

2017 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

Russell Investment Company II plc

an umbrella fund with segregated liability between sub-funds

31 March 2017



Russell Investments Emerging Market Debt Local Currency Fund*
Russell Investments Emerging Markets Extended Opportunities Fund*
Russell Investments Euro Fixed Income Fund*
Russell Investments Global Bond (Euro Hedged) Fund*
Russell Investments Global Defensive Equity Fund*
Russell Investments Pan European Equity Fund*
Russell Investments U.K. Equity Plus Fund*
Russell Investments U.S. Quant Fund*
Russell Investments World Equity Fund*

* Names updated during the year from prefix "Russell" to prefix "Russell Investments"

The following sub-fund of the Company is not registered for marketing in Germany in accordance with Section 310 of the German Investment Code (KAGB):

Russell Investments U.K. Equity Plus Fund

Shares of the above mentioned sub-fund are not allowed to be marketed in Germany.

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* Names updated during the year from prefix "Russell" to prefix "Russell Investments".

Administration of the Company

Board of Directors of the Company*

Mr. James Fim (Chairman)
Mr. James Beveridge
Mr. Peter Gonella
Mr. Neil Jenkins
Mr. John McMurray
Mr. Tom Murray
Mr. William Roberts
Mr. David Shubotham
Mr. Kenneth Willman

Members of the Manager's Audit Committee

Mr. David Shubotham (Chairman)
Mr. Tom Murray
Mr. William Roberts

Registered Office

78 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager

Russell Investments Ireland Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Legal Advisers

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Administrator

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Depository

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Global Sub-Custodian

State Street Bank and Trust Company
Copley Place
100 Huntington Avenue
Boston, MA 02116
United States of America

Company Secretary

MFD Secretaries Limited
2nd Floor, Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Adviser, Promoter and Distributor (the "Adviser")

Russell Investments Limited
Rex House
10 Regent Street, St. James'
London SW1Y 4PE
England

Money Managers for Russell Investments Emerging Market

Debt Local Currency Fund

Barings LLC
1500 Main Street, Suite 2200
Springfield, MA 01115-5189
United States of America

GLG Partners LP
One Curzon Street
London W1J 5HB
United Kingdom

Pictet Asset Management Ltd.
Level 11, Moor House
120 London Wall
London EC2Y 5ET
England

Money Managers for Russell Investments Emerging Markets Extended Opportunities Fund

Barrow, Hanley, Mewhinney & Strauss Inc.
JP Morgan Chase Tower
2200 Ross Avenue, 31th Floor
Dallas, TX 75201
United States of America

BlackRock International Limited
16/F Cheung Kong Centre
2 Queen's Road Central
Hong Kong

* As of 31 March 2017.

Administration of the Company - continued

East Capital Asset Management AB
Kungsgatan 33, Box 1364
111 93 Stockholm
Sweden

Imara Asset Management Ltd.
Imara House
257 Oxford Road
Illovo 2196
Johannesburg
South Africa

Jardim Botanico Investimentos
Rua Alexandre Dumas
1601 / conj. 52 São Paulo
SP
Brazil

JK Capital Management Ltd.
Suite 1101, Chinachem Tower
34-37 Connaught Road Central
Hong Kong

Oaktree Capital Management L.P.
680 Washington Blvd., 6th Floor
Stamford, CT 06901
United States of America

Quantum Advisors
PH Los Pinos, Planta Baja
Calle 49, Bella Vista
Panama

Russell Investments Limited
Rex House
10 Regent Street, St James'
London SW1Y 4PE
England

Russell Investment Management, LLC
1301 Second Avenue, 18th Floor
Seattle, WA 98101
United States of America

RWC Partners
60 Petty France
London SW1H 9EU
England

Money Managers for Russell Investments Euro Fixed Income Fund

Fidelity Investments International Limited
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge
Kent TN11 9DZ
England

Russell Investments Limited
Rex House
10 Regent Street, St. James'
London, SW1Y 4PE
England

Western Asset Management
10 Exchange Square
Primrose Street
London, EC2A 2EN
England

Money Managers for Russell Investments Global Bond (Euro Hedged) Fund

BlueBay Asset Management Limited
77 Grosvenor Street
London W1K 3JR
England

Colchester Global Investors Limited
Heathcoat House
20 Savile Row
London W1S 3PR
England

Insight Asset Management
160 Queen Victoria Street
London EC4V 4LA
England

Loomis, Sayles & Company, L.P.
One Financial Center
Boston, MA 02111
United States of America

Pacific Investment Management Company (PIMCO)
650 Newport Center Drive
Newport Beach, CA 92660
United States of America

Russell Investments Limited
Rex House
10 Regent Street, St. James'
London, SW1Y 4PE
England

Russell Investment Management LLC
1301 Second Avenue, 18th Floor
Seattle, WA 98101
United States of America

Schroder Investment Management Inc.
875 Third Avenue, 22nd Floor
New York, NY 10022- 6225
United States of America

Administration of the Company - continued

Money Managers for Russell Global Defensive Equity Fund

Intech Investment Management, LLC
525 Okeechobee Blvd
West Palm Beach, FL 33401
United States of America

Perkins Investment Management, LLC
311 S. Wacker Drive, Suite 6000
Chicago, IL 60606
United States of America

Russell Investments Limited
Rex House
10 Regent Street, St James'
London SW1Y 4PE
England

Russell Investment Management, LLC
1301 Second Avenue, 18th Floor
Seattle, WA 98101
United States of America

Money Managers for Russell Investments Pan European Equity Fund

Hermes Sourcecap Limited
1 Portsoken Street
London E1 8HZ
England

Numeric Investors, L.P.
1 Memorial Drive
Cambridge, MA 02142
United States of America

Pyramis Global Advisor
900 Salem Street
Smithfield
Rhode Island, RI 02917
United States of America

Pzena Investment Management
120 West 45th Street, 20th Floor
New York, NY 10036
United States of America

Russell Investments Limited
Rex House
10 Regent Street, St James'
London SW1Y 4PE
England

S.W. Mitchell Capital, LLP
38 Jermyn Street
Princes House
London SW1Y 6DN
England

Money Managers for Russell U.K. Equity Plus Fund

Russell Investments Limited
Rex House
10 Regent Street, St James'
London SW1Y 4PE
England

Money Managers for Russell Investments U.S. Quant Fund

Aronson and Johnson and Ortiz, L.P.
230 South Broad Street, 20th Floor
Philadelphia, PA 19102
United States of America

Jacobs Levy Equity Management Inc
101 Campus Drive, P.O. Box 650
Florham Park, NJ 07932-0650
United States of America

Numeric Investors, L.P.
470 Atlantic Avenue 6th floor
Boston, MA 02210
United States of America

Russell Investment Management, LLC
1301 Second Avenue, 18th Floor
Seattle, WA 98101
United States of America

Money Managers for Russell Investments World Equity Fund

Axiom International Investors, LLC
33 Benedict Place, 2nd Floor
Greenwich, CT 06830
United States of America

