

Additional Information Booklet

The information in this document provides additional information to the following Product Disclosure Statements (each a 'PDS'):

Russell II Portfolio – Class A dated 1 December 2011

Russell II Portfolio – Class B dated 1 December 2011

Russell IV Portfolio – Class A dated 1 December 2011

Russell IV Portfolio – Class B dated 1 December 2011

Russell V Portfolio – Class A dated 1 December 2011

Russell V Portfolio – Class B dated 1 December 2011

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2. How the Fund works

The following information forms part of section 2 of each PDS:

Reporting on your investment	
For investors accessing the Fund through a platform, please contact the operator for this information.	
Confirmations	We'll send you a transaction statement each time you transact.
Monthly reporting	We'll send you a monthly transaction statement.
Annual reporting	We'll send you an annual investment statement if you are a retail investor, and annual tax statement.
Distributions	We'll send you a distribution statement each time a distribution is made.

Investing through a platform

The units of the Fund are available through master trusts wrap accounts, investor directed portfolio services and nominee or custody services. We call these services 'platforms' and refer to people who invest through them as 'indirect investors'. We authorise the use of this PDS as a disclosure document for people who wish to access the Fund indirectly through these services.

To invest, indirect investors complete the application forms provided by the platform operator. You will receive reports from your platform operator, not us. Any enquiries or complaints should be directed to your platform operator.

To withdraw, you need to contact your platform operator for instructions.

To invest or withdraw, platform operators need to follow the same steps as direct investors.

Indirect investors do not themselves become investors in the Fund. Instead it is generally the platform operator who invests for you and so has the rights of an investor. They exercise them or not in accordance with their arrangements with you.

Some provisions of the Fund constitution and the PDS are not relevant for indirect investors. For example, indirect investors cannot attend investor meetings or transfer units.

Any reference to 'you' in the PDS (including this Additional Information Booklet), unless otherwise indicated, should be construed as a reference to the platform operator or any other person who is a direct investor in the Fund.

Initial investment

You need to firstly contact Russell Fund Operations for instructions on how to invest. You will then need to complete the Application Form and the forms contained in the Client Account Manual, which is available from Russell Fund Operations.

Processing applications

Generally, applications for units are processed each business day. However, reinvestment of distributions may be processed on non-business days. If we receive your completed Application Form or additional investment instruction and money by the 'cut off time' on a business day, we will generally process your application using the entry price for that day. *The 'cut off time' is 12:00 noon Sydney time.*

If received after the 'cut off time', or on a non-business day for us, we generally process your application using the entry price for the next business day.

Generally, we will send you confirmation of your investment within 5 days of us processing your application.

Please note that if you are investing by cheque, should your cheque be dishonoured you may be liable for all reasonable costs associated with processing your application.

Unit prices and valuation

We generally determine entry and exit prices at least each business day. The unit prices for each class of units in the Fund are calculated using the net asset value of that class, divided by the number of units in that class. The entry and exit prices are the unit prices of that class adjusted for any buy-sell spreads. Assets are valued in accordance with our securities market valuation policy, usually at the current market value. Where the Fund has exposure to certain types of assets for which daily prices are unavailable (eg. alternatives, private equity, or unlisted property/infrastructure), these assets may be valued less frequently.

You can contact us for a copy of our policies on exercising discretions when calculating unit prices, free of charge.

Your account balance

Your account balance changes as investments are made and as investment returns are added. Fees, taxes, expenses, income and investment gains and losses will affect your account balance.

The unit price fluctuates in line with the market value of assets held in the Fund. Generally, if market values are going up, the unit price rises, and if market values are declining, the unit price falls.

If the unit price increases relative to the original unit price at which you received your units, you have made an investment gain and your account balance rises accordingly. If the unit price decreases, you've made an investment loss and your account balance will fall.

Making a withdrawal

To withdraw your money, you should complete the documents that the operator of the platform provides you.

