



Bentley International Limited

27 May 2004

Dear Shareholder

On behalf of the Board of Bentley International Limited ("**Bentley**"), I am writing to confirm the completion of negotiations with Constellation Capital Management Limited ("**Constellation**") and their appointment as Bentley's new investment manager.

Since the General Meeting of the Company was held to effectively change the Company's investment strategy, considerable discussions have occurred regarding Constellation's appointment, their fees, the term of their contract and related matters such as custodial arrangements for the overseas markets in which Bentley will operate.

One of the challenges facing Bentley's international investment focus is to ensure that investment management, custodial and transactional fees are not excessive in proportion to the relatively small asset base of the company. This is particularly the case where investments are being made in at least 11 different overseas markets. Your Board believes that it has addressed all these issues with a competitive and positive outcome for shareholders.

Constellation's appointment is effective immediately. The ASX Market Announcement outlining the details of their appointment can be found on our new website www.bel.com.au. I would encourage all shareholders to visit this website on a regular basis to obtain current corporate and investor related information on your Company.

I recognise that whilst we have lived and breathed the strategy over the past few months, our shareholders may not be fully aware of the HomeGlobal™ Investment Strategy that has been developed by Constellation. To this end, we have included two articles with this letter. One was written by the Australian Stock Exchange, the other by Constellation. Both cover various aspects of the HomeGlobal™ strategy. In reviewing these documents, shareholders should be aware that Bentley is implementing the International portion of the HomeGlobal™ strategy. This is in keeping with our business charter - investing in international equities. Additional details about Constellation and their HomeGlobal™ strategy are available from both their and our websites.

Bentley is still one of the few Australian Listed Investment Companies giving investors access to international equities. We recognise that our investors want to see us create real shareholder value. We believe the appointment of Constellation to implement the International equities component of the HomeGlobal™ Investment Strategy is a major step in that direction. Further, we are working to restore the Company's track record of paying fully franked dividends and an announcement on this point will be made in the near future.

If you have any further questions please do not hesitate to contact me on (08) 9214 9757 or Anna Candler - Investor Relations on (02) 9252 4489.

Kind Regards

Farooq Khan
Chairman

Websites Bentley International Limited
Constellation Capital Management Limited

www.bel.com.au
www.constellation.com.au



BENTLEY INTERNATIONAL LIMITED
(formerly Bentley Equities Limited)

Level 5, 14 Martin Place, Sydney NSW 2000

T | + 61 (2) 9229 7999

F | + 61 (2) 9221 1194

A.B.N. 87 008 108 218

E | info@bel.com.au



Challenging current domestic vs international investment strategies

Investor dilemma – Home Country Bias and the Impact of Globalisation

Whatever country they live in, most investors have a significant home country bias in their portfolios. The familiarity of local stocks and other factors such as costs, regulatory regime and domicile of investor's liabilities are amongst the reasons leading to the home country bias.

Over recent years however, many investors have also become aware of the merits of increasing their exposure to international assets, for example to gain exposure to industries not available in the domestic equity market. This can be a dilemma as investors are torn between a home country bias, and the benefits of international exposures.

Over recent years, research shows that equity returns are being increasingly influenced by industry factors; indeed these are now of similar importance as country factors in the pricing of stocks. The increased allocation to international equities has occurred in a period when globalisation in many industries is possibly reducing the diversification benefits of international equities.

This apparent contradiction presents a challenge for investors who implement the current domestic-international paradigm where the domestic stocks are benchmarked against, for example, the ASX/S&P 300 and international stocks against the MSCI ex Australia.

A new paradigm: HomeGlobal™ strategy

Australian fund manager Constellation Capital Management has developed an alternative approach to the current domestic/international investment strategies.

