

ANNUAL REPORT 2011

Russell Pooled Superannuation Trust

31 OCTOBER 2011

Russell Pooled Superannuation Trust – Class 1 Options
Russell Pooled Superannuation Trust - Class 2 Options
Russell Pooled Superannuation Trust - Tax Exempt Options

Your Statement is made up of two documents:

1. Your Annual Report (this document);
2. Financial Statement for 2010/2011.

Address

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About this Annual Report

This Annual Report provides you with information on the investment options that are available under the Russell Pooled Superannuation Trust ('the Trust') ABN 66 730 340 245, for the year ended 30 June 2011.

A copy of the audited accounts of the Trust is provided (in a separate document) with this Annual Report. Together, they make up the periodic fund statement for the purpose of s1017DA of the Corporations Act.

What you need to remember

This Annual Report contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. We recommend you seek professional financial advice and taxation advice before making an investment decision.

About the Trustee

This Annual Report has been prepared by Total Risk Management Pty Limited ABN 62 008 644 353, AFS Licence Number 238790 (referred to as 'we', 'our' or 'us'). We are the Trustee of the Trust, as approved by the Australian Prudential Regulatory Authority ('APRA') and are responsible for the administration and management of the Trust. We have provided APRA with an approved bank guarantee in the sum of \$5 million. This is a minimum capital guarantee requirement for us and provides comfort in the event of any default in relation to the operation of the Trust. A copy of the guarantee is available on request.

We have appointed Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247185 (referred to as 'RIM' or 'Russell') as investment manager of the Trust.

The Investment Options

Details of the Investment Options are shown on pages 6 to 21.

Russell Sector Options

The Russell Sector Options generally invest in a single underlying fund using multiple investment managers. The underlying fund is typically a managed investment scheme registered with the Australian Securities and Investment Commission. The Russell Sector Options and the corresponding underlying fund are listed below:

| Asset Class | Underlying Fund |
|--|---|
| Australian Cash | Russell Australian Cash Fund |
| Australian Cash Enhanced | Russell Australian Cash Enhanced Fund |
| International Property Securities - \$A Hedged | Russell International Property Securities Fund - \$A Hedged |
| Global Listed Infrastructure - \$A Hedged | Russell Global Listed Infrastructure Fund - \$A Hedged |
| Australian Shares | Russell Australian Shares Fund |
| Australian Shares Enhanced Income | Russell Australian Shares Enhanced Income Fund |
| After-Tax Australian Shares (For Superannuation Investors) | Russell After-Tax Australian Shares Fund (For Superannuation Investors) |
| Australian Opportunities | Russell Australian Opportunities Fund |
| International Shares | Russell International Shares Fund |
| International Shares – \$A Hedged | Russell International Shares Fund- \$A Hedged |
| Global Opportunities | Russell Global Opportunities Fund |
| Global Opportunities - \$A Hedged | Russell Global Opportunities Fund - \$A Hedged |

| | |
|--|--|
| Australian Bonds | Russell Australian Bond Fund |
| International Bonds - \$A Hedged | Russell International Bond Fund - \$A Hedged |
| Inflation Linked Bonds | Russell Inflation Linked Bond Fund |
| Emerging Markets | Russell Investment Company plc – the Emerging Markets Equity Fund |
| Socially Responsible Australian Shares | BT Wholesale Ethical Share Fund |
| Australian Direct Property | AMP Investment Linked Superannuation Fund – Australian Core Property Portfolio |

RIM is the responsible entity and manager for the above listed underlying funds with the exception of the:

- Russell Investment Company Plc – The Emerging Markets Equity Fund and the Russell Alternative Strategies Fund II Plc – Australian Dollar Hedged Class which are open-ended investment company organised under the laws of Ireland ; and
- AMP Investment Linked Superannuation Fund – Australian Core Property Portfolio, a group superannuation policy administered by AMP Life Limited.
- BT Wholesale Ethical Share Fund - BT Investment Management Limited is the Responsible Entity of the Fund.

Russell Diversified Options

The Russell Diversified Options invest in a range of underlying Russell funds that are domiciled in Australia or Ireland, as well as a number of external funds.