Harris Associates, L.P.
2 North LaSalle Street, Suite 500
Chicago, IL 60602
United States of America

MFS Investment Management
111 Huntington Avenue
Boston, MA 02199-7632
United States of America

Numeric Investors, L.P.
470 Atlantic Avenue 6th floor
Boston, MA 02210
United States of America

Russell Investments Limited
Rex House
10 Regent Street, St James'
London SW1Y 4PE
England

Administration of the Company - continued

Sustainable Growth Advisors, L.P.
3 Stamford Plaza
301 Tresser Boulevard, Suite 1310
Stamford, CT 06901
United States of America

Paying and Information Agent in Austria
UniCredit Bank Austria AG
Schottengasse 6-8
1010 Vienna
Austria

Paying and Information Agent in France
Société Générale
29, boulevard Haussmann
75009 Paris
France

Paying and Information Agent in Germany*
Marcard, Stein & Co. AG
Ballindamm 36
20095 Hamburg
Germany

Paying and Information Agent in Italy
BNP Paribas Securities Services, Milan Branch
Via Ansperto 5
20123 Milan
Italy

Paying Agent in Italy
SGSS S.p.A
Via Benigno Crespi, 19/A-MAC2
20159 Milan
Italy

Information Agent and Representative in the Netherlands
Deutsche Bank AG
Amsterdam Branch
Herengracht 450 - 454
1017 CA Amsterdam
The Netherlands

* The Company's Memorandum and Articles of Association, the Prospectus, the Key Investor Information Documents, the unaudited semi-annual reports, as well as the audited annual reports can be obtained free of charge from the office of the paying and information agent via regular mail or per e-mail. The net asset value of each of the Funds and the subscription and redemption prices of the shares of the Funds are published jointly and daily on "www.fundinfo.com" for information purposes only and do not constitute an invitation to subscribe for or repurchase the Company's shares at those prices.

Background to the Company

Russell Investment Company II plc (the “Company”) was incorporated in Ireland as a public limited company on 1 November 2000. The Company operates pursuant to Irish company law under the Companies Act 2014, and has been authorised since 8 November 2000 by the Central Bank of Ireland (the “Central Bank”).

The Company is an open-ended investment company with variable capital which is authorised by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “UCITS Regulations”) and under the Central Bank (Supervision & Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities)) Regulations 2015, as amended (the “Central Bank UCITS Regulations”).

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds and as at 31 March 2017, has nine constituent funds available for investment (each a “Fund”, collectively the “Funds”).

The Adviser, the Manager and their affiliated group companies are referred to collectively as “Russell Investments” in these financial statements.

The net assets under management for the Company as at 31 March 2017 amounted to EUR 4,314,752,325 (as at 31 March 2016: EUR 4,259,099,826) and are broken down as follows:

Fund	Funded during the year ended	Functional Currency	Net Assets 31 March 2017 ‘000	Net Assets 31 March 2016 ‘000
Russell Investments Emerging Market Debt Local Currency Fund	31 March 2013	USD	648,523	435,807
Russell Investments Emerging Markets Extended Opportunities Fund	31 March 2012	USD	828,196	695,844
Russell Investments Euro Fixed Income Fund	31 March 2002	EUR	212,770	292,422
Russell Investments Global Bond (Euro Hedged) Fund	31 March 2002	EUR	388,882	410,199
Russell Investments Global Defensive Equity Fund	31 March 2013	USD	101,210	133,836
Russell Investments Pan European Equity Fund	31 March 2002	EUR	558,743	522,434
Russell Investments U.K. Equity Plus Fund*	31 March 2007	GBP	-	90,915
Russell Investments U.S. Quant Fund	31 March 2002	USD	223,054	264,084
Russell Investments World Equity Fund	31 March 2005	USD	1,572,919	1,797,342

*The Fund ceased trading on 28 March 2017

Russell Investments U.S. Equity Plus Fund remained unfunded as at 31 March 2017.

As noted in the table below, the names of all Funds trading during the financial year under review, which previously had the prefix “Russell” had their name amended during the year and now have the prefix “Russell Investments”. For presentation purposes the “Russell Investments” prefix is used throughout the financial statements.

Current Fund Name	Previous Fund Name
Russell Investments Emerging Market Debt Local Currency Fund	Russell Emerging Market Debt Local Currency Fund
Russell Investments Emerging Markets Extended Opportunities Fund	Russell Emerging Markets Extended Opportunities Fund
Russell Investments Euro Fixed Income Fund	Russell Euro Fixed Income Fund
Russell Investments Global Bond (Euro Hedged) Fund	Russell Global Bond (Euro Hedged) Fund
Russell Investments Global Defensive Equity Fund	Russell Global Defensive Equity Fund
Russell Investments Pan European Equity Fund	Russell Pan European Equity Fund
Russell Investments U.K. Equity Plus Fund	Russell U.K. Equity Plus Fund
Russell Investments U.S. Quant Fund	Russell U.S. Quant Fund
Russell Investments World Equity Fund	Russell World Equity Fund

All share classes are Accumulation Class Shares unless otherwise indicated in the name of the share class.

All references to “net assets” throughout this document refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

Directors' Report

U.K. Reporting Fund Status

The Company conducts its affairs so as to enable U.K. reporting fund status to be obtained under the United Kingdom Income and Corporation Taxes Act, 1988 for the purposes of U.K. taxation for each applicable Fund. For information regarding share classes which currently have UK Reporting Fund status please contact the client executive. Alternatively please e-mail clientservice_EMEA@russellinvestments.com.

The Directors submit their report together with the audited financial statements for the financial year ended 31 March 2017.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland ("Irish GAAP") including the accounting standards issued by the Financial Reporting Council ("FRC") and promulgated by Institute of Chartered Accountants in Ireland (the "Institute").

Irish company law requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the assets, liabilities and financial position for Russell Investment Company II plc (the "Company") and of the profit or loss of the Company for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they believe that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company which may be included on Russell Investments Limited's (the "Investment Manager") website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In carrying out the above requirements, the Directors have appointed Russell Investments Ireland Limited as manager (the "Manager") and the Manager has appointed State Street Fund Services (Ireland) Limited to act as administrator (the "Administrator") of the Company.

Transactions involving Directors

In respect of the 2017 year, the Directors are not aware of any contracts or arrangements of any significance in relation to the business of the Company in which the Directors or their connected persons had any interest as defined by the Companies Act 2014, other than those disclosed in Note 5, "Transactions with related parties".

Accounting Records

The Directors are responsible for maintaining adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for ensuring that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"). The Directors are also responsible for safeguarding the assets of the Company. In this regard they have appointed State Street Custodial Services (Ireland) Limited (the "Depository") as Depository to the Company pursuant to the terms of a depository agreement. The Directors have a responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors believe that they have complied with the requirements of the Companies Act 2014, with regard to accounting records by employing an experienced administrator with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained by the Administrator at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Distributions

Please refer to Note 8 to the financial statements for details of the distribution policy of each of the Funds.