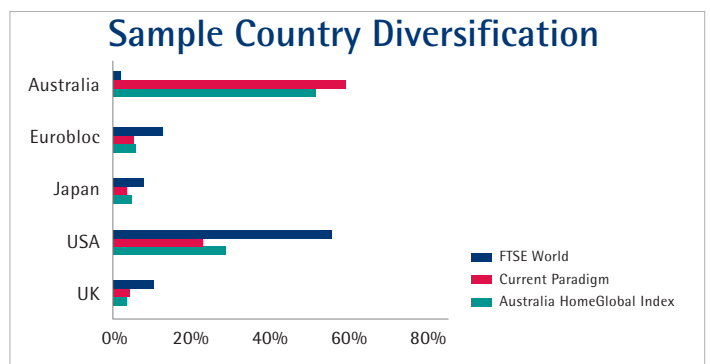
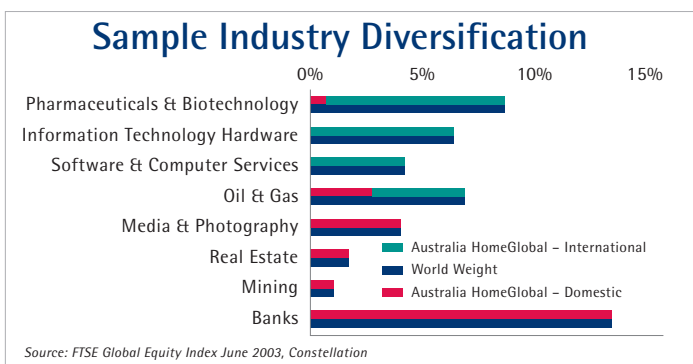
Constellation's HomeGlobal approach looks at the whole world as one opportunity set, and only invests internationally when there is inadequate exposure to an industry from investing in the shares listed on the ASX. For example, the Australian share market offers more than adequate opportunity to invest in banks and mining shares, so there is no net portfolio diversification benefit from investing internationally in banks and mining shares, as this would concentrate risk exposures.

Conversely since the Australian share market does not yet offer globally comparable exposure to IT or pharmaceutical shares, the HomeGlobal approach will invest internationally to secure that exposure. In this way Australian investors can achieve a more balanced exposure to investments in industries and companies not available in Australia whilst maintaining the benefits of country diversification.

ASX and the HomeGlobal strategy

The emergence of investor interest in Listed Investment Companies ("LICs") presents an opportunity for the launch of ASX listed investment vehicles that adopt the HomeGlobal strategy. Such ASX listed LICs could provide a convenient vehicle for large and small Australian investors to obtain a balanced exposure to shares from the major industries and countries via ASX listed vehicles whilst retaining a relevant home country bias to Australian shares. At present the Australian HomeGlobal strategy would invest approximately half the portfolio in Australian securities and the balance in international securities. The country and industry exposures are shown in the tables below.

For more information, contact Doug Little or Dr Peter Vann at Constellation Capital Management, on (02) 9231 2833 or visit www.constellation.com.au



CONSTELLATION CAPITAL MANAGEMENT

Australia HomeGlobal™ equities

Key Features

- addresses impact of globalisation
- provides a relevant home country bias
- resolves domestic stock/sector concentration

Investor dilemma – Home Country Bias

Investors in most, if not all, countries have a significant home country bias in their portfolios. The familiarity of local stocks and other factors such as costs, regulatory regime and domicile of investors' liabilities are amongst the reasons leading to the home country bias.

Over recent years, there has been a trend to increase the portion of funds allocated to international assets, particularly to international equities which provide

- risk diversification and control,
- exposure to industries not available in the domestic equity market, and
- create further opportunities for adding value through active management.

Investors are torn between a home country bias and the benefits of international exposures.

Investor dilemma – Impact of Globalisation

Over recent years, research shows that equity returns are being increasingly influenced by industry factors and they have become of similar importance to country factors in the pricing of stocks (even after the TMT boom/bust is excluded from the analysis). This change is mainly attributed to the influence of globalisation.

Thus it is interesting to note that the increased allocation to international equities has occurred in a period when globalisation in many industries is possibly reducing the diversification benefits of international equities.

This apparent contradiction presents a challenge for investors who implement the current domestic-international paradigm where the domestic stocks are benchmarked against, for example, the ASX/S&P 300 and international stocks against the MSCI ex Australia.

Investor dilemma – Stock-Industry Concentration

Numerous countries have dominant stocks or industries. Australia is dominant in banking and mining industries. For example, when a fund allocates equities in approximately a 60:40 ratio to domestic and international markets, the domestic banks represent 19% (31%*60%) of total equities, well above global weights, and this high exposure is further added to by an international weight in banks of 5% (approx 13%*40%). One may well ask why add to the already high domestic exposure in banks.

Conversely, the low exposure to domestic pharmaceuticals and biotechnology stocks needs to be supplemented with exposure to international stocks. But the current domestic-international paradigm only results in a total exposure of 4% to pharmaceuticals and biotechnology, which is well below its global weight. The table below shows the imbalances of some industry exposures when using the current paradigm.

