

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

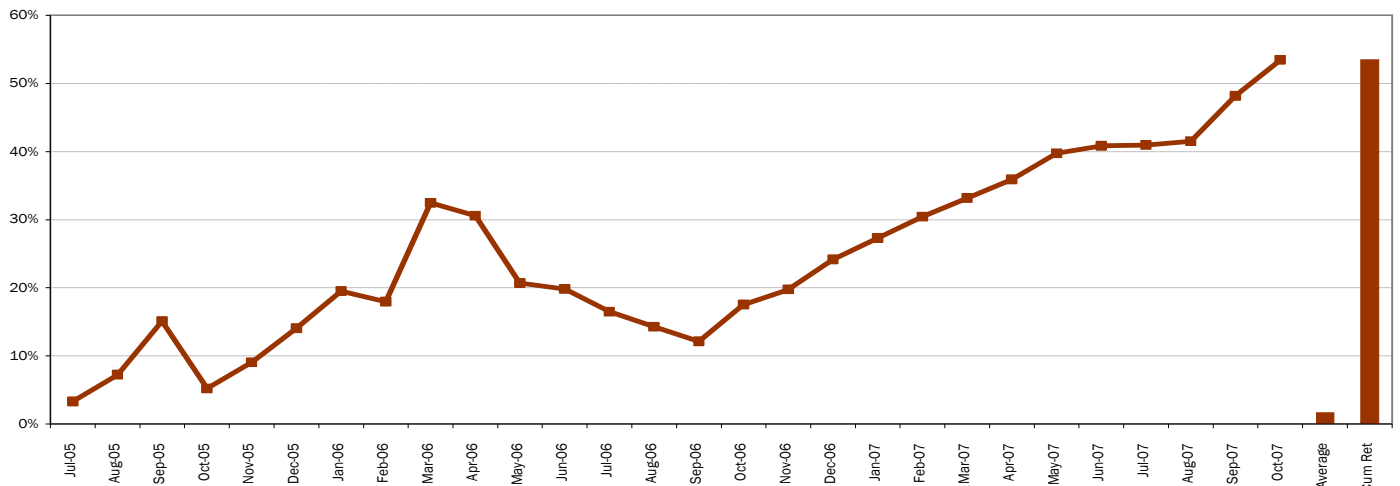
Australian Equities Long/Short Portfolio

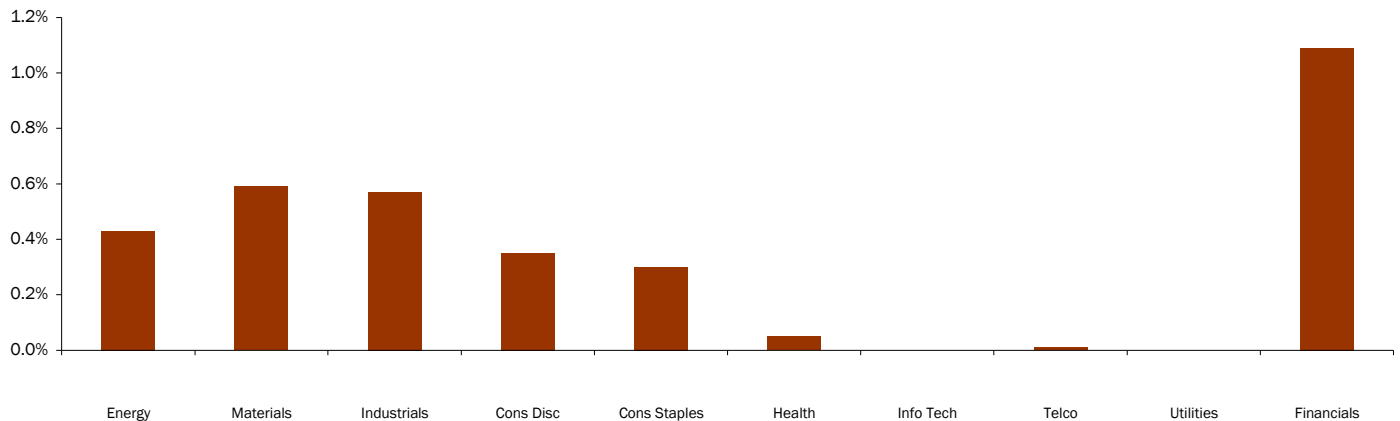
Performance Report: October 2007
Portfolio Summary: 31 October 2007

Gross NAV Unit Price	153.60
Monthly Return	3.58%
Return from Inception	53.19%
Total Cash as % of NAV	1.92%
Total Long Positions	30
Total Short Positions	1
Gross Long Exposure	98.08%
Gross Short Exposure	1.98%
Futures Exposure	-
Net Exposure	96.10%

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%	0.09%	0.39%	4.70%	3.58%		
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: October 2007****Overview**

The Australian equity market achieved yet another gain in October, rising a healthy 2.94% for the month. Although the market was more stable than in August and September, the twentieth anniversary of the 1987 stock market crash was greeted with 2.8% fall on the day. As has been the practice over the past few months the market bounced back quickly though and closed at its highest point for the month. Resources were solid, performing marginally ahead of the broader market indexes while Banks also outperformed in anticipation of strong earnings results and dividends. Domestic stocks generally were firm with Consumer Staples and Telecoms performing well. The laggard sectors in October were Utilities and Information Technology.