Generally, withdrawal requests are processed each business day. If we receive a withdrawal request by the 'cut off time' on a business day, we will generally process the request using the exit price for that day. If we receive a request after the 'cut off time' or on a non-business day for us, we will generally process the request using the exit price for the next business day after we receive it. *The 'cut off time' is 12:00 noon Sydney time.*

Subject to certain conditions, where we are unable to meet a withdrawal request in respect of the Fund with the payment of cash, we may transfer assets of the Fund to the investor in satisfaction of that withdrawal request.

Transferring units

You can request to transfer some, or all, of your units to another person at any time. All transfers must be made in the form that we require and be appropriately stamped for stamp duty. We have the discretion to refuse to register any transfer of units in the Fund.

Contact our Client Services Team for more information. A transfer may have tax implications. We recommend you seek legal and tax advice before requesting a transfer.

4. Risks of MISs

The following additional information should be read in conjunction with section 4 of each PDS:

Other risks to consider

Investors should be aware that the following risks may exist for the Fund;

- **Derivatives risk:** the Fund may be exposed to exchange-traded and over-the counter derivative instruments including but not limited to currency forwards and swaps, interest rate and total return swaps and futures and options. Derivatives usually derive their value from the value of a physical asset, interest rate, exchange rate or market index. They can be used to manage certain risks in investment portfolios; however, they can also increase risks in a portfolio or expose a portfolio to additional risks. A risk, though not unique to derivatives, includes the possibility that the position is difficult or costly to reverse or that there is an adverse movement in the asset, interest rate, exchange rate or index underlying the derivative, as derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track.

A derivative contract may involve leverage i.e. it provides exposure to a potential gain or loss from a change in the level of the market price of a security, currency or basket index in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage. Accordingly, derivative instruments can be highly volatile and expose investors to a high risk of loss.

- **Counterparty and settlement risk:** the Fund may be exposed to counterparty and settlement risk. These risks are influenced by, amongst other things, market practices (e.g. settlement and custody practices) and the creditworthiness of the parties the Fund is exposed to, and the level of government regulation in countries in which the Fund invests.
- **Liquidity risk:** the Fund may be exposed to assets that have restricted or limited liquidity. In extreme circumstances this may result in delays in processing withdrawal requests due to general market interruptions or inadequate market depth.
- **Emerging markets risk:** the Fund may be exposed to emerging market securities, which may be subject to higher levels of market volatility leading to higher general investment risk. Interest rate and currency risks may be greater due to higher levels of volatility in the economies of emerging markets. Furthermore, emerging market securities are often less liquid than the securities of developed markets. Counterparty and settlement risks are also increased.
- **Short selling risk:** the Fund may be exposed to short selling. This is where an asset is sold that the investor does not actually own, with the aim of gains being made if the asset's price falls, and can be bought back later at a lower price. Short selling involves a higher level of risk than normal investment in shares. This is because when the underlying fund invests in shares the maximum loss is generally limited to the amount invested. With short positions, there is theoretically no limit on the loss because the loss will continue to increase as the price of the share increases.
- **Leverage or borrowing risk:** the Fund may be exposed to leverage or borrowing strategies that can magnify both gains and losses on investment returns. Money borrowed will be subject to interest and other costs, which may or may not exceed the income received from the instruments purchased with borrowed funds. Leverage creates an opportunity for greater returns, but at the same time, may significantly increase the risk of your investment in the Fund.

- **Alternative strategies risk:** the Fund may, through underlying funds, be exposed to alternative investments. There are increased risks inherent in alternative investments. These include a higher exposure to counterparty and settlement risk, liquidity risk, short selling risk, and more leverage than traditional investment strategies.
- **Political risk:** investments may be affected by uncertainties such as political developments, changes in law or government policies and currency repatriation restrictions on foreign investment in some countries to which the underlying funds may be exposed.
- **Underlying funds' absence of regulatory oversight:** the Fund may be exposed to managed investment schemes established in other jurisdictions that do not have an equivalent level of investor protection to that which is provided in Australia. Investment in such schemes may also adversely impact the transparency of the Fund.