The funds managed by RIM (i.e. domiciled in Australia) that the Russell Diversified Options may invest in include the Russell Sector Options, as well as:

- Russell Cash Sweep Fund
- Russell Australian Shares Tracker Fund
- Russell Alternatives Strategies Fund
- Russell Australian Bond Income Fund
- Russell Commodities Fund
- Russell International Shares Tracker Fund

The following is a list of Russell funds (domiciled in Ireland) which the Russell Diversified Options may invest in:

- RIC Plc Global Credit Fund
- Frank Russell Alternative Strategies Fund II Plc
- RIC IV Alpha Fund – AUD Hedged Class
- Multi Style Multi Manager Plc – The Global Strategic Yield Fund - \$A Hedged
- RAIF Plc – Alternative Strategies Fund

The following is a list of external funds which the Russell Diversified Options may invest in:

- Vanguard Global Infrastructure Fund
- Vanguard Global Infrastructure Hedged Fund
- Vanguard Australian Shares Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard International Shares Index Fund
- Vanguard International Shares Index Fund (Hedged)
- Vanguard Property Securities Index Fund
- Vanguard International Property Securities Index Fund (Hedged)

- Vanguard Australian Fixed Interest Index Fund
- Vanguard International Fixed Interest Index Fund (Hedged)
- Vanguard Emerging Markets Shares Index Fund
- Dexus Wholesale Property Fund

Significant Holdings

Depending on the investment Option's asset allocation (see pages 6 to 12) an underlying fund may represent more than 5% of the investment Option's assets.

Your investment options

Russell Diversified Options – PST Class 1 & PST Class 2

The Options are available in the Russell Pooled Superannuation Trust Class 1 (PST Class 1) and Russell Pooled Superannuation Trust Class 2 (PST Class 2) except where otherwise noted. Please refer to page 22 to 24 for investment return information.

Russell Conservative Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of predominantly defensive assets and some growth orientated assets with low volatility.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 30% and defensive investments around 70%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 13.7% | 13.3% |
| International shares | 9.5% | 7.0% |
| Property | 3.5% | 4.8% |
| Fixed interest | 41.7% | 46.1% |
| Australian cash | 27.6% | 27.2% |
| Alternatives | 4.0% | 1.6% |

Russell Diversified 50 Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of defensive and growth orientated assets with some volatility.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 50% and defensive investments around 50%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 21.8% | 20.9% |
| International shares | 21.0% | 18.9% |
| Property | 4.9% | 5.3% |
| Fixed interest | 30.8% | 36.1% |
| Australian cash | 17.3% | 17.3% |
| Alternatives | 4.2% | 1.5% |

Russell Balanced Blended Unit*

Investment objective

To aim to provide investors with medium term capital growth with moderate to high volatility through exposure to a diversified investment portfolio, using a combined passive/active investment management approach.

Investment strategy

The Option typically invests in a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 31.7% | 31.5% |
| International shares | 29.6% | 27.3% |
| Property | 6.6% | 6.0% |
| Fixed interest | 23.2% | 26.6% |
| Australian cash | 6.2% | 7.0% |
| Alternatives | 2.7% | 1.6% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Balanced Index Unit*

Investment objective

To aim to provide investors with some medium term capital growth with low volatility through exposure to a diversified investment portfolio, using a predominantly passive investment management approach.

Investment strategy

The Option typically invests in a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset Allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 31.6% | 31.7% |
| International shares | 29.2% | 27.5% |
| Property | 6.5% | 6.3% |
| Fixed interest | 25.9% | 26.2% |
| Australian cash | 4.3% | 6.8% |
| Alternatives | 2.5% | 1.5% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Balanced Opportunities Unit

Investment objective

To aim to provide investors with an exposure to a diversified mix of predominantly growth orientated assets with moderate to high volatility and some defensive assets.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 29.5% | 28.0% |
| International shares | 28.4% | 25.5% |
| Property | 5.6% | 5.6% |
| Fixed interest | 22.3% | 26.2% |
| Australian cash | 4.5% | 7.0% |
| Alternatives | 9.7% | 7.7% |

Russell Balanced Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of predominantly growth orientated assets with moderate to high volatility and some defensive assets.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 30.8% | 31.0% |
| International shares | 28.5% | 25.0% |
| Property | 5.0% | 5.4% |
| Fixed interest | 22.7% | 26.6% |
| Australian cash | 4.7% | 6.7% |
| Alternatives | 8.3% | 5.3% |

Russell Growth Unit

Investment objective

To aim to provide investors with capital growth over the long term by focusing on growth assets, while accepting fluctuations in capital values in the short term.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 90% and defensive investments around 10%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 37.8% | 39.2% |
| International shares | 38.1% | 35.9% |
| Property | 5.1% | 7.2% |
| Fixed interest | 6.5% | 8.8% |
| Australian cash | 3.3% | 4.0% |
| Alternatives | 9.2% | 4.9% |