Oil (up 15.3%) and Gold (up 7.1%) had a very strong month although other commodities were a touch softer. Currency is a key focus of most markets now and the commodity markets such as Australia and Canada have been especially strong. Our dollar increased a very healthy 5.1% to 93.3 cents against the US dollar and by 3.3% to 72.3 cents against the Trade Weighted Index. The US dollar has been weak for some months now as the US economy continues to suffer from an uncertain outlook given the continuing subprime debt concerns and related housing problems. Interest rates are also a focus of attention with the strong Australian economy creating pressure on the Reserve Bank of Australia to raise rates, at the same time that the US Federal Reserve is lowering rates in an attempt to avoid the world's largest economy falling into recession.

The Bellwether Offshore Strategies Fund once again put in a stellar performance generating a return of over 3% for the month.

Outlook

Heading into 2008, we see the key issue for investors as being:

- The risks to corporate earnings from a slowing US economy
- A strong Australian dollar that some analysts think could reach parity with the US dollar
- Increasing costs, especially in the Resources Sector
- The continued growth of China.

These factors can have positive or negative impacts on company valuations depending on the nature of a company's business.

Australian companies are particularly well placed to benefit from the growth of the Asian economies because of the relative abundance of the soft and hard commodities in Australia that is required to fuel their growth. Transport costs from Australia into the Asian region being lower than other exporting countries such as Brazil is another bonus.

At Bellwether, we are mindful of the very strong run the market has had so far this year. The portfolio is therefore conservatively positioned and we are holding only very liquid stocks, allowing quick action to be taken if conditions deteriorate. We do not subscribe to the view that the market is extremely overvalued though, and on a medium term view we expect to see further value appreciation.

Top 5 Performance Contributors

	Contribution (%)	Position
WOW	0.60	Long
NAB	0.56	Long
WBC	0.55	Long
LEI	0.54	Long
WOR	0.46	Long

Top 5 Performance Detractors

	Contribution (%)	Position
GPT	-0.18	Long
QBE	-0.16	Long
AIO	-0.12	Long
MBL	-0.08	Long
AMP	-0.07	Long

Positive Contributors
Woolworths Limited (WOW)

Portfolio Contribution +0.60%

Woolies rose strongly (+12.6%) over the month following an excellent September result with sales rising 8.9% to an impressive \$11.7 billion. The company is managed very efficiently and is well supported by investors. The ongoing Coles saga has no doubt been of benefit to Woolworths and we will be watching closely for any change in dynamics when Wesfarmers (which itself is a very efficiently managed company) starts to influence the way Coles operates

National Australia Bank Limited (NAB)

Portfolio Contribution +0.56%

The NAB share price put on a healthy 8.5% ahead of the release of the full year results to 30 September in early November. Share price appreciation leading up to a major news release is usually good indicator of positive news to come, and we at Bellwether are eagerly awaiting the release of the full year results. The upcoming results release was the main driver for the stock during the month.

Westpac Banking Corporation (WBC)

Portfolio Contribution +0.55%

Westpac agreed to acquire the Rams distribution franchise business for \$140m early in October and this proved to be a positive catalyst for the stock which yielded a 7.2% rise for the month. The acquisition was well received by analysts as it delivers another growth option for Westpac, and it illustrates the flexibility management have in taking advantage of profitable opportunities as they arise.

Negative Contributors
GPT Group (GPT)

Portfolio Contribution -0.18%

GPT fell 7.8% in October even though the Real Estate Investment Trust sector was flat over the month. Like some of the other REIT's, GPT is now more than just a listed property trust as property development is a major part of its activities. This also tends to create more volatility in the share price however. Although profit for the year to June 2007 was announced in August, the October weakness may well have been a reaction to the 13.7% total return on operations achieved for the Group. This, combined with higher interest rates putting pressure on REIT's in general, caused the fall in the GPT share price

QBE Insurance Group (QBE)

Portfolio Contribution -0.16%

While QBE fell 3.9% during the month, we remain strong believers in the general insurer because of its outstanding business model, geographic spread and excellent history of conservative provisioning for insurance losses. The fall came despite no major news flow on the stock in October.

Asciano Group Limited (AIO)

Portfolio Contribution -0.12%

Asciano fell 7.0% during October, and this was largely a continuation of the disappointing share price performance of the stock since the company was spun out of Toll Holdings back in June of this year. The market appears to have some concern about speculation that Asciano could be interested in making a takeover bid for Brambles. This is something that Asciano management have denied, saying they have "no current intention" of launching a takeover bid, while still retaining their 4.09% holding in Brambles.