	0.56%	Long
WBC	0.47%	Long

Top 5 Performance Detractors

	Contribution (%)	Position
LGL	-0.51%	Long
TOL	-0.23%	Long
WOW	-0.14%	Long
LLC	-0.11%	Long
ANZ	-0.10%	Long

Positive Contributors
BHP Billiton Limited (BHP)

Portfolio Contribution +2.28%

BHP had a strong April with its share price rising 18.04%. BHP released its production report for the quarter ending March 2008. The results were fairly in line with expectations. BHP also received some support from strong commodity prices.

RIO Tinto Limited (RIO)

Portfolio Contribution +0.73%

The RIO Tinto share price rose 11.09% during April. Midway through the month, RIO released its First Quarter 2008 Operations Review and the company announced the completion of the sale of its interest in the Greens Creek Mine in Alaska. The sale will generate \$700m in cash as well as a non-cash consideration in the form of \$50m worth of shares in the purchaser, Hecla Mining Company. The sale is part of RIO's ongoing asset sales program. RIO also gained some support from strong commodity prices.

Macquarie Group Limited (MQG)

Portfolio Contribution +0.57%

Macquarie had a very strong month with its share price rising an impressive 20.07%. Macquarie had been hit reasonably hard as part of the recent financial markets turmoil, so the strong movement in its share price, to a large part, reflects a re-tracement of lost ground back towards previous levels.

Negative Contributors
Lihir Gold Limited (LGL)

Portfolio Contribution -0.51%

The Lihir share price fell 18.11% in April. The gold price had a strong start to the month, but then fell back in the second half of April to finish the month lower. As a result of this, gold stocks across the board were generally lower in April. In terms of stock specific news for Lihir, there was an update on the proposed merger with Equigold and Lihir released its first quarter production report, which was largely in line with expectations.

Toll Holdings Limited (TOL)

Portfolio Contribution -0.23%

The Toll share price fell -20.86% in April. This was due to Toll not being able to sell its 63% stake in Virgin Blue, after the Virgin Blue board announced it had not received any expressions of interest in acquiring the Toll stake that reflected the true underlying value of the business. One implication of this is that the recent profit downgrade made by Virgin Blue will now have a direct impact on Toll's profitability. On the positive side, Toll's underlying logistics business is still strong in terms of earnings and cash flow.

Woolworths Limited (WOW)

Portfolio Contribution -0.14%

The Woolworths share price fell a marginal 1.03% in April. Woolworths announced its third quarter 2008 sales figures with a 6.7% increase in comparable store sales for its food and liquor business. This was quite a strong outcome, but such is the high regard this stock is held in, it actually failed to meet expectations and the share price fell.