5. How we invest your money

The following information forms part of section 5 of each PDS:

Investment management

As well as appointing investment managers to manage the assets of the Fund, we, or other members of Russell Investments, may directly manage a portion of the assets of the Fund or of an underlying fund in which the Fund is invested.

The Fund generally gains exposure to multiple asset classes by investing in several underlying funds within the pre-determined asset allocation ranges as shown in section 5 of the PDS. The asset classes are split into two types of investments: growth investments and defensive investments (as indicated in the table below).

Strategic Asset Allocation

The Strategic Asset Allocation (SAA) is the starting point for all asset allocation decisions.

We may adjust a Fund's SAA (within the ranges specified in the PDS) at any time without notice to you. Please see our website at www.russell.com.au/disclosures for up to date information on the current SAA for the Fund.

Asset classes

The underlying funds of the Fund are typically managed investment schemes (including exchange-traded funds) registered with the Australian Securities and Investments Commission (ASIC) and for which Russell Investment Management Ltd is the responsible entity. However, the Fund may invest in other third party underlying funds or appoint investment managers directly. Each of the underlying funds typically invests in a single asset class.

For the Fund, the benchmark is a weighted average of various indices used by each underlying fund and investment manager, according to the SAA. Further information on these indices can be found on our website at www.russell.com.au/disclosures

The Fund may be exposed to a variety of asset classes including, but not limited to, the following:

Asset Class	Types of investments
Growth Investments	
Australian Shares	Australian listed and unlisted equity type securities, listed investment companies and investment trusts, Australian equity type derivatives and managed investment schemes which provide exposure to any of the aforementioned.
International Shares	International listed and unlisted equity type securities, listed investment companies and investment trusts, international equity type derivatives and managed investment schemes which provide exposure to any of the aforementioned.
Property	Australian and international listed or unlisted property fund and property related securities, direct property and hybrid property type vehicles.
Defensive Investments	
Fixed Interest	Debt securities issued by supranationals, Australian and international governments, quasi-governments, government agencies, and corporates and structured credit securities including mortgage and asset backed securities, fixed interest type derivatives and managed investment schemes which provide exposure to any of the aforementioned.
Cash	Cash deposits and money market securities (including but not limited to bank bills and certificates of deposit), corporate floating rate notes, interest rate swap contracts and managed investment schemes which provide exposure to any of the aforementioned.

Growth/Defensive Investments

Alternatives	Alternatives may include non-traditional asset sectors (eg high yield debt, emerging markets debt, commodities, infrastructure) and strategies (eg hedge fund, long-short equities, private equity) and managed investment schemes which provide exposure to any of the aforementioned.
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Changing managers and/or underlying funds

We may change the investment managers and/or underlying funds of the Fund from time to time without notice. Updated information may be found on our website at www.russell.com.au/disclosures. You can contact us if you would like a paper copy of this information free of charge.

Currency management

Some of the underlying funds may use currency hedging as part of their investment strategy. Currency hedging is an investment strategy that aims to reduce currency risk, thereby protecting or potentially improving returns. However it may also reduce potential gain from investments. Derivatives including, but not limited to, forward foreign exchange contracts and swaps may be used to reduce the impact of currency fluctuations. Currency hedging may be implemented by us (including other members of Russell Investments) or by an investment manager appointed by us.

Assets within the Fund that have an exposure to foreign currencies may be unhedged and/or partially or fully hedged. We may actively manage the unhedged/hedged currency exposure of the Fund. Active currency management has the potential to add further value but can also expose the Fund to greater risk.

Derivatives

Derivatives such as futures, options, swaps and forward contracts may be used by the underlying funds from time to time to: achieve a desired investment position without buying or selling the underlying asset; implement investment strategies; as a hedging mechanism to protect against changes in the market value of existing investments; or to manage actual or anticipated risk.

In particular, the underlying funds may use futures contracts to equitise cash holdings. The underlying funds that have foreign currency exposures may use derivatives to manage currency exposures. The underlying funds that invest in fixed income securities may use a range of derivatives to manage interest rate, currency, duration and credit risk. Derivatives may also be used to create net short positions in the assets of the underlying funds.