We hear many pension fund trustees ask “is the domestic benchmark appropriate for our members?”

Industry	Global	Domestic	Current Paradigm	Imbalance
Banks	13.4%	31.2%	24.0%	+10.5%
Mining	1.0%	10.9%	6.9%	+5.9%
IT Hardware	6.4%	0.0%	2.6%	-3.8%
Pharm & Biotech	8.7%	0.7%	4.0%	-4.7%

What are the current choices?

- Traditional domestic-international paradigm; does not address impact of globalisation, stock-industry concentration or home bias
- Multinational-local country paradigm; eg FTSE Multinational/ FTSE Local indexes; there are numerous arbitrary parameters which need to be determined including the level of home country bias
- One world paradigm – eg FTSE Global Index; imagine an Australian superannuation fund with only 1.9% of equities invested domestically!

A new paradigm is needed.

Constellation has developed a simple, robust and easy to implement approach referred to as the

HomeGlobal™ method

which is applicable in all countries/regions and provides the following benefits

- introduces new and relevant country specific global benchmarks with relevant home bias
- resolves home country stock-industry imbalances
- responds to increased correlation of economies & markets
- facilitates global investment management
- provides an investment strategy more aligned with investor objectives, and
- addresses potential domestic political concerns.

Australia HomeGlobal™ Portfolio

Constellation's HomeGlobal™ approach applies a test of adequacy at the industry level. The test of adequacy simply asks:

- “Is the domestic weight of an industry at least its global weight?”.
- If the answer is yes, eg banks, then the HomeGlobal™ method will allocate its exposure to banks in the domestic market at the global weight of banks.
- If the answer is no, pharmaceuticals and biotechnology, then the HomeGlobal™ method will allocate its exposure to the available weight of Australian pharmaceuticals and biotechnology, 0.7%, and fill the shortfall via international pharmaceuticals and biotechnology, 8%, to provide a total exposure pharmaceuticals and biotechnology of 8.7%, the global weight.

Applying the test of adequacy across all industries results in a portfolio (see table below) where the domestic allocation is a consequence of the test of adequacy; the

domestic weight in the Australia HomeGlobal™ Index is approximately 52%.

The HomeGlobal™ approach:

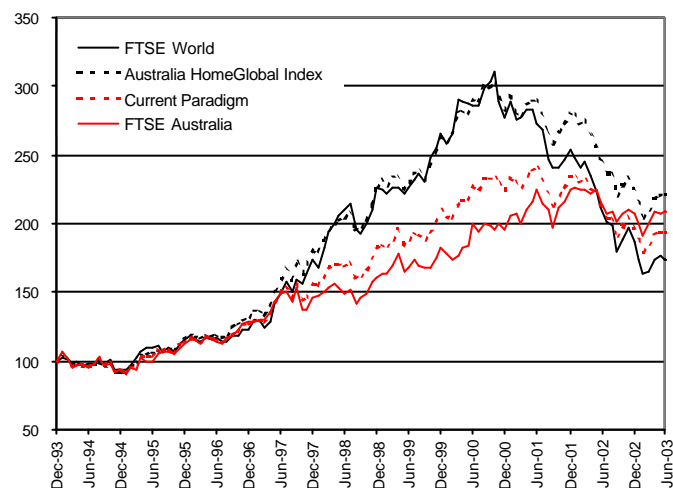
- provides a relevant home country bias; it takes from the domestic market what is needed, not what the market has to offer
- resolves domestic industry or stock concentration
- provides a portfolio with more balanced industry weights and a spread of country exposures, thus benefiting from the diversification benefits of both these factors
- provides a portfolio more aligned with investment strategy, not what local market “dictates”

A complete list of industry allocations is provided below, together with estimated performance over recent years using the FTSE classification system.