Directors' Report - continued

Connected party transactions

Regulation 41 of the UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 78.4, the Directors, as responsible persons are satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with a connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

Review of performance of the business, principal activities and future developments of the business

As of reporting date, the Directors have no reason to believe that the Company is not able to continue as a going concern.

A detailed performance review of the business and its principal activities is included in the Manager's Report for each Fund.

Principal risks and uncertainties

A detailed analysis of the risks facing each Fund and the use of financial instruments is included in Note 11 and Note 12 of the financial statements

Throughout the financial year, the Company maintained the aim of spreading investment risk in accordance with the Companies Act 2014.

Results and dividends

The results for the financial year are set out in the Profit and Loss Account for each Fund. Dividends were declared during the financial year as detailed in Note 8 of the financial statements.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 16 of the financial statements.

Significant events since the financial year end

Significant events since the financial year end are disclosed in Note 17 of the financial statements.

Voluntary adoption of the Corporate Governance Code

The Irish Funds Industry Association ("Irish Funds") in association with the Central Bank has published a corporate governance code (the "Irish Funds Code") that may be adopted on a voluntary basis by Irish authorised collective investment schemes. The Board of Directors voluntarily adopted the Irish Funds Code as the Company's corporate governance code effective from 31 December 2012. The Company has been in compliance with the Irish Funds Code since its adoption.

Directors

The name and nationality of persons who were Directors at any time during the financial year ended 31 March 2017 are set out below. All Directors are non-executive directors. All acted as Directors for the entire financial year.

Mr. James Fim (American and British) (Chairman)

Mr. James Beveridge (British)

Mr. Peter Gonella (British)

Mr. Neil Jenkins (British)

Mr. John McMurray (American)

Mr. Tom Murray (Irish)

Mr. William Roberts (British and Irish resident)

Mr. David Shubotham (Irish)

Mr. Kenneth Willman (American and British)

Directors' Report - continued

Directors' and Secretary's interests

None of the Directors or the Company Secretary hold or held any beneficial interest in the shares of the Company during the financial year. Each of the Directors is employed by Russell Investments entities except for Mr. Tom Murray, Mr. William Roberts and Mr. David Shubotham. Mr. Firm is a former employee of Russell Investments who retired in June 2014. He continues to act as a director of the Manager and the investment funds managed by the Manager.

No Director had, at any time during the financial year or at the financial year end, a material interest in any contract of significance in relation to the business of the Company.

Compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations. These include all requirements of the Company under Section 225 of Companies Act 2014, and all tax law within the Republic of Ireland (the "relevant obligations").

In keeping with this responsibility, the Directors have:

- drawn up a compliance policy statement setting out the Company's compliance with the relevant obligations;
- appointed the Adviser, and relies on the Adviser's risk and compliance departments to implement these procedures and secure material compliance with the relevant obligations; and
- performed a review of this policy statement, and its implementation by the Adviser.

Audit Committee

The Audit Committee of the Manager will oversee the Company's audit related affairs according to the Terms of Reference of the Audit Committee of the Manager. The membership of the Audit committee is disclosed in the Administration of the Company page.

Relevant audit information

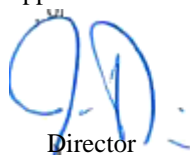
So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The Auditors, PricewaterhouseCoopers, will be re-appointed in accordance with section 383 of the Companies Act 2014.

On behalf of the Board

11 July 2017



Director



Director

Depository's Report

We have enquired into the conduct of Russell Investment Company II plc (the "Company") for the financial year ended 31 March 2017, in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended, (the "UCITS Regulations") and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depository

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each accounting year and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that year in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depository must state why this is the case and outline the steps which we have taken to rectify the situation.


Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the financial year, in all material respects:

- i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1); (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations') and
- ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Central Bank UCITS Regulations.



State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

11 July 2017



Independent auditors' report to the members of Russell Investment Company II plc

Report on the financial statements

Our opinion

In our opinion, Russell Investment Company II plc's financial statements (the "financial statements"):

- give a true and fair view of the company's and funds' assets, liabilities and financial position as at 31 March 2017 and of their results for the year then ended;
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).
-

What we have audited

The financial statements, included within the Annual Report and Audited Financial Statements, comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account for the year then ended;
- the statement of changes in net assets attributable to redeemable participating shareholders for the year then ended;
- the schedule of investments for each of the funds as at 31 March 2017; and
- the notes to the financial statements for the company and for each of its funds which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
 - In our opinion the information given in the Directors' Report is consistent with the financial statements.
-

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



Independent auditors' report to the members of Russell Investment Company II plc – continued

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in dark ink that reads 'Patricia Johnston'.

Patricia Johnston
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
Ireland

11 July 2017

*PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland, I.D.E. Box No. 137
T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, www.pwc.ie*

Chartered Accountants

Combined Balance Sheet

As at 31 March 2017

	Total 31 March 2017 EUR '000	Total 31 March 2016 EUR '000
Assets		
Financial assets at fair value through profit or loss	4,254,307	4,275,619
Cash at bank	105,487	60,180
Cash held with brokers and counterparties for open financial derivative instruments	41,654	17,881
Debtors:		
Receivable for investments sold	35,491	66,858
Receivable on fund shares issued	1,511	8,284
Dividends receivable	8,435	7,841
Interest receivable	11,421	10,926
Prepayments and other debtors	8	24
	<u>4,458,314</u>	<u>4,447,613</u>
Liabilities		
Financial liabilities at fair value through profit or loss	(19,044)	(32,664)
Creditors – amounts falling due within one financial year:		
Bank overdraft	-	(1,025)
Cash due to brokers and counterparties for open financial derivative instruments	(4,944)	(3,984)
Payable for investments purchased	(69,271)	(77,094)
Payable on fund shares redeemed	(41,754)	(65,122)
Distributions payable on income share classes	(2,914)	(2,623)
Management fees payable	(3,960)	(3,755)
Performance fees payable	(937)	(1,550)
Depository fees payable	(79)	(50)
Sub-custodian fees payable	(290)	(303)
Administration and transfer agency fees payable	(140)	(152)
Audit fees payable	(184)	(171)
Other fees payable	(45)	(20)
	<u>(143,562)</u>	<u>(188,513)</u>
Net assets attributable to redeemable participating shareholders	<u><u>4,314,752</u></u>	<u><u>4,259,100</u></u>

On behalf of the Board

11 July 2017


Director


Director

The accompanying notes are an integral part of the financial statements.