Russell High Growth Unit

Investment objective

To aim to provide investors with capital growth over the long term by focusing solely on growth assets, while accepting fluctuations in capital values in the medium term.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 100%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 44.8% | 43.3% |
| International shares | 44.4% | 42.7% |
| Property | 3.6% | 6.9% |
| Australian cash | 0.4% | 2.4% |
| Alternatives | 6.8% | 4.7% |

Russell Diversified Options – PST Tax Exempt

The Options are available in the Russell Pooled Superannuation Trust - Tax Exempt (PST Tax Exempt) except where otherwise noted. Please refer to page 22 to 24 for investment return information.

Russell Conservative Tax Exempt Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of predominantly defensive assets and some growth orientated assets with low volatility.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 30% and defensive investments around 70%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 13.8% | 13.2% |
| International shares | 9.4% | 7.2% |
| Property | 3.4% | 4.8% |
| Fixed interest | 43.4% | 44.9% |
| Australian cash | 26.0% | 28.4% |
| Alternatives | 4.0% | 1.5% |

Russell Diversified 50 Tax Exempt Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of defensive and growth orientated assets with some volatility.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 50% and defensive investments around 50%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 21.9% | 20.8% |
| International shares | 21.2% | 18.4% |
| Property | 4.4% | 5.9% |
| Fixed interest | 31.5% | 34.6% |
| Australian cash | 16.7% | 19.0% |
| Alternatives | 4.3% | 1.3% |

Russell Balanced Opportunities Tax Exempt Unit

Investment objective

To aim to provide investors with an exposure to a diversified mix of predominantly growth orientated assets with moderate to high volatility and some defensive assets.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 29.7% | 28.1% |
| International shares | 28.4% | 25.7% |
| Property | 4.3% | 5.8% |
| Fixed interest | 22.6% | 26.0% |
| Australian cash | 4.7% | 7.2% |
| Alternatives | 10.3% | 7.2% |

Russell Balanced Tax Exempt Unit

Investment objective

To aim to provide investors with exposure to a diversified mix of predominantly growth orientated assets with moderate to high volatility and some defensive assets.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 30.9% | 30.3% |
| International shares | 28.5% | 26.0% |
| Property | 4.4% | 6.1% |
| Fixed interest | 22.6% | 26.6% |
| Australian cash | 4.8% | 6.5% |
| Alternatives | 8.8% | 4.5% |

Russell Growth Tax Exempt Unit

Investment objective

To aim to provide investors with capital growth over the long term by focusing on growth assets, while accepting fluctuations in capital values in the short term.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 90% and defensive investments around 10%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 38.1% | 38.2% |
| International shares | 38.3% | 37.5% |
| Property | 4.7% | 7.4% |
| Fixed interest | 5.8% | 9.0% |
| Australian cash | 3.8% | 3.5% |
| Alternatives | 9.3% | 4.4% |

Russell High Growth Tax Exempt Unit

Investment objective

To aim to provide investors with capital growth over the long term by focusing solely on growth assets, while accepting fluctuations in capital values in the medium term.

Investment strategy

The Option is typically exposed to a diversified portfolio mix with exposure to growth investments around 100%. The Option may be indirectly exposed to derivatives.

Actual asset allocation (as at 30 June)

| Asset class | 2011 | 2010 |
|----------------------|-------|-------|
| Australian shares | 45.6% | 44.3% |
| International shares | 43.7% | 42.4% |
| Property | 2.9% | 6.3% |
| Australian cash | 0.3% | 2.5% |
| Alternatives | 7.5% | 4.5% |

Russell Sector Options

The Options are available in the PST Class 1, PST Class 2 and PST Tax Exempt except where otherwise noted. Please refer to page 22 to 24 for investment return information.

Russell Australian Cash Unit*

Investment objective

To aim to provide a total return, before costs and tax, in line with the Option's benchmark over the short term by providing exposure to a diversified portfolio of predominantly Australian dollar investment grade cash and cash equivalents.

Investment strategy

The Option is predominantly exposed indirectly to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The Option may also be indirectly exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

Benchmark

UBSA Bank Bill Index.

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|----------------------------|-------|-------|
| Money Market Instruments | 78.4% | 74.3% |
| Cash | 9.6% | 0.2% |
| Mortgage Backed Securities | 8.5% | 16.0% |
| Bank Debt | 1.8% | 5.0% |
| Non-Bank Corporate Debt | 1.5% | 3.8% |
| Asset Backed Securities | 0.2% | 0.7% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Australian Cash Enhanced Unit

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the medium term by providing exposure to a diversified portfolio of predominantly Australian dollar investment grade cash and cash equivalents.