Weigh globally – Invest locally

Industry	Market weights		HomeGlobal™ Weights	
	Global	Domestic	Domestic	International
Aerospace & Defence	1.1%	0.0%	0.0%	1.1%
Automobiles & Parts	2.2%	0.3%	0.3%	1.9%
Banks	13.4%	31.2%	13.4%	0.0%
Beverages	2.0%	3.1%	2.0%	0.0%
Construction & Building Materials	1.5%	3.2%	1.5%	0.0%
Chemicals	2.1%	0.8%	0.8%	1.3%
Diversified Industrials	2.7%	2.6%	2.6%	0.1%
Electronic & Electrical Equipment	2.4%	0.1%	0.1%	2.3%
Electricity	2.6%	0.2%	0.2%	2.3%
Engineering & Machinery	1.5%	0.3%	0.3%	1.3%
Food & Drug Retailers	1.2%	3.0%	1.2%	0.0%
Food Producers & Processors	2.2%	1.0%	1.0%	1.2%
Forestry & Paper	0.6%	0.5%	0.5%	0.1%
General Retailers	4.2%	2.4%	2.4%	1.8%
Household Goods & Textiles	1.3%	0.4%	0.4%	0.9%
Health	3.0%	1.6%	1.6%	1.4%
Investment Companies	0.4%	0.6%	0.4%	0.0%
Information Technology Hardware	6.4%	0.0%	0.0%	6.4%
Insurance	3.5%	2.2%	2.2%	1.3%
Life Assurance	1.0%	2.0%	1.0%	0.0%
Leisure, Entertainment & Hotels	1.4%	1.9%	1.4%	0.0%
Mining	1.0%	10.9%	1.0%	0.0%
Media & Photography	4.0%	8.7%	4.0%	0.0%
Oil & Gas	6.9%	2.7%	2.7%	4.2%
Personal Care & Household Products	1.7%	0.0%	0.0%	1.7%
Pharmaceuticals & Biotechnology	8.7%	0.7%	0.7%	8.0%
Real Estate	1.7%	7.4%	1.7%	0.0%
Software & Computer Services	4.2%	0.0%	0.0%	4.2%
Speciality & Other Finance	3.8%	1.9%	1.9%	1.9%
Steel & Other Materials	0.7%	1.0%	0.7%	0.0%
Support Services	1.9%	2.6%	1.9%	0.0%
Tobacco	0.9%	0.0%	0.0%	0.9%
Transport	1.5%	3.6%	1.5%	0.0%
Telecommunication Services	5.3%	1.9%	1.9%	3.4%
Utilities, Other	1.3%	1.2%	1.2%	0.1%
Total	100.0%	100.0%	52.4%	47.6%

Source: FTSE Global Equity Index June 2003, Constellation



Source: FTSE World Index, Mercer, Constellation

Dec 93 to Jun 03	Return * (pa)	Vol (pa)
FTSE World	6.0%	13.6%
FTSE Australia HomeGlobal™ Index	8.7%	11.3%
Current Paradigm	7.2%	11.3%
FTSE Australia Index	8.1%	12.3%

Source: FTSE World Index, Mercer, Constellation

* assuming index returns for all exposures

Contact Details

Doug Little dlittle@constellation.com.au
 Dr Peter Vann pvann@constellation.com.au
 Level 19
 60 Castlereagh St
 Sydney, Australia 2000
www.constellation.com.au
 Phone: 61 2 9231 2833

Bentley International Limited

ABN 87 008 108 218

Registered Office:

Level 5
14 Martin Place
Sydney NSW 2000
www.bel.com.au
info@bel.com.au

Share Registry:

Registries Limited
ABN : 14 003 209 836
PO Box R67
Royal Exchange NSW 1223
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.registriesltd.com.au
registries@registries.com.au

[Name1]
[Address2]
[Address3]
[Address4]
[Address5]
[Address6] etc

Holder ID: []
No. Shares: []

Shareholder Annual Report Election and Email Request Form

Enter your
email address here: _____

PLEASE PRINT CLEARLY

Annual Report Election / Request for Email Advice of Annual Reports

The Company will automatically mail you an Annual Report each year unless you elect otherwise.

- 1 Please mark this box if you **DO NOT** wish to receive the Company's hard-copy Annual Report. You will instead receive Email Advice that the Annual Report is available for viewing or downloading from our website. You will however, continue to receive all other shareholder mailings including notice of meetings and proxy forms.

Request for Other Public Announcements by Email

- 2 Please mark this box if you wish to receive the Company's other Public Announcements by Email. Our Email Advice will either attach the Public Announcement or advise that the Public Announcement is available for viewing or downloading from our website.

SIGN HERE:

Shareholder 1 (Individual) /
Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual) /
Director / Company Secretary (*Delete one*)

Joint Shareholder 3 (Individual) /
Director

Daytime Telephone No. _____

Date _____

PRIVACY POLICY



Bentley
International Limited

Bentley International Limited will respect the confidentiality of the personal information provided to us by our shareholders and others.

We will comply with our obligations under the Privacy Act 1988 (including the National Privacy Principles).