Combined Profit and Loss Account

For the financial year ended 31 March 2017

	Total 2017 EUR '000	Total 2016 EUR '000
Income		
Dividends	74,873	87,018
Interest income	36,256	36,641
	<u>111,129</u>	<u>123,659</u>
Net gain (loss) on investment activities	412,896	(315,921)
Total investment income (expense)	<u>524,025</u>	<u>(192,262)</u>
Expenses		
Management fees	(45,457)	(50,676)
Performance fees	(776)	(1,198)
Depository fees	(549)	(386)
Sub-custodian fees	(2,191)	(2,189)
Administration and transfer agency fees	(1,597)	(1,770)
Audit fees	(185)	(174)
Professional fees	(252)	(481)
Other fees	(235)	(260)
Total operating expenses	<u>(51,242)</u>	<u>(57,134)</u>
Net income (expense)	472,783	(249,396)
Finance costs		
Distributions.....	(52,165)	(58,541)
Profit (loss) for the financial year before taxation	420,618	(307,937)
Taxation		
Capital gains tax	(578)	(200)
Withholding tax	(11,526)	(12,816)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>408,514</u>	<u>(320,953)</u>

All amounts in respect of the financial year ended 31 March 2017 arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	Total 2017 EUR '000	Total 2016 EUR '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	408,514	(320,953)
Share transactions		
Reinvestment of deemed distributions on accumulation shares	42,167	49,110
Net increase (decrease) in net assets resulting from redeemable participating share transactions	<u>(580,529)</u>	<u>(803,404)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(129,848)	(1,075,247)
Foreign currency translation (Note 2)	185,500	(213,435)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>4,259,100</u>	<u>5,547,782</u>
End of financial year	<u><u>4,314,752</u></u>	<u><u>4,259,100</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc

Russell Investments Emerging Market Debt Local Currency Fund

Manager's Report - continued

Money Managers as at 31 March 2017

Barings LLC
GLG Partners LP
Pictet Asset Management Ltd.

Investment Objective

Russell Investments Emerging Market Debt Local Currency Fund (the "Fund") aims to achieve long term income and growth by investing in the bonds of issuers in Emerging Markets (EM), using a multi-strategy investment approach. The Fund invests in bonds issued by both EM governments and companies that are typically be denominated in the currency of an EM.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class I USD) returned 7.1 per cent on a gross of fee basis (5.8 per cent on a net of fee basis), while the benchmark* returned 5.5 per cent.

Market Comment

The benchmark finished the second quarter of 2016 up 2.7 per cent. A general risk-off market sentiment characterised much of the period, driven by more dovish stances by G4 central banks. Moreover, the run up to UK's European Union ("EU") referendum caused significant market concerns and the resultant surprise 'Brexit' vote on 23 June, threw worldwide markets into turmoil and pushed investor demand firmly into 'safe-haven' assets. Stabilising oil prices aided the high yield market and also added some momentum to developing currencies. Inflows into emerging market debt ("EMD") funds increased over the quarter, as it served as an escape valve for market volatility. Hard currency EMD rose 5.4 per cent, whilst local currency EMD rose 2.7 per cent on the back of appreciation in the Brazilian real, Argentine peso and Russian rouble. Corporate EMD increased 3.8 per cent.

The benchmark finished the 2016 third quarter up 2.7 per cent. The period shook off the general risk-off market sentiment that characterised much of the second quarter. This was achieved by accommodative stances of G4 central banks, encouraging economic data and rising oil prices. The Bank of England ("BoE") cut its benchmark rate and unleashed a new round of easing, whilst the Bank of Japan ("BoJ") also introduced its own new form of policy easing. The European Central Bank ("ECB") remained cautious, whilst the U.S. Federal Reserve ("Fed") ended months of deliberation on whether to raise rates, with a hawkish hold. Strengthening oil prices, boosted by hopes that oil producers might agree to limit output, also gave impetus to risk appetite. Inflows into EMD funds remained strong over the quarter. Hard currency EMD rose 3.7 per cent, whilst local currency EMD edged higher 2.7 per cent. Corporate EMD increased 3.1 per cent.

The benchmark finished the 2016 fourth quarter down 6.1 per cent. Donald Trump's US presidential election victory heightened expectations for further inflation on the back of his fiscal plans. After months of deliberations, the Fed increased its benchmark interest rate in December on the back of encouraging economic data. Meanwhile in Europe, concerns about a 'hard Brexit' diminished over the period, whilst the ECB maintained its easing policy and the Italians rejected constitutional reform. Over the fourth quarter, oil prices also strengthened as members of the Organization of the Petroleum Exporting Countries agreed on cutting production. Local currency EMD led the decline, losing 6.1 per cent on the back of depreciation of the Turkish lira and Polish zloty. Hard currency EMD was down 4.2 per cent, whilst Corporate EMD declined 1.3 per cent.

The benchmark rose 5.4 per cent in the first quarter of 2017. The Fed raised its benchmark rate by another 25 basis points ("bps") as expected and on the back of positive economic data, with two more hikes very likely in 2017. However, the March interest rate rise was accompanied by a dovish statement. Additionally, the post-Trump risk rally lost some steam in the latter stages of the period, after President Trump lost support from his own Republican party for his health care bill. Across the pond, UK Prime Minister Theresa May triggered Article 50, whilst investors held caution over electoral developments in the Netherlands, France and Germany. Over the period, oil prices trended lower whilst a weaker U.S. dollar lifted emerging market currencies. Inflows into EMD funds were healthy this quarter. Local currency EMD gained 6.5 per cent on the back of appreciation of the Mexican peso, Argentine peso and Russian rouble. Hard currency EMD was up 3.9 per cent, whilst Corporate EMD increased 3.0 per cent.

Russell Investment Company II plc

Russell Investments Emerging Market Debt Local Currency Fund

Manager's Report

General Comment on Money Managers/Performance

The Fund underperformed the benchmark over the second quarter of 2016. In rates, an underweight to Thailand, Hong Kong and Turkey was rewarded, however, an overweight to Malaysia detracted from performance. Malaysian government bonds plummeted over the period, as a debt default by a state investment company dampened demand for the nation's assets. Elsewhere, an overweight to Hungary and South Africa also detracted from performance. In currencies, whilst an overweight to the Columbian peso contributed, an underweight to the Brazilian real proved detrimental. Whilst concerns about commodity prices and Chinese economic growth remain, there is increasing interest from value-driven investors in this market segment.

The Fund outperformed the benchmark over the 2016 third quarter. In rates, the Fund benefited from an overweight to Brazil, Russia and South Africa, as well as a small underweight to Poland. At the currency level, the Fund benefited from an overweight to the Polish zloty and Columbian peso. An underweight to the Turkish lira also went rewarded. In contrast, an overweight to the Mexican peso detracted from performance. Whilst concerns about commodity prices and Chinese economic growth remain, there is increasing interest from investors as we have started to see some signs of improving fundamentals in many emerging countries.

Against the backdrop of a turbulent market environment for Emerging Market Debt, the Fund outperformed the benchmark over the fourth quarter of 2016. In currencies, an underweight to the euro and Turkish lira were the largest contributors to performance. In the latter, taking its yearly decline to 20 per cent versus the U.S. dollar, Turkey's lira fell to new record lows over the period - pressured lower by weak economic data and political uncertainty. In rates, an underweight to Poland and Thailand proved beneficial, whilst an overweight to Mexico proved detrimental. We see value in this sector after the recent sell-off but uncertainty surrounding Trump's economic and trade policy is keeping many investors on the sidelines.