Overlay management

Russell may also use derivatives to implement overlay techniques for the Fund. Such overlay techniques allow for efficient rebalancing across asset classes within the Fund at lower transaction costs than if the Fund were to buy or sell the underlying securities.

Borrowings

It is not our intention to borrow money in relation to the Fund, other than to meet short-term liquidity requirements. However, the underlying funds may borrow securities to implement an investment strategy. The Fund currently has no material borrowings. However, the Fund may, through its exposure to alternative investments, be indirectly exposed to gearing and leverage.

Ethical investments

Although the investment managers we appoint may take into account labour standards and/or environmental, social or ethical considerations when making their investment decisions, we do not use these criteria when we select investment managers, or when we evaluate their performance. Where Russell manages the assets, we also do not use these criteria when making investment decisions.

6. Fees and costs

The following information forms part of section 6 of each PDS:

Changes in fees and costs

The constitution of the Fund allows us to receive a management fee of up to 4% p.a., a contribution fee of up to 4% and a switching fee of up to 1%.

Currently, we receive lower management fees and do not charge a contribution or switching fee. We may change the fees or the basis for charging expenses but will notify you first.

Management costs

Management costs include all estimated expense recoveries, investment management fees and estimated performance fees payable out of Fund assets to us or underlying investment managers/funds (where they are known).

They do not include transaction costs and other costs that an investor would incur if the investor invested directly in the underlying assets. Management costs (with the exception of performance fees) are based on the latest available figures as at the date of the PDS. The management costs are estimates only -the actual management costs throughout the year may vary.

Estimated Indirect Cost Ratio ('ICR')

The ICR for the Fund is the ratio of the Fund's management costs to the Fund's total average net assets. The ICR for the Fund is an estimate only. The actual ICR could vary.

Expense recoveries (including taxes)

All expenses relating to the proper performance of our duties are recoverable from the Fund, including but not limited to custody, administration, registry costs, GST (less any reduced input tax credits), responsible entity costs, legal fees, reporting and audit expenses. The actual expense recoveries are not known until the end of the financial year.

The estimated expense recoveries for the Fund are included in the Fund's ICR and are based on the latest available figures as at the date of this PDS. The actual expense recoveries may increase or decrease throughout the year.

We are entitled to be indemnified for any liability we properly incur in the proper performance of our role as the Responsible Entity of the Fund.

Performance fees

Performance fees provide an incentive for managers to achieve superior performance. Performance fees may be charged by Russell directly, by the underlying funds or by the managers appointed by Russell.

For new managers or new underlying funds introduced after the date of the PDS, we assume for disclosure purposes that the manager or underlying fund has achieved performance in line with its benchmark and therefore no performance fee would be payable.

Please note, however, that past performance is not a reliable indicator of future performance and it is impossible to accurately forecast the performance fees that will be payable. We generally review and update the estimated performance fees every 12 months.

Performance fee examples

The following examples illustrate when performance fees may be payable in different situations. The examples relate to a hypothetical Australian shares fund with two managers – Manager A and Manager B – each of which manages a portfolio comprising 50% of the fund's assets.

Manager A and Manager B have identical performance fee arrangements. The performance fee is calculated as 25% of the return (net of fees) of the portfolio above the hurdle rate of return. The hurdle rate of return is the benchmark (S&P/ASX 300 Accumulation Index) plus 2%. A performance fee is only payable to the extent that past underperformance by the manager has been recovered.

Examples	Performance fees payable?
Both Manager A and Manager B outperform the hurdle rate of return. Fund outperforms its benchmark.	Yes Both Manager A and Manager B receive a performance fee
Manager A outperforms the hurdle rate of return Manager B significantly underperforms the benchmark. Fund underperforms its benchmark.	Yes Manager A receives a performance fee
Both Manager A and Manager B outperform the hurdle rate of return, but they both have past underperformance that has not yet been recovered. Fund outperforms its benchmark.	No
Both Manager A and Manager B outperform the benchmark but underperform the hurdle rate of return. Fund outperforms its benchmark.	No

Generally, a performance fee will not be payable unless the investment manager or the underlying fund (whichever is relevant) has achieved a return in excess of the relevant hurdle rate, and unless any past underperformance has been recovered.