Investment strategy

The Option is predominantly exposed indirectly to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The Option may also be indirectly exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

Benchmark

UBSA Bank Bill Index.

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|----------------------------|-------|-------|
| Mortgage Backed Securities | 33.3% | 39.7% |
| Money Market Instruments | 23.2% | 13.1% |
| Bank Debt | 21.9% | 21.2% |
| Non-Bank Corporate Debt | 16.3% | 18.6% |
| Asset Backed Securities | 2.7% | 3.0% |
| Cash | 2.6% | 4.4% |

Russell International Property Securities Unit – \$A Hedged

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly international and Australian listed property securities, largely hedged into Australian dollars.

Investment strategy

The Option is predominantly exposed indirectly to property trusts and property related securities listed on stock exchanges in developed international markets (such as countries included in the FTSE EPRA/NAREIT Developed Real Estate Index Net TRI - \$A Hedged). The Option may also be indirectly exposed to securities which have exposure to properties in emerging markets. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

FTSE EPRA/NAREIT Developed Real Estate Index Net TRI - \$A Hedged

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------|-------|-------|
| North America | 47.7% | 43.5% |
| Asia | 26.4% | 32.0% |
| Continental Europe | 10.3% | 8.6% |
| Australia | 8.7% | 10.0% |
| United Kingdom | 6.5% | 5.9% |
| South America | 0.4% | - |

Russell Global Listed Infrastructure Unit - \$A Hedged *

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly global listed infrastructure securities, largely hedged into Australian dollars.

Investment strategy

The Option is predominantly exposed indirectly to infrastructure and infrastructure related securities listed on stock exchanges in developed and emerging markets (such as countries included in the S&P Global Infrastructure Index). The Option may also be indirectly exposed to unlisted securities on a limited basis. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

S&P Global Infrastructure Index (\$A Hedged) (Net TR)

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------------|-------|-------|
| North America | 32.5% | 32.9% |
| Europe ex United Kingdom | 30.2% | 24.9% |
| Emerging Markets | 15.3% | 15.5% |
| Asia ex Japan | 13.8% | 18.6% |
| United Kingdom | 5.4% | 4.7% |
| Japan | 2.8% | 3.4% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Australian Shares Unit

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian shares.

Investment strategy

The Option is predominantly exposed indirectly to shares and unit trusts listed or about to be listed on the Australian Stock Exchange. The Option may also be indirectly exposed to derivatives.

Benchmark

S&P/ASX 300 Accumulation Index.

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|------------------------------|-------|-------|
| Financial ex Property Trusts | 34.6% | 36.5% |
| Materials | 29.7% | 28.4% |
| Other | 21.0% | 22.3% |
| Consumer Discretionary | 7.8% | 7.1% |
| Energy | 6.9% | 5.7% |

Russell Australian Opportunities Unit

Investment objective

To aim to significantly outperform the Option's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly Australian shares

Investment strategy

The Option is predominantly exposed indirectly to shares and unit trusts listed or about to be listed on the Australian Stock Exchange. The Option may also be indirectly exposed to derivatives and short selling.

Benchmark

S&P/ASX 300 Accumulation Index.

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|------------------------------|-------|-------|
| Financial ex Property Trusts | 30.0% | 30.2% |
| Materials | 29.2% | 28.0% |
| Other | 19.4% | 21.3% |
| Consumer Discretionary | 7.7% | 7.3% |
| Energy | 6.6% | 7.1% |
| Consumer Staples | 7.1% | 6.1% |

Russell International Shares Unit

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly international shares.

Investment strategy

The Option is predominantly exposed indirectly to a broad range of international shares listed on stock exchanges in developed international markets (such as countries included in the Russell Developed Large Cap Index). The Option may also be indirectly exposed to derivatives and emerging market equity securities.

Benchmark

Russell Developed Large Cap – Net Index

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------------|-------|-------|
| North America | 49.8% | 49.0% |
| Europe ex United Kingdom | 25.6% | 25.4% |
| United Kingdom | 10.0% | 10.2% |
| Japan | 5.7% | 7.4% |
| Emerging Markets | 5.6% | 5.2% |
| Asia ex Japan | 3.3% | 2.8% |

Russell International Shares Unit – \$A Hedged

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly international shares largely hedged into Australian dollars.