The Fund outperformed the benchmark over the first quarter of 2017, with FX positioning being the primary driver of positive returns. An overweight to the Mexican peso was rewarded; the currency achieved its largest quarterly gain in four decades amid investor doubts about President Trump's ability to deliver on his policies. In contrast, an underweight to the Argentine peso detracted from performance. In rates, an overweight to Brazil contributed; Brazilian bonds rallied after Brazil's Central Bank cut the benchmark interest rate in line with market consensus forecasts. We continue to see value in local currency emerging market debt after the recent sell-off and anticipate steady investor appetite in this sector.

Past performance is no indication of current or future performance.

* Benchmark Source: JPMorgan GBI-EM Global Diversified Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 USD '000	31 March 2016 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	596,695	385,794
Cash at bank (Note 3)	77,372	32,814
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	9,937	7,110
Debtors:		
Receivable for investments sold	1,859	14,226
Receivable on fund shares issued	-	77
Interest receivable	8,544	6,394
	<u>694,407</u>	<u>446,415</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(6,306)	(6,905)
Creditors – amounts falling due within one financial year:		
Cash due to brokers and counterparties for open financial derivative instruments (Note 3)	(3,651)	(880)
Payable for investments purchased	(31,848)	(1,052)
Payable on fund shares redeemed	(1,073)	(3)
Distributions payable on income share classes	(2,387)	(1,246)
Management fees payable	(514)	(436)
Depositary fees payable	(9)	(5)
Sub-custodian fees payable	(56)	(39)
Administration fees payable	(16)	(16)
Audit fees payable	(24)	(24)
Other fees payable	-	(2)
	<u>(45,884)</u>	<u>(10,608)</u>
Net asset value attributable to redeemable participating shareholders	<u><u>648,523</u></u>	<u><u>435,807</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Income		
Interest income	26,458	21,640
Net gain (loss) on investment activities (Note 4)	(7,159)	(31,179)
Total investment income (expense)	19,299	(9,539)
Expenses		
Management fees (Note 5)	(5,739)	(4,645)
Performance fee (Note 5)	-	(16)
Depository fees (Note 6)	(60)	(33)
Sub-custodian fees (Note 6)	(391)	(288)
Administration and transfer agency fees (Note 6)	(178)	(159)
Audit fees (Note 6)	(24)	(24)
Professional fees	(19)	(44)
Other fees	(39)	(13)
Total operating expenses	(6,450)	(5,222)
Net income (expense)	12,849	(14,761)
Finance costs		
Distributions (Note 8)	(19,474)	(16,029)
Profit (loss) for the financial year before taxation	(6,625)	(30,790)
Taxation (Note 9)		
Capital gains tax	(467)	(28)
Withholding tax.....	(1,313)	(533)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(8,405)	(31,351)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(8,405)	(31,351)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	13,534	12,513
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>207,587</u>	<u>72,611</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	212,716	53,773
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>435,807</u>	<u>382,034</u>
End of financial year	<u><u>648,523</u></u>	<u><u>435,807</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments

31 March 2017

Principal Amount		Fair Value USD '000	Fund %
	Transferable Securities (79.70%) (2016: 83.68%)		
	Long Term Bonds and Notes (76.17%) (2016: 83.07%)		
	Argentina (0.34%)		
ARS	Argentine Bonos del Tesoro		
	13,381,112 18.200% due 03/10/21.....	935	0.14
	4,658,797 16.000% due 17/10/23.....	344	0.05
	12,814,192 15.500% due 17/10/26.....	941	0.15
		<u>2,220</u>	<u>0.34</u>
	Brazil (7.39%)		
BRL	Brazilian Government International Bond		
	10,478,000 10.250% due 10/01/28	3,366	0.52
	Brazil Letras do Tesouro Nacional		
	5,100,000 Zero Coupon due 01/07/18	1,435	0.22
	8,600,000 Zero Coupon due 01/10/18	2,366	0.36
	20,145,000 Zero Coupon due 01/01/19	5,421	0.84
	2,000,000 Zero Coupon due 01/01/20	489	0.08
	7,000,000 Zero Coupon due 01/07/20	1,630	0.25
	Brazil Notas do Tesouro Nacional Serie		
	9,390,000 6.000% due 15/08/50	9,988	1.54
	Brazil Notas do Tesouro Nacional Serie F		
	9,239,000 10.000% due 01/01/21.....	3,004	0.46
	35,100,000 10.000% due 01/01/23.....	11,379	1.75
	3,597,000 10.000% due 01/01/25.....	1,162	0.18
	23,876,000 10.000% due 01/01/27.....	7,701	1.19
		<u>47,941</u>	<u>7.39</u>
	Chile (0.30%)		
CLP	Bonos de la Tesoreria de la Republica en pesos		
	245,000,000 4.500% due 28/02/21	385	0.06
	Chile Government International Bond		
	966,200,000 5.500% due 05/08/20	1,541	0.24
		<u>1,926</u>	<u>0.30</u>
	Colombia (7.52%)		
COP	Colombia Government International Bond		
	1,160,000,000 7.750% due 14/04/21.....	427	0.07
	995,000,000 7.750% due 14/04/21	438	0.07
	Colombian TES		
	3,935,000,000 7.000% due 11/09/19.....	1,393	0.22
	21,200,000,000 11.000% due 24/07/20.....	8,427	1.30
	2,971,000,000 7.000% due 04/05/22.....	1,066	0.16
	27,058,800,000 10.000% due 24/07/24.....	11,238	1.73
	14,777,100,000 7.500% due 26/08/26.....	5,413	0.83
	12,667,900,000 6.000% due 28/04/28.....	4,139	0.64
	38,917,000,000 7.750% due 18/09/30	14,601	2.25
	620,000,000 7.000% due 30/06/32	216	0.03