Please note that a performance fee may be payable to a manager or underlying fund that has satisfied its individual performance fee criteria even at times when the Fund as a whole has underperformed its benchmark.

Performance fees are also based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. Performance fees are accrued daily.

Different fees

We may negotiate different fees with investors who are 'wholesale' investors under section 761G of the Corporations Act 2001. Accordingly, we may waive or rebate some of our fees (or issue units in the Fund) to these 'wholesale' investors so that they pay reduced fees. This is generally because they invest large amounts of money in the Fund. We cannot enter into individual fee arrangements with retail investors. Please contact us if you require further details on negotiating fees.

Buy/sell spread

The tables below provide a hypothetical example of how the cost of the buy/sell spread can affect a \$10,000 application for units that is subsequently withdrawn from a hypothetical Australian shares fund. For simplicity, the daily unit price for the fund is assumed to be constant at \$1.00 per unit.

Assume the fund currently has a buy spread of 0.27% and a sell spread of 0.25%. This means that the "entry price" of a unit would be 0.27% higher than the daily unit price (i.e. \$1.0027 per unit), and the "exit price" would be 0.25% lower than the daily unit price (i.e. \$0.9975 per unit).

On a \$10,000 application at the entry price of \$1.0027 per unit, an investor would receive 9,973 units. These units would be worth \$9,973 at the daily unit price of \$1.00 per unit.

Application amount	Entry price (daily unit price plus buy spread)	No of units issued
\$10,000	\$1.0027 per unit (\$1 + (\$1 x 0.0027))	9,973

On a withdrawal of these 9,973 units at the exit price of \$0.9975 per unit the investor would receive approximately \$9,948.

No of units redeemed	Exit Price (daily unit price less sell spread)	Withdrawal amount
9,978	\$0.9975 per unit (\$1 - (\$1 x 0.0025))	\$9,948

The example shows that the total cost of the 0.27% buy spread and a 0.25% sell spread for a \$10,000 application is approximately \$52 as the investor only receives \$9,948 on withdrawal.

Please note this example is provided for illustrative purposes only. The actual cost to you of the buy/sell spread depends on the amount you invest or withdraw and the current buy/sell spread of the Fund you have chosen.

Commissions and other benefits received

We, or members of Russell Investments, may receive commissions and other benefits (e.g. research) from brokers effecting trades for the Fund. These benefits may flow to the Fund and to other funds managed by us. We instruct the investment managers of the Russell fund to trade only with brokers who will provide best execution, regardless of whether these trades are placed with brokers related to us or not.

Related party payments

Members and affiliates of Russell Investments may receive fees on normal commercial terms for providing services to the Fund. In particular, Russell Implementation Services Inc (**RIS**), a related party of the responsible entity based in Washington, USA provides implementation and execution services for the Fund on an arm's length basis. RIS receives brokerage of up to 0.2% of the value of a trade for providing these services to the Fund.

Russell engages an external company to provide comparative cost and best execution analysis on a regular basis, so as to ensure that the RIS services are provided on an arm's length basis.

Another related party, Russell Investment Group Pty Ltd (**RIG**), an Australian company, provides asset consulting services to the Fund on an arm's length basis. The responsible entity pays RIG up to \$200,000 p.a. for providing these services. RIG's remuneration is paid out of the responsible entity's management fee so it does not represent an additional cost to you.

As both of the abovementioned related party transactions occur on an arm's length basis, member approval is not required. We do not see any risks associated with these related party transactions other than normal arm's length business risks. The responsible entity has policies and procedures that govern related party transactions. Specifically the compliance plan for the Fund contains a section covering related party transactions and the responsible entity also has a conflicts policy that is relevant to such transactions.

Alternative Remuneration Register

Occasionally, we may provide alternative forms of remuneration to Australian financial services licensees and/or their representatives who recommend the Fund to investors.