In this Policy, "personal information" is information about and which identifies individuals, whether that information is obtained from the relevant individual or a third party.

This Privacy Policy explains how we collect, use and disclose certain information about individuals.

Collection of Information

We collect personal information from our shareholders and other organisations in order to maintain our share registry, to facilitate the payment of dividends and to communicate various information to shareholders, including financial results, annual reports and, on occasions, marketing material. The personal information which we collect may include shareholders' names, addresses, email addresses, security holdings, tax file numbers, bank account details and the like.

Use and Disclosure

In general, we will not use or disclose such information otherwise than for the purposes referred to above, for a purpose which the individual concerned would reasonably expect, a purpose authorised by law, or some other purpose disclosed to or authorised by the relevant individual.

To assist us to offer an economic, professional and secure share registry system and to communicate with our shareholders, we utilise the services of a computerised share registry service provider, print and mailing house service providers and where appropriate, providers of financial services, including facilities for directly crediting dividends. Personal information collected by us may be disclosed to these organisations. These organisations act on our behalf and have their own specific confidentiality and non-disclosure agreements and requirements to comply with the Privacy Act.

Further, under the Corporations Act 2001 we must allow any person to inspect our share register on request. We must also from time to time disclose certain personal information to other persons, such as regulatory bodies (including the Australian Securities and Investments Commission and the Australian Taxation Office) and shareholders.

Where appropriate, we will instruct third parties to whom personal information is disclosed to use that information only for the purposes for which it is disclosed.

We may disclose personal information to avoid, lessen or prevent a serious emergency or crime.

We may use personal information for certain marketing purposes, unless the individual concerned expresses a wish not to receive any further direct marketing communications from us.

We will not sell, rent or trade personal information to or with third parties, without your consent.

Information Security

We will take reasonable steps to protect the personal information we hold from misuse and loss and also from unauthorised access, modification or disclosure.

Access and Correction

On request, we will take reasonable steps to advise any individual, generally, what sort of personal information we hold, for what purposes, and how we collect, hold, use and disclose that information.

We will provide to an individual about whom we hold personal information access to that information on request from that individual except in special circumstances referred to in the Privacy Act, including where disclosure would have an unreasonable impact on the privacy of another individual, the information would reveal a commercially sensitive decision-making process, or we are prevented by law from making disclosure.

Any individual requiring access to personal information which we hold about that individual should contact us in writing. Depending on the nature of the request for information, we may require the completion of a personal information request form, and we may charge a fee for our service, but we would advise the amount of the fee when responding to the request.

Changes to this Privacy Policy

This Privacy Policy may be amended from time to time.

Our Privacy Policy as in force from time to time is available at all times on our website: www.bel.com.au

Further Information

Any individual requiring further information or wishing to make a complaint should contact our Company Secretary.

REGISTRIES Security and Privacy Statement

Registries Limited places a high value on privacy and security and has designed and implemented its systems from the ground up with this always in mind. While there is, of course, no way to absolutely guarantee security, we have taken the necessary steps to ensure that the industry standard safeguards we have put in place adequately address the potential risks.

Privacy

Protecting securityholders' privacy and the confidentiality of their personal information is an integral part of our business philosophy.

Registries Limited is subject to, and committed to complying with, the Privacy Amendment (Private Sector) Act 2000 (Privacy Act).

The following is a summary of the key issues:

What Information Do We Collect?

Registries Limited collects personal information in its capacity as a provider of registry services to both listed and unlisted entities (issuers) and the holders of their securities. Such information is required to administer your security holding and includes name, address, details of securities held, bank account details and tax file numbers.

How Information Is Collected And Stored

Registries Limited collects information provided by you on application or registration forms, advices of banking instructions, tax file numbers, statutory declarations, etc. Reasonable steps are taken to protect the personal information held from misuse and loss from unauthorised access modification or disclosure. Registries Limited may store non current records containing personal information in our archives. Should you wish to access such records you may do so, but there may be a charge for providing access.

How Personal Information Is Used

The personal information collected from you may be used to provide you with registry services or with other information you have requested. It may also be disclosed to the securities issuer, regulatory bodies including the Australian Taxation Office, authorised security brokers and external providers of services such as printers and mail houses. Disclosure may also be required or authorised by or under law, to be made to law enforcement agencies, government agencies and courts. Registries Limited does not sell, trade, lease or rent personal information.