Investment strategy

The Option is predominantly exposed indirectly to a broad range of international shares listed on stock exchanges in developed international markets (such as countries included in the Russell Developed Large Cap Index). The Option may also be indirectly exposed to derivatives and emerging market equity securities. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Russell Developed Large Cap AUD Hedged – Net Index

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------------|-------|-------|
| North America | 49.8% | 49.0% |
| Europe ex United Kingdom | 25.6% | 25.4% |
| United Kingdom | 10.0% | 10.2% |
| Japan | 5.7% | 7.4% |
| Emerging Markets | 5.6% | 5.2% |
| Asia ex Japan | 3.3% | 2.8% |

Russell Global Opportunities Unit

Investment objective

To aim to significantly outperform the Option's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly international shares.

Investment strategy

The Option is predominantly exposed indirectly to a broad range of international shares listed on stock exchanges in developed international markets and emerging markets securities (such as countries included in the Russell Global Large Cap Index). The Option may also be indirectly exposed to derivatives.

Benchmark

Russell Global Large Cap – Net Index

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------------|-------|-------|
| North America | 48.2% | 44.7% |
| Europe ex United Kingdom | 21.9% | 28.1% |
| United Kingdom | 9.0% | 9.4% |
| Japan | 7.3% | 7.3% |
| Emerging Markets | 12.6% | 8.5% |
| Asia ex Japan | 1.0% | 2.0% |

Russell Global Opportunities Unit - \$A Hedged*

Investment objective

To aim to significantly outperform the Option's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly international shares, largely hedged into Australian dollars.

Investment strategy

The Option is predominantly exposed indirectly to a broad range of international shares listed on stock exchanges in developed international markets and emerging markets securities (such as countries included in the Russell Global Large Cap Index). The Option may also be indirectly exposed to derivatives. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Russell Global Large Cap AUD Hedged - Net Index

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------------|-------|-------|
| North America | 48.2% | 44.7% |
| Europe ex United Kingdom | 21.9% | 28.1% |
| United Kingdom | 9.0% | 9.4% |
| Japan | 7.3% | 7.3% |
| Emerging Markets | 12.6% | 8.5% |
| Asia ex Japan | 1.0% | 2.0% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Australian Bond Unit*

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian fixed income securities.

Investment strategy

The Option is predominantly exposed indirectly to Australian issued government, quasi-government and corporate fixed income securities. The Option may also be exposed to derivatives, debt securities issued by supranationals and non-Australian governments, agencies and corporates, as well as structured credit securities including mortgage and asset backed securities. The Option from time to time may be exposed indirectly to low grade or unrated debt securities to a limited extent.

Benchmark

UBSA Composite Bond Index

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|-----------------------|-------|-------|
| Corporate | 45.6% | 47.2% |
| Semi-government | 28.6% | 28.3% |
| Government | 13.5% | 21.6% |
| Mortgage/Asset-backed | 12.3% | 2.9% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell International Bond Unit - \$A Hedged*

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly fixed income securities denominated in foreign currencies and largely hedged into Australian dollars.

Investment strategy

The Option is predominately exposed indirectly to debt securities issued by supranationals, international governments, quasi-governments, agencies and corporates as well as structured credit securities including mortgage and asset backed securities. The Option may also be indirectly exposed to derivatives and to low grade or unrated debt securities to a limited extent. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Barclays Capital Global Aggregate Index (\$A - Hedged)

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|--------------------|-------|-------|
| United States | 29.5% | 33.1% |
| Euroland | 12.8% | 26.9% |
| Australia/NZ/Other | 41.4% | 23.1% |
| Japan | 2.4% | 6.6% |
| United Kingdom | 5.5% | 5.5% |
| Other Europe | 8.4% | 4.7% |

*Not available in the PST Class 2 or PST Tax Exempt.

Russell Inflation Linked Bond Unit*

Investment objective

To aim to provide a total return, before costs and tax, in line with the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly inflation linked bonds.

Investment strategy

The Option is predominantly exposed indirectly to government, quasi-government and corporate inflation linked bonds issued in Australia. In addition, this Option may be indirectly exposed to cash and cash equivalents and derivatives. From time to time, the Option may be indirectly exposed to low grade or unrated debt securities to a limited extent.