The cost of any alternative remuneration will be paid out of our investment management fee, so it does not represent any additional cost to you. As a member of the Financial Services Council, we are required to maintain an Alternative Remuneration Register. This register lists each occasion on which we give or receive a material amount of alternative remuneration. Our Alternative Remuneration Register is a public register and will be made available to you on request.

Payments to platforms – Class B

We may make volume based payments of up to 1.25%p.a. to platform operators that distribute Class B of the Fund. Any such payments will be made out of our investment management fee, so it does not represent an additional cost to you.

7. How MISs are taxed

The following information forms part of section 7 of each PDS:

Fund income

The Fund fully distributes distributable income to investors. You will be subject to tax on your share of the tax net income of the Fund, in the year in which your entitlement arises, irrespective of whether the income is distributed to you after year end or is reinvested.

You may be entitled to franking credits which arise from franked dividends received in respect of the Fund's investment in Australian shares. Subject to various eligibility criteria, including the holding period rule, you can use the credits to reduce your tax liability on your share of the tax net income of the Fund or your other assessable income. Excess franking credits may be refundable to resident individuals, complying superannuation entities, and in certain circumstances may give rise to tax losses for companies.

Your share of the net income of the Fund may include a net capital gain of the Fund, where the Fund holds its assets on capital account or where the Fund holds units in other fund(s) which distribute capital gains to that Fund. If you withdraw or transfer any part of your investment, it is treated as a disposal and you may be subject to capital gains tax. A discount may be available in calculating the taxable amount of a capital gain where the asset has been held for twelve months or more. A capital gain distributed by the Fund may also be subject to the discount. The amount of the discount is one-half for individuals and trusts, and one-third for complying superannuation entities.

Deemed capital gains tax election

Legislation received Royal Assent on 3 June 2010 which allows eligible managed investment trusts (MITs) to make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of "covered assets" (including equities and units in other trusts, but excluding derivatives and foreign exchange contracts). Subject to meeting the eligibility requirements to be a MIT for the deemed capital account treatment, the Fund expects to make the election to be on capital account.

The impact of making this election is that gains and losses realised on covered assets will be subject to the capital gains provisions.

Foreign income

The Fund may derive income from sources outside Australia. Your share of the income will be treated as foreign income in your hands. You may be entitled to a foreign income tax offset for any foreign tax paid by the Fund on the income.

Proposed Foreign Accumulation Fund (FAF) Rules

On 17 February 2011, the Government released exposure draft legislation in respect of the proposed FAF rules. The FAF rules are intended to replace the Foreign Investment Fund (FIF) rules (which were repealed from 1 July 2010). In broad terms, the FAF rules are intended to apply to offshore entities that invest predominantly in debt interests and accumulate (or "roll up") rather than distribute income.

These investments may effectively be taxed on an accruals basis.

Based on the exposure draft legislation and the investment strategy of the Fund, it is possible that the FAF rules may apply to the Fund's investment in certain offshore entities. However, the Responsible Entity will monitor the progress of these reforms, and will seek to minimise any impact on the Fund.

Taxation of Financial Arrangements (TOFA) regime

The Tax Laws Amendment (Taxation of Financial Arrangements) Act 2008 (TOFA) rules may apply to certain "financial arrangements" held by the Fund.

In broad terms, in calculating the net (taxable) income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation

basis. The administrator of the Fund will assist the Responsible Entity with compliance with the TOFA rules, as required by the tax legislation.

Tax reform

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of the PDS, together with changes to the taxation legislation as announced by the Government. However, it should be noted that the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, reform is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

Current reforms in progress include the proposed new regime for the taxation of managed investment trusts, the proposed FAF rules, the Henry review of the taxation system, the Cooper and Ripoll reviews of the superannuation industry, and announcements made in the 2010-11 Budget which may have tax implications. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Tax File Numbers (TFN) and Australian Business Numbers (ABN)

It is not compulsory for an Australian investor to quote their TFN or ABN. If an Australian investor is making this investment in the course of a business or enterprise carried on by the investor, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to the investor. The investor may be able to claim a credit in the investors' tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the investor authorises the Responsible Entity to apply it in respect of all the investor's investments with the Responsible Entity. If the investor does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.