How You Can Access And Correct Your Personal Information

You have the right to access, correct and update the personal information that we hold about you. To ensure the integrity and safety of security holders' information, you will need to prove your identity by providing the following information to us:

- Your Holder Identification Number (HIN) or Security Reference Number (SRN); or
- Provide proof of your registered name, e.g. birth certificate, marriage certificate, drivers licence and proof of your registered address, which will match the details on the register

A form signed by you will need to comply with signing requirements as follows:

- Individual Holder** - Must be signed by the security holder or his/her attorney
- Joint Holders** - Must be signed by all joint security holders or their attorney(s)
- Companies** - Must be signed by either two directors or a director and company secretary with their titles stated, or a sole director and sole company secretary with title stated, or the company's attorney

If you have a broker sponsored CHESS holding, you will need to contact your broker direct.

If you have any questions or comments about our privacy policy, or if you wish to complain about how we have handled personal information about you, please contact Registry Limited's Privacy Officer.

If you require further information please email info@registriesltd.com.au



www.bel.com.au

A. B. N. 87 008 108 218

Level 5, 14 Martin Place, Sydney NSW 2000
Tel | + 61 (2) 9229 7999

F | + 61 (2) 9221 1194

E | info@bel.com.au

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Bentley International Limited

ABN 87 008 108 218

Registered Office:

Level 5
14 Martin Place
Sydney NSW 2000
www.bel.com.au
info@bel.com.au

Share Registry:

Registries Limited
ABN 14 003 209 836
PO Box R67
Royal Exchange NSW 1223
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.registriesltd.com.au
registries@registries.com.au

[Name1]
[Address2]
[Address3]
[Address4]
[Address5]
[Address6] etc

Holder ID: []
No. Shares: []

Request for Direct Payment of Dividends / Interest

Please credit all dividends/interest on the holding as registered above to the following Financial Institution

Name of Financial Institution (please print)			
Branch (full address – please print)			
BSB Number (must be 6 digits)		Account Number	
Account Name (please print)			
1 st Securityholder sign		2 nd Securityholder sign	
3 rd Securityholder sign		Dated this day of 200	

Notification of Tax File Number, ABN or Exemption

1 st Securityholder Tax File Number		2 nd Securityholder Tax File Number		
3 rd Securityholder Tax File Number				
Individual or Joint	Corporation	Partnership	Trust	Super Fund
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Please tick applicable box				

Instructions for completing this form are provided overleaf

Further Information and Instructions

Direct payment of dividends or interest

These can only be made to an Australian bank, credit union or building society.

If you want your dividends or interest to be paid directly into a nominated account, please complete the section on the front of this form. Until you advise otherwise, all future payments in respect of your holding will be paid into the nominated account. Your payment will not be subject to any postal delays, the risk of loss or theft of your cheque will be eliminated and an advice containing full dividend or interest details will be despatched to you by the Registry.

If you change your account for some reason please notify the Registry immediately.

If you do not complete this section or this notice is incomplete, unsigned or invalid in any way, you will continue to receive your dividends by cheque.

Neither the Company nor the Registry will be responsible for any delays in payments being credited to your nominated account as a result of transaction procedures, errors or delays by any financial institution.

This instruction for your dividend or interest to be paid directly into your account only applies to the specific holding appearing on the front of this form.

If your securities are held in joint names, all holders must sign.

If you are signing as an Attorney then the Power of Attorney must have either been noted by the Registry or be duly stamped and accompany this form when lodging it with the Registry. Only duly authorised officers of a Company can sign on behalf of a Company and you must state the office held by the signatory (eg. Director, Secretary).

Tax File Numbers, ABN or Exemptions

Complete this section if you wish to provide your TFN, ABN or Exemption. Collection of TFN and ABN information is authorised by the Tax Legislation and its use and disclosure is strictly regulated by the Tax Legislation and Privacy Act.

It is not an offence to choose not to provide your TFN, ABN or Exemption, however if you do not, tax may be deducted from any unfranked portion of your dividends or interest payments at the highest marginal rate.

If you are exempt, provide the appropriate exemption code from the following list:

<u>Description</u>	<u>Exemption Code</u>
Age Pension, Invalid Pension, Service / Veterans Pension	00444444441
Carers Pension, Rehabilitation Allowance, Sole Parents Pension Widows Pension, Other Pension, Special Benefit	00444444442
Non-Profit Organisation	00555555555
Investors in the business of providing consumer or business finance	00666666666
Norfolk Island residents	00777777777

REGISTRIES