

1 December 2010

Dear Investor

Changes to Russell Portfolios' Fees

From **1 January 2011**, we will be increasing the Management Costs of the Russell Portfolios (**Portfolios**) by a modest amount. This change is reflected in our new Product Disclosure Statement (**PDS**) which is being issued today.

In our PDS, the Management Cost of each fund is given as an estimated Indirect Cost Ratio (**ICR**). The ICR includes all estimated expense recoveries, investment management fees and any performance fees payable. The table below shows the small increase from our current ICR to the new ICR for the Portfolios:

Fund	Current ICR (% p.a.)	New ICR (% p.a.)	Change (% p.a.)
Russell II Portfolio	2.01	2.03	0.02
Russell IV Portfolio	2.11	2.15	0.04
Russell VI Portfolio	2.16	2.20	0.04

These fee increases are a result of our commitment to ensuring that the Portfolios are continually managed in accordance with our investment beliefs and global best practice.

We have introduced a number of fund enhancements over the past two years, including those recently implemented as part of this year's strategic review. These enhancements all aim to improve the consistency of return outcomes for our investors.

Some of the recent enhancements to the Portfolios include introduction of new asset exposures in the form of global listed infrastructure securities, commodities futures, high yield bonds and absolute return strategies, as well as implementing tilts in asset allocations to take advantage of perceived (extreme) mispricing in markets.

While these enhancements have come at an increased cost, we believe that the performance benefits enjoyed by investors have far outweighed the fee increases. Each of the Portfolios above has been recently upgraded to 'Highly Recommended' by Lonsec.¹

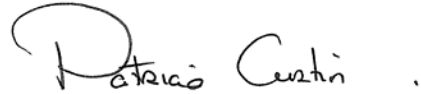
¹ The Lonsec Limited ("Lonsec") ABN 56 061 751 102 rating (assigned October 2010) presented in this document is limited to "General Advice" and based solely on consideration of the investment merits of the financial products. It is not a recommendation to purchase, sell or hold the relevant products, and you should seek independent financial advice before investing in these products. The rating is subject to change without notice and Lonsec assumes no obligation to update this document following publication. Lonsec receives a fee from the fund manager for rating the products using comprehensive and objective criteria.

Accessing the new PDS

The new fees are reflected in our new PDS issued today. A copy of which accompanies this letter.

We would like to take this opportunity to thank you for investing with us. If you have any queries regarding this, please contact your client service representative.

Yours sincerely,

A handwritten signature in black ink that reads "Patricia Curtin" followed by a period. The signature is written in a cursive style.

Patricia Curtin
Managing Director
Retail Investor Services