Goods and Services Tax (GST)

The Fund is registered for GST. The issue or withdrawal of units in the Fund and where applicable the receipt of any distributions are not subject to GST.

The Fund may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit, currently at 75% of the GST charged.

Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available reduced input tax credits.

To the extent that the Fund is investing in international securities, the Fund may be entitled to as yet undetermined additional input tax credit on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on and/or reduced input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

Unit holders should seek professional advice with respect to the GST consequences arising from their unit holding.

8. How to apply

The following additional information should be read in conjunction with section 8 of each PDS:

Our legal relationship with investors

The Fund's constitution provides the framework for the operation of the Fund, and together with the PDS and the *Corporations Act 2001*, sets out our relationship with investors. A copy of the Fund's constitution is available free of charge on request.

However, remember that when you invest through a platform you do not become an investor in the Fund.

Some of the provisions in the Fund's constitution are discussed elsewhere in the PDS. Others relate to:

- how we must calculate unit prices
- our powers – which are very broad – and how and when we exercise them
- our ability to refuse transfers and applications
- calling, attending and voting at investor meetings
- when we are not liable to investors
- changing the constitution
- when we can terminate the Fund or retire as responsible entity, and what happens if we do (if we terminate the Fund, investors share the net proceeds from us selling the underlying assets).

We are not liable for any loss unless we fail to comply with our duties under the *Corporations Act 2001*. An investor's liability is limited by the constitution to the value of their units but the courts are yet to determine the effectiveness of provisions like this.

We may change the terms of the PDS, but will notify investors of any material changes.

Unit classes

The Fund may offer different classes of units. Identical rights attach to all units within a class. However, the rights and obligations attaching to different classes of units may vary, and are set out in the constitution and the relevant offer document.

Compliance Plan and Compliance Committee

The Fund has a compliance plan which describes the means that we take to ensure compliance with the *Corporations Act 2001* and the Fund's constitution. A Compliance Committee with a majority of independent members has been established by us to oversee compliance with the Fund's constitution and the *Corporations Act 2001*.

Custodian and administrator

We have appointed State Street Australia Limited ('State Street') as the custodian and administrator of the Fund. In these capacities, State Street will provide custodial and certain administrative services to the Fund. State Street has not been involved in any way in the preparation of the PDS and is named only for information purposes.

Auditors

The Fund and the compliance plans for the Fund are required to be audited annually. We have appointed PricewaterhouseCoopers as auditor to the Fund.

Reporting on your investments

For investors accessing the Fund through a platform, please contact your provider for information on reports you will receive.

The below is a summary of the statements you will be provided when you invest in the Fund. For more information on the Fund's reporting, contact Russell Fund Operations.

Confirmations

You will receive an investment confirmation each time you invest in or redeem from the Fund.

Distributions

You will also receive a distribution statement each time a distribution is made.

Monthly reports

You will receive an investment statement at the end of each month with details of any transactions you made over the month.

Annual investment statements and exit statements

If you are a retail investor, you will receive an annual investment statement setting out information in relation to your investment since the last annual statement, including details of the return on your investment in the Fund and any transactions affecting your investment in the Fund. If you are a retail investor, you will receive an exit statement within 6 months of exiting the Fund.

Further, we will provide you with annual tax reports in relation to your investments in the Fund.

Annual report

Under the *Corporations Act 2001* we are required to send you a copy of the annual financial report, the annual directors' report and the auditor's report on the annual financial report ('Annual Report') for the Fund in which you are invested in unless you request not to receive the Annual Report.

Disclosing entity

If the Fund has more than 100 investors it will be a disclosing entity for the purposes of the *Corporations Act 2001*. Where this is the case we will comply with our continuous disclosure obligations under the law by publishing material information about the Fund at www.russell.com.au/disclosures on our website, in accordance with ASIC's good practice guidance for website disclosure. For a Fund that is a disclosing entity, you can also obtain the annual and half year financial reports which were most recently lodged with ASIC and other information from our website. We encourage you to regularly check our website for new information that may be relevant to your investment.