Benchmark

UBSA Government Inflation Index

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|-----------------------|-------|-------|
| Corporate | 12.2% | 13.6% |
| Semi-government | 29.6% | 23.5% |
| Government | 52.0% | 49.8% |
| Mortgage/Asset-Backed | 4.4% | 7.0% |
| Cash | 1.8% | 6.1% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Emerging Markets Unit*

Investment objective

To aim to significantly outperform the Option's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly emerging market shares.

Investment strategy

The Option is predominantly exposed indirectly to shares listed on stock exchanges in emerging markets (such as those included in the Russell Emerging Markets Index). The Option may also have indirect exposure to shares listed on stock exchanges in countries which are considered 'frontier' or 'pre-emerging' and to equity securities listed on developed markets' stock exchanges where the issuer derives a material proportion of its revenue from the emerging markets.

Benchmark

Russell Emerging Markets Net Index

Market exposure (as at 30 June)

| Region | 2011 | 2010 |
|----------|-------|-------|
| Americas | 21.4% | 21.8% |
| Europe | 17.9% | 8.7% |
| Asia | 51.0% | 55.5% |
| Africa | 8.4% | 8.9% |
| Other | 1.33% | 5.1% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Socially Responsible Australian Shares Unit*

Investment objective

To aim to provide a total return, before costs and tax, higher than the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian shares, having regard to socially responsible standards.

Investment strategy

The Option is predominantly exposed indirectly to shares or unit trusts listed or about to be listed on the Australian Stock Exchange. In selecting shares or unit trusts, consideration is given to one or more socially responsible standards (e.g. social, ethical or environmental standards).

Benchmark

S&P/ASX 300 Accumulation Index

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|------------------------------|-------|-------|
| Financial ex Property Trusts | 25.8% | 27.3% |
| Materials | 28.5% | 24.5% |
| Energy | 13.1% | 10.3% |
| Telecommunication Services | 3.6% | 4.7% |
| Cash & Other | 16.5% | 22.7% |
| Industrials | 12.5% | 10.5% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell Australian Direct Property Unit*

Investment objective

To provide a total return, before costs and tax, higher than the Option's benchmark on a three year rolling basis by providing exposure to a diversified portfolio of Australian direct property.

Investment strategy

The Option is indirectly exposed to real estate, including leases and other forms of investment in real property.

Benchmark

Ten-year Government Bonds rate plus 3%

Market exposure (as at 30 June)

| Sector | 2011 | 2010 |
|------------|-------|-------|
| Industrial | 5.4% | 5.5% |
| Retail | 61.0% | 57.1% |
| Office | 33.6% | 37.4% |

* Not available in the PST Class 2 or PST Tax Exempt.

Russell After-Tax Australian Shares (For Superannuation Investors)*

Investment objective

To aim to provide a total after tax return (net of fees), above the Option's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian shares.

Investment strategy

The Option is predominantly exposed indirectly to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Option may also be indirectly exposed to derivatives. The Option's after tax return (net of fees) is enhanced indirectly via tax efficient strategies implemented within its underlying fund(s).

Benchmark

FTSE ASFA Australia 200 Superannuation Index

Market exposure (as at 30 June)

| Sector | 2011 |
|------------------------------|-------|
| Financial ex Property Trusts | 37.3% |
| Materials | 27.4% |
| Consumer Discretionary | 7.7% |
| Consumer Staples | 7.4% |
| Industrials | 6.5% |
| Energy | 6.3% |
| Telecommunication Services | 2.7% |
| Other | 4.7% |

* Not available in the PST Class 2 or PST Tax Exempt. The Option was launched 1 February 2011.

Russell Australian Shares Enhanced Income Unit

Investment objective

To aim to provide a higher level of income than the Option's benchmark, before costs and tax, with the potential for capital growth over the medium to long term, by providing exposure to a diversified portfolio of predominantly Australian equity securities.

Investment strategy

The Option is predominantly exposed indirectly to shares and trusts listed or about to be listed on the Australian Securities Exchange and may also be indirectly exposed to hybrid equity securities such as convertible and preference shares. The Option may also be indirectly exposed to derivatives.

Benchmark

Russell High Dividend Index

Market exposure (as at 30 June)

| Sector | 2011 |
|------------------------------|-------|
| Financial ex Property Trusts | 54.6% |
| Consumer Discretionary | 10.9% |
| Consumer Staples | 9.1% |
| Materials | 7.8% |
| Industrials | 4.6% |
| Utilities | 4.4% |
| Property Trusts | 3.6% |
| Telecommunication Services | 3.5% |
| Other | 1.5% |

* The Option was launched 18 October 2010.