Principal Amount		Fair Value USD '000	Fund %
3,551,442,950	4.750% due 04/04/35	1,400	0.22
		48,758	7.52
	Ghana (0.20%)		
	Ghana Government Bond		
GHS	4,750,000 24.750% due 19/07/21	1,271	0.20
	Hungary (1.86%)		
	Hungary Government Bond		
HUF	170,000,000 2.500% due 22/06/18	606	0.09
	385,000,000 6.500% due 24/06/19	1,516	0.24
	1,068,700,000 2.000% due 30/10/19	3,844	0.59
	112,000,000 3.500% due 24/06/20	420	0.07
	553,000,000 7.500% due 12/11/20	2,345	0.36
	90,000,000 2.500% due 27/10/21	322	0.05
	185,030,000 7.000% due 24/06/22	799	0.12
	160,070,000 6.000% due 24/11/23	672	0.10
	180,000,000 3.000% due 26/06/24	631	0.10
	178,560,000 5.500% due 24/06/25	727	0.11
	50,000,000 3.000% due 27/10/27	169	0.03
		12,051	1.86
	Indonesia (7.72%)		
	Indonesia Treasury Bond		
IDR	160,000,000 12.800% due 15/06/21	15	0.00
	13,370,000,000 8.250% due 15/07/21	1,056	0.16
	9,000,000,000 7.000% due 15/05/22	681	0.11
	1,070,000,000 5.625% due 15/05/23	75	0.01
	48,608,000,000 8.375% due 15/03/24	3,892	0.60
	43,000,000,000 8.375% due 15/09/26	3,512	0.54
	32,000,000,000 10.000% due 15/02/28	2,861	0.44
	49,364,000,000 9.000% due 15/03/29	4,116	0.63
	32,363,000,000 6.625% due 15/05/33	2,204	0.34
	47,500,000,000 8.375% due 15/03/34	3,786	0.58
	257,640,000,000 8.250% due 15/05/36	20,528	3.17
	29,379,000,000 10.500% due 15/07/38	2,734	0.42
	12,000,000,000 9.500% due 15/05/41	1,008	0.16
	5,108,000,000 6.375% due 15/04/42	311	0.05
	41,306,000,000 8.750% due 15/02/44	3,306	0.51
		50,085	7.72
	Israel (0.35%)		
	Israel Government Bond		
ILS	6,000,000 5.500% due 31/01/42	2,290	0.35
	Korea, Republic of (0.41%)		
	Export-Import Bank of Korea		
IDR	20,000,000,000 8.000% due 15/05/18	1,515	0.23
	15,300,000,000 8.000% due 17/10/19	1,156	0.18
		2,671	0.41

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments

31 March 2017

	Principal Amount		Fair Value USD '000	Fund %		Principal Amount		Fair Value USD '000	Fund %
Malaysia (5.83%)									
MYR	Malaysia Government Bond					4,050,000	5.700% due 12/08/24	1,274	0.20
	4,920,000	3.654% due 31/10/19.....	1,111	0.17		12,350,000	8.200% due 12/08/26	4,486	0.69
	4,400,000	3.492% due 31/03/20.....	988	0.15		842,000	6.350% due 12/08/28	264	0.04
	3,650,000	3.889% due 31/07/20.....	829	0.13		3,137,000	6.950% due 12/08/31	1,037	0.16
	5,050,000	3.659% due 15/10/20.....	1,138	0.17		1,740,000	6.900% due 12/08/37	573	0.09
	1,450,000	4.160% due 15/07/21.....	332	0.05				19,155	2.95
	4,600,000	3.620% due 30/11/21.....	1,029	0.16	Philippines (0.22%)				
	5,000,000	3.882% due 10/03/22.....	1,133	0.17					
	3,940,000	3.418% due 15/08/22.....	868	0.13	PHP	Philippine Government International Bond			
	18,980,000	3.795% due 30/09/22.....	4,255	0.66		53,000,000	3.900% due 26/11/22	1,029	0.16
	3,530,000	3.480% due 15/03/23.....	776	0.12		18,000,000	6.250% due 14/01/36	400	0.06
	52,540,000	3.800% due 17/08/23.....	11,717	1.81				1,429	0.22
	4,010,000	4.181% due 15/07/24.....	910	0.14	Poland (2.84%)				
	2,230,000	4.392% due 15/04/26.....	510	0.08					
	3,200,000	3.892% due 15/03/27.....	692	0.11	PLN	Poland Government Bond			
	10,080,000	4.498% due 15/04/30.....	2,280	0.35		16,819,000	2.500% due 25/07/18	4,294	0.66
	740,000	4.232% due 30/06/31.....	162	0.02		7,590,000	3.250% due 25/07/19	1,967	0.30
	1,162,000	4.127% due 15/04/32.....	250	0.04		3,790,000	5.500% due 25/10/19	1,036	0.16
	11,790,000	3.844% due 15/04/33.....	2,444	0.38		4,000,000	1.500% due 25/04/20	986	0.15
	15,336,000	4.935% due 30/09/43.....	3,501	0.54		3,500,000	5.250% due 25/10/20	967	0.15
	13,000,000	4.736% due 15/03/46.....	2,913	0.45		3,700,000	2.000% due 25/04/21	912	0.14
			37,838	5.83		7,510,000	1.750% due 25/07/21	1,824	0.28
Mexico (12.72%)						1,400,000	5.750% due 25/10/21	399	0.06
MXN	Mexican Bonos					1,300,000	2.250% due 25/04/22	319	0.05
	17,000,000	8.500% due 13/12/18.....	929	0.14		4,800,000	5.750% due 23/09/22	1,382	0.21
	18,400,000	5.000% due 11/12/19.....	937	0.14		3,580,000	4.000% due 25/10/23	954	0.15
	149,500,000	8.000% due 11/06/20.....	8,203	1.27		6,299,000	3.250% due 25/07/25	1,587	0.25
	85,610,000	6.500% due 10/06/21.....	4,493	0.69		6,060,000	2.500% due 25/07/26	1,425	0.22
	169,987,000	6.500% due 09/06/22.....	8,868	1.37		1,500,000	2.500% due 25/07/27	348	0.06
	6,700,000	8.000% due 07/12/23.....	375	0.06				18,400	2.84
	61,495,700	10.000% due 05/12/24.....	3,844	0.59	Romania (1.09%)				
	298,948,700	5.750% due 05/03/26.....	14,544	2.24					
	87,730,000	7.500% due 03/06/27.....	5,171	0.80	RON	Romania Government Bond			
	6,871,700	8.500% due 31/05/29.....	403	0.06		7,450,000	5.600% due 28/11/18	1,877	0.29
	9,352,300	7.750% due 29/05/31.....	517	0.08		6,050,000	4.750% due 24/06/19	1,520	0.23
	9,162,900	7.750% due 23/11/34.....	504	0.08		5,650,000	5.750% due 29/04/20	1,477	0.23
	52,718,200	10.000% due 20/11/36.....	3,540	0.55		2,160,000	5.950% due 11/06/21	575	0.09
	58,502,400	8.500% due 18/11/38.....	3,461	0.53		5,105,000	4.750% due 24/02/25	1,296	0.20
	400,590,000	7.750% due 13/11/42.....	22,026	3.40		1,120,000	5.800% due 26/07/27	306	0.05
								7,051	1.09
Mexican Udibonos					Russia (5.23%)				
	82,072,045	4.000% due 08/11/46	4,669	0.72					
			82,484	12.72	RUB	Russian Federal Bond - OFZ			
Peru (2.95%)						200,000,000	7.500% due 27/02/19	3,519	0.54
PEN	Peru Government Bond					70,000,000	6.700% due 15/05/19	1,211	0.19
	3,150,000	5.700% due 12/08/24.....	991	0.15		186,000,000	6.400% due 27/05/20	3,169	0.49
	14,035,000	6.950% due 12/08/31.....	4,641	0.71		57,500,000	7.000% due 25/01/23	988	0.15
	16,200,000	6.850% due 12/02/42.....	5,247	0.81		193,990,000	7.000% due 16/08/23	3,302	0.51
						75,800,000	7.000% due 16/08/23	1,290	0.20
	Peruvian Government International Bond					86,200,000	8.150% due 03/02/27	1,575	0.24
	1,900,000	7.840% due 12/08/20.....	642	0.10		768,380,000	7.050% due 19/01/28	12,860	1.98
						324,000,000	8.500% due 17/09/31	6,016	0.93
								33,930	5.23