Investor identification and verification

In making an application for units investors must provide and we must verify specified proofs of identity. Refer to the Client Account Manual for further details of what identification is required.

The protection of your investments is an important matter. We have investor identification and verification procedures (**ID Procedures**) in place to manage risks associated with fraud and unauthorised transactions.

At times these procedures may cause inconvenience or delay to you. Please remember that the procedures are applied to safeguard your investments.

In addition, under Anti-Money Laundering and Counter Terrorism Financing legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures. The procedures require investors to provide satisfactory proof of identity which must be verified before an application for units can be accepted. The ID Procedures may also require us, from time to time, to re-verify that information or

request additional identification or related information from you, before we can process a requested transaction on your behalf.

We do not accept any liability for any loss you may incur (whether by delay in acceptance of an application; transaction processing or otherwise), arising from the application of our ID Procedures.

If you invest in the Fund through a platform, you will need to comply with your platform operator's investor identification and verification procedures.

Your privacy

By completing the Application Form accompanying the PDS you agree to us collecting, holding and using personal information about you to process your application, and administer and manage the products and services we provide to you. This includes, monitoring, auditing and evaluating the products and services, modelling data, data testing, communicating with you and dealing with any complaints or enquiries.

You do not need to give us any of the personal information requested in the Application Form or in any other document or communication relating to the products or services that we supply to you.

However, without this information, we may not be able to process your application or provide you with an appropriate level of service.

You agree to allow us to disclose your personal information to other companies in Russell Investments as well as our external service providers, which provide services in connection with our products and services. We may also disclose this important information to regulators where required.

We may also disclose your personal information:

- if, acting in good faith, we believe that the law requires or permits us to do so;
- if you consent; or
- to any party proposing to acquire an interest in our business.

Under the Privacy Act 1988, you may request access to your personal information that we hold. You can contact us to make such a request or for any other reason relating to the privacy of your personal information.

The way we collect, use and store personal information is regulated by the Privacy Act 1988 and by our privacy policy. Our privacy policy covers:

- how we use personal information (for example, we may share it with related companies and external service providers, or use it to tell you about other products and services that we offer);
- how we store and maintain personal information; and
- how you can access or correct your personal information.

To obtain a copy of our privacy policy, please contact us.

When you invest in the Fund through a platform, we will not collect or hold personal information about you. You should contact your platform operator for details on how they manage your personal information.

What you need to remember

The PDS and this Additional Information Booklet contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. Before making a decision to invest in the Fund, you need to consider whether the Fund is appropriate to your objectives, financial situation and needs. We encourage you to talk to a financial adviser before making an investment decision.

The Fund is designed to control risk through multiple layers of diversification. However, as with most investing, it is not guaranteed that you will make money from investing in the Fund. The value of your investment can go up or down and you could get back less than you invested. Please note that neither we nor any other member of Russell Investments or companies guarantees the repayment of your capital or the performance of the Fund.

Terms used in the PDS and this Additional Information Booklet:

'Application Form' refers to the Application Form attached to the PDS.

'Client Account Manual' refers to the documentation that is required to be completed in addition to the Application Form when you apply for units in the Fund.

'business day' means every business day on which the Australian Stock Exchange and the trading banks in NSW are open for business.

'underlying funds' means a managed investment scheme in which the Fund holds units or shares. The underlying funds may be domiciled in Australia or in another jurisdiction and may be managed by Russell or by a third party investment manager.

'unit' refers to the units of the Fund.

How to Contact Us

If you are accessing the Fund through a platform you should first contact the operator of the platform.

Other investors can contact or find us as follows:

Russell Investment Management Ltd
GPO Box 3279
Sydney NSW 2001, Australia
www.russell.com.au

Contact: Russell Fund Operations
Tel: 1300 728 208 (in Australia)
Tel: +61 2 9229 5187 (outside Australia)
Fax: 1300 768 040 (in Australia)
Fax: +612 9229 5116 (outside Australia)
E-mail: syd-ops@russell.com