Investment returns⁺

Investment returns for the PST Options

The table below provides the annualised investment returns to 30 June in each year (unless otherwise noted) for the PST Options. The investment returns are calculated using exit prices net of fees and taxes.

| Russell PST Options – Class 1 Units | Inception date | 2011 | 2010 | 2009 | Since inception (p.a.) |
|---|----------------|-------|-------|--------|------------------------|
| Diversified options | | | | | |
| Russell Conservative | 05/12/01 | 7.5% | 11.8% | -2.9% | 5.0% |
| Russell Diversified 50 | 05/04/02 | 8.5% | 12.8% | -8.0% | 5.2% |
| Russell Balanced Blended | 01/04/05 | 10.0% | 13.6% | -12.9% | 4.6% |
| Russell Balanced Index | 16/01/04 | 10.8% | 12.2% | -13.5% | 5.8% |
| Russell Balanced Opportunities | 21/08/07 | 10.0% | 13.4% | -12.9% | -0.8% |
| Russell Balanced | 27/08/01 | 9.6% | 13.5% | -13.1% | 4.7% |
| Russell Growth | 15/06/07 | 10.8% | 13.6% | -18.2% | 5.1% |
| Russell High Growth | 31/03/05 | 11.8% | 14.0% | -19.3% | 4.3% |
| Sector options | | | | | |
| Russell Australian Cash | 27/07/01 | 3.8% | 2.8% | 4.6% | 4.3% |
| Russell Australian Cash Enhanced | 19/04/07 | 5.8% | 5.2% | 3.6% | 4.8% |
| Russell International Property Securities - \$A Hedged | 10/12/04 | 24% | 26.3% | -39.6% | 2.9% |
| Russell Global Listed Infrastructure - \$A Hedged | 28/09/09 | 21.4% | n/a | n/a | 15.2% |
| Russell Australian Shares | 27/07/01 | 11.2% | 15.1% | -18.0% | 7.7% |
| Russell Australian Opportunities | 25/10/04 | 13.6% | 13.2% | -16.4% | 6.9% |
| Russell International Shares | 27/07/01 | 4.8% | 9.7% | -21.3% | -3.3% |
| Russell International Shares - \$A Hedged | 27/07/01 | 23.4% | 12.5% | -31.1% | 2.2% |
| Russell Global Opportunities | 07/04/05 | 3.6% | 10.0% | -15.5% | 1.5% |
| Russell Global Opportunities - \$A Hedged | 12/12/08 | 21.9% | 13.3% | n/a | 17.7% |
| Russell Australian Bonds | 27/07/01 | 5.2% | 9.2% | 7.6% | 5.2% |
| Russell International Bonds - \$A Hedged | 27/07/01 | 6.3% | 15.3% | 4.0% | 6.0% |
| Russell Inflation Linked Bond | 27/07/01 | 5.8% | 8.9% | -3.1% | 4.8% |
| Russell Emerging Markets | 26/07/05 | -1.6% | 17.9% | -16.2% | 6.1% |
| Russell Socially Responsible Australian Shares | 25/06/08 | 10.3% | 11.0% | -19.1% | -0.3% |
| Russell Australian Direct Property | 06/08/04 | 9.6% | 4.2% | -11.5% | 7.9% |
| Russell After-Tax Australian Shares (for Superannuation Investors) [^] | 06/05/11 | - | - | - | -8.0% |
| Russell Australian Shares Enhanced Income ^{^*} | - | - | - | - | - |

⁺ Past performance is not a reliable indicator of future performance.

[^] Annualised performance figures are not available as the Fund launched less than 1 year ago.

^{*} This PST Option has not yet been seeded, therefore, no inception date or performance numbers are available.

Investment returns⁺

Investment returns for the PST Class 2 Options

The table below provides the annualised investment returns to 30 June in each year for the PST Class 2 Options. The investment returns are calculated using exit prices net of fees and taxes.