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value USD '000	Fund %		Principal Amount		Fair Value USD '000	Fund %
	South Africa (10.99%)					Ukraine (0.58%)			
	South Africa Government Bond					Ukraine Government International Bond			
ZAR					USD				
	25,600,000	8.000% due 21/12/18.....	1,921	0.30		10,000,000	Zero Coupon due 31/05/40	3,745	0.58
	15,620,000	7.250% due 15/01/20.....	1,151	0.18		Total Long Term Bonds and Notes			
	2,470,000	6.750% due 31/03/21.....	177	0.03				493,951	76.17
	18,610,000	6.750% due 31/03/21	1,336	0.21		Short Term Investments (3.53%) (2016: 0.61%)			
	30,500,000	7.750% due 28/02/23	2,218	0.34		Hungary (0.58%)			
	142,410,000	10.500% due 21/12/26	11,754	1.81	HUF	Hungary Government Bond			
	162,815,000	10.500% due 21/12/26.....	13,438	2.07		1,045,000,000	6.750% due 24/11/17	3,779	0.58
	54,500,000	7.000% due 28/02/31.....	3,350	0.52		Mexico (0.08%)			
	14,200,000	7.000% due 28/02/31.....	873	0.13		Mexican Bonos			
	20,530,000	7.000% due 28/02/31.....	1,262	0.19		9,000,000	7.750% due 14/12/17	481	0.08
	33,491,818	8.250% due 31/03/32.....	2,269	0.35		Poland (0.24%)			
	6,000,000	8.875% due 28/02/35.....	422	0.07		Poland Government Bond			
	141,055,000	6.250% due 31/03/36.....	7,495	1.16	PLN				
	45,934,000	8.500% due 31/01/37.....	3,074	0.47		6,050,000	5.250% due 25/10/17	1,559	0.24
	6,800,000	9.000% due 31/01/40.....	475	0.07		Romania (0.27%)			
	273,700,000	6.500% due 28/02/41.....	14,431	2.23		Romania Government Bond			
	38,410,000	8.750% due 31/01/44.....	2,597	0.40	RON				
	44,485,889	8.750% due 28/02/48.....	3,005	0.46		7,400,000	5.900% due 26/07/17	1,769	0.27
			71,248	10.99		Russia (0.23%)			
	Thailand (3.19%)					Russian Federal Bond - OFZ			
	Thailand Government Bond				RUB				
THB						76,000,000	7.500% due 15/03/18	1,337	0.20
	243,737,000	3.650% due 17/12/21.....	7,602	1.17		Russian Foreign Bond - Eurobond			
	64,672,000	1.875% due 17/06/22.....	1,855	0.29		10,000,000	7.850% due 10/03/18	176	0.03
	23,600,000	3.625% due 16/06/23.....	740	0.11				1,513	0.23
	135,963,000	2.125% due 17/12/26.....	3,772	0.58		Thailand (0.35%)			
	17,747,000	3.580% due 17/12/27.....	549	0.09		Thailand Government Bond			
	103,193,082	1.250% due 12/03/28.....	2,824	0.44	THB				
	33,860,000	4.875% due 22/06/29.....	1,184	0.18		77,282,000	3.250% due 16/06/17	2,257	0.35
	35,394,000	3.650% due 20/06/31.....	1,100	0.17		Turkey (1.78%)			
	5,700,000	3.775% due 25/06/32.....	176	0.03		Turkey Government Bond			
	26,200,000	4.260% due 12/12/37.....	872	0.13	TRY				
			20,674	3.19		43,500,000	6.300% due 14/02/18	11,536	1.78
	Turkey (4.44%)					Total Short Term Investments			
	Turkey Government Bond							22,894	3.53
TRK						Total Transferable Securities			
	4,500,000	8.800% due 14/11/18.....	1,197	0.18				516,845	79.70
	5,940,000	10.400% due 27/03/19.....	1,616	0.25		Investment Funds (1.40%) (2016: 0.93%)			
	3,450,000	10.500% due 15/01/20.....	941	0.14		Ireland (1.40%)			
	3,080,000	7.400% due 05/02/20.....	774	0.12		Russell Investments Company III Plc Russell Investment U.S. Dollar Cash Fund -			
	5,390,000	9.400% due 08/07/20.....	1,419	0.22		9,017	Class R Roll-Up Shares	9,082	1.40
	40,397,900	10.700% due 17/02/21.....	11,005	1.70		Total Investment Funds			
	2,810,000	9.500% due 12/01/22.....	734	0.11				9,082	1.40
	2,140,000	7.100% due 08/03/23.....	494	0.08		Number of Shares			
	7,240,000	8.800% due 27/09/23.....	1,809	0.28					
	11,480,000	9.000% due 24/07/24.....	2,894	0.45					
	21,597,000	10.600% due 11/02/26.....	5,901	0.91					
			28,784	4.44					

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Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments

31 March 2017

Principal Amount		Fair Value USD '000	Fund %	Principal Amount		Fair Value USD '000	Fund %
	Money Market Investments (9.25%) (2016: 0.00%)			32,000,000	Zero Coupon due 04/05/17	31,981	4.94
	United States (9.25%)			1,000,000	Zero Coupon due 11/05/17	999	0.15
						<u>59,969</u>	<u>9.25</u>
USD	U.S. Treasury Bill				Total Money Market Investments	<u>59,969</u>	<u>9.25</u>
	1,000,000 Zero Coupon due 06/04/17	1,000	0.15		Total Investments excluding Financial Derivative Instruments	<u>585,896</u>	<u>90.35</u>
	3,000,000 Zero Coupon due 13/04/17	2,999	0.46				
	900,000 Zero Coupon due 20/04/17	900	0.14				
	22,100,000 Zero Coupon due 27/04/17	22,090	3.41				

Financial Derivative Instruments (0.69%) (2016: 2.33%)

Open Futures Contracts (0.00%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
1,486	123.81	12 of 10 Year U.S. Treasury Note Futures Short Futures Contracts		
		Expiring June 2017	9	0.00
(752)	(150.35)	5 of U.S. Long Treasury Bond Futures Short Futures Contracts		
		Expiring June 2017	(2)	0.00
(468)	(117.03)	4 of 5 Year U.S. Treasury Note Futures Short Futures Contracts		
		Expiring June 2017	(3)	0.00
1,173	0.10	12 of 3 Year Korea Bond Futures Long Futures Contracts		
		Expiring June 2017	2	0.00
446	0.11	4 of 10 Year Korea Bond Futures Long Futures Contracts		
		Expiring June 2017	0.00	0.00
		Unrealised gain on open futures contracts	11	0.00
		Unrealised loss on open futures contracts	(5)	0.00
		Net unrealised gain (loss) on open futures contracts	<u>6</u>	<u>0.00</u>