| Russell PST Options – Class 2 Units | Inception date | 2011 | 2010 | 2009 | Since Inception (p.a.) |
|--|----------------|-------|-------|--------|------------------------|
| Diversified options | | | | | |
| Russell Conservative | 15/06/07 | 7.1% | 11.4% | -3.5% | 2.7% |
| Russell Diversified 50 | 15/06/07 | 8.1% | 12.4% | -8.3% | 0.8% |
| Russell Balanced Opportunities | 23/06/08 | 9.3% | 13.2% | -13.1% | 2.5% |
| Russell Balanced | 29/06/07 | 9.3% | 13.2% | -13.4% | -1.3% |
| Russell Growth | 15/06/07 | 10.5% | 13.3% | -18.4% | -3.4% |
| Russell High Growth | 15/06/07 | 11.2% | 13.7% | -19.8% | -3.8% |
| Sector options | | | | | |
| Russell Australian Cash Enhanced | 15/06/07 | 5.7% | 5.5% | 3.3% | 4.7% |
| Russell International Property Securities - \$A Hedged | 15/06/07 | 23.6% | 26.4% | -39.8% | -6.1% |
| Russell Australian Shares | 15/06/07 | 10.9% | 14.6% | -18.3% | -2.2% |
| Russell Australian Opportunities | 15/06/07 | 13.4% | 12.6% | -16.6% | -2.4% |
| Russell International Shares | 15/06/07 | 4.6% | 9.5% | -21.4% | -7.8% |
| Russell International Shares - \$A Hedged | 15/06/07 | 23.2% | 12.5% | -31.3% | -5.0% |
| Russell Global Opportunities | 15/06/07 | 3.4% | 10.5% | -15.7% | -5.5% |
| Russell Australian Shares Enhanced Income [^] | 02/08/11 | | | | -3.0% |

⁺ Past performance is not a reliable indicator of future performance.

[^] Annualised performance figures are not available as the Fund launched less than 1 year ago.

Investment returns⁺

Investment returns for the PST Tax Exempt Options

The table below provides the annualised investment returns to 30 June in each year for the PST Tax Exempt Options. The investment returns are calculated using exit prices net of fees and taxes.

| Russell PST Options – Tax Exempt Units | Inception date | 2011 | 2010 | 2009 | Since Inception (p.a.) |
|--|----------------|-------|-------|--------|------------------------|
| Diversified Options | | | | | |
| Russell Conservative | 30/05/07 | 7.6% | 12.5% | -2.4% | 3.1% |
| Russell Diversified 50 | 29/06/07 | 8.2% | 13.5% | -7.9% | 0.9% |
| Russell Balanced Opportunities | 08/09/08 | 10.1% | 14.3% | n/a | 4.9% |
| Russell Balanced | 29/06/07 | 9.3% | 14.0% | -12.9% | -1.4% |
| Russell Growth | 29/06/07 | 10.0% | 13.8% | -18.2% | -3.9% |
| Russell High Growth | 29/06/07 | 11.0% | 13.6% | -20.0% | -4.8% |
| Sector options | | | | | |
| Russell Australian Cash Enhanced | 29/06/07 | 6.4% | 6.4% | 3.9% | 5.5% |
| Russell International Property Securities - \$A Hedged | 30/05/07 | 25.2% | 23.4% | -37.2% | -6.3% |
| Russell Australian Shares | 30/05/07 | 9.7% | 12.9% | -17.1% | -3.2% |
| Russell Australian Opportunities | 29/06/07 | 13.3% | 12.6% | -17.4% | -3.7% |
| Russell International Shares | 01/06/07 | 3.4% | 5.7% | -20.0% | -9.3% |
| Russell International Shares - \$A Hedged | 01/06/07 | 26.2% | 13.6% | -32.9% | -5.2% |
| Russell Global Opportunities | 29/06/07 | 2.8% | 8.4% | -15.3% | -5.4% |
| Russell Australian Shares Enhanced Income [^] | 02/08/11 | - | - | - | -3.0% |

⁺ Past performance is not a reliable indicator of future performance.

[^] Annualised performance figures are not available as the Fund launched less than 1 year ago.

Other important information

Policy on derivatives

Some of the underlying investment managers appointed by Russell Investment Management Ltd are permitted to use derivatives (subject to explicit guidelines outlined in the relevant investment management agreements).

The main objective of using derivatives is to more efficiently manage the assets of the underlying funds. The underlying investment managers are required to ensure that the underlying funds are not leveraged. Cash, cash equivalents or physical securities are held to cover net derivative positions entered into.

If you have an inquiry or complaint

Inquiries and complaints

We have procedures in place for dealing with complaints promptly, and in any case within 45 days.

If you have any queries or complaints or require more information about the Trust or your investment in the Trust please contact us;

Contact: The Complaints Manager
Total Risk Management Pty Ltd
GPO Box 3279
SYDNEY NSW 2001, Australia
Tel: (02) 9229 5111
Fax: 1300 768 040
E-mail: disputeresolution@russell.com