Open Forward Foreign Currency Exchange Contracts (0.60%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
18/04/2017	AUD 1,623	USD 1,221	17	0.00
04/04/2017	BRL 11,430	USD 3,678	(78)	(0.01)
04/04/2017	BRL 1,780	USD 560	1	0.00
18/04/2017	BRL 2,117	USD 679	(14)	0.00
18/04/2017	BRL 8,019	USD 2,441	76	0.01
18/04/2017	BRL 1,425	USD 450	(3)	0.00
03/05/2017	BRL 11,420	USD 3,628	(54)	(0.01)
13/06/2017	BRL 5,129	USD 1,640	(51)	(0.01)
13/06/2017	BRL 11,300	USD 3,473	29	0.00
20/06/2017	BRL 6,964	USD 2,192	(37)	(0.01)
20/06/2017	BRL 49,780	USD 15,100	303	0.06
20/06/2017	BRL 1,559	USD 484	(2)	0.00
18/04/2017	CAD 3,585	USD 2,692	(3)	0.00

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Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
17/04/2017	CLP	182,000	USD	273	2	0.00
18/04/2017	CLP	1,423,087	USD	2,149	(1)	0.00
28/04/2017	CLP	527,000	USD	800	(5)	0.00
28/04/2017	CLP	163,000	USD	244	2	0.00
02/05/2017	CLP	413,525	USD	624	-	0.00
13/06/2017	CLP	1,456,071	USD	2,205	(13)	0.00
13/06/2017	CLP	301,787	USD	470	(16)	0.00
13/06/2017	CLP	663,937	USD	1,020	(20)	0.00
13/06/2017	CLP	266,380	USD	400	1	0.00
13/06/2017	CLP	975,375	USD	1,500	(31)	0.00
22/06/2017	CLP	860,000	USD	1,292	3	0.00
14/11/2017	CNH	19,626	USD	2,780	30	0.00
05/04/2017	CNY	33,227	USD	4,944	(123)	(0.03)
06/06/2017	CNY	11,781	USD	1,700	3	0.00
06/06/2017	CNY	26,937	USD	3,870	24	0.00
06/06/2017	CNY	10,610	USD	1,526	8	0.00
06/06/2017	CNY	12,769	USD	1,850	(4)	0.00
06/06/2017	CNY	15,863	USD	2,282	11	0.00
07/06/2017	CNY	5,157	USD	744	1	0.00
06/09/2017	CNY	47,499	USD	6,870	(35)	(0.01)
14/11/2017	CNY	63,500	USD	8,958	152	0.02
07/02/2018	CNY	78,732	USD	11,100	158	0.02
17/04/2017	COP	12,120,000	USD	4,152	28	0.00
18/04/2017	COP	569,595	USD	195	1	0.00
18/04/2017	COP	940,657	USD	324	-	0.00
18/04/2017	COP	2,697,801	USD	900	31	0.00
24/05/2017	COP	1,270,000	USD	430	6	0.00
13/06/2017	COP	850,328	USD	293	(2)	0.00
15/06/2017	COP	2,681,408	USD	915	2	0.00
15/06/2017	COP	7,613,870	USD	2,570	35	0.01
15/06/2017	COP	3,625,440	USD	1,248	(8)	0.00
15/06/2017	COP	10,051,154	USD	3,380	59	0.01
15/06/2017	COP	2,641,500	USD	900	4	0.00
15/06/2017	COP	1,553,841	USD	505	26	0.00
06/03/2018	CZK	131,140	EUR	4,909	4	0.00
06/03/2018	CZK	21,244	EUR	793	3	0.00
07/04/2017	EUR	1,026	HUF	318,000	(4)	0.00
18/04/2017	EUR	605	PLN	2,625	(15)	0.00
07/04/2017	EUR	380	USD	410	(4)	0.00
18/04/2017	EUR	3,094	USD	3,269	43	0.01
18/04/2017	EUR	384	USD	408	3	0.00
06/06/2017	EUR	10,696	USD	11,539	(66)	(0.01)
06/06/2017	EUR	6,027	USD	6,536	(71)	(0.01)
06/06/2017	EUR	5,689	USD	6,126	(24)	0.00
20/06/2017	EUR	443	USD	481	(5)	0.00
13/06/2017	GBP	461	USD	576	2	0.00
13/06/2017	GBP	426	USD	534	-	0.00
13/06/2017	GBP	2,251	USD	2,750	70	0.01
18/04/2017	HUF	381,617	EUR	1,239	(4)	0.00
18/04/2017	HUF	774,794	EUR	2,503	6	0.00

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Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
18/04/2017	HUF	590,433	EUR	1,915	(4)	0.00
13/06/2017	HUF	545,335	EUR	1,762	2	0.00
18/04/2017	HUF	2,068,832	USD	7,020	148	0.02
18/04/2017	HUF	229,594	USD	799	(3)	0.00
18/04/2017	HUF	548,179	USD	1,893	6	0.00
18/04/2017	HUF	644,920	USD	2,214	20	0.00
24/04/2017	HUF	28,000	USD	98	(1)	0.00
24/04/2017	HUF	52,340	USD	181	1	0.00
31/07/2017	HUF	2,846,605	USD	10,049	(149)	(0.03)
04/04/2017	IDR	35,482,882	USD	2,665	(3)	0.00
18/04/2017	IDR	10,400,000	USD	781	(1)	0.00
30/05/2017	IDR	17,872,279	USD	1,326	7	0.00
09/06/2017	IDR	25,879,879	USD	1,922	6	0.00
14/06/2017	IDR	42,165,000	USD	3,150	(10)	0.00
14/06/2017	IDR	12,904,050	USD	955	6	0.00
14/06/2017	IDR	40,141,277	USD	2,917	72	0.01
13/04/2017	ILS	20,406	USD	5,658	(36)	(0.01)
24/04/2017	JPY	443,000	USD	4,008	(30)	0.00
24/04/2017	KRW	115,000	USD	102	1	0.00
18/04/2017	KZT	841,389	USD	2,583	86	0.01
18/04/2017	KZT	857,019	USD	2,534	185	0.04
13/06/2017	KZT	220,623	USD	694	(5)	0.00
10/04/2017	MXN	8,300	USD	442	(1)	0.00
10/04/2017	MXN	100,136	USD	5,191	121	0.02
18/04/2017	MXN	38,138	USD	2,002	19	0.00
18/04/2017	MXN	184,756	USD	8,545	1,243	0.20
13/06/2017	MXN	35,861	USD	1,901	(17)	0.00
21/06/2017	MXN	30,198	USD	1,458	126	0.02
21/06/2017	MXN	43,816	USD	2,215	84	0.01
18/04/2017	MYR	20,189	USD	4,523	36	0.01
13/06/2017	MYR	6,281	USD	1,414	2	0.00
19/09/2017	MYR	3,700	USD	820	12	0.00
05/04/2017	NGN	792,944	USD	2,378	212	0.04
05/04/2017	NGN	48,360	USD	150	8	0.00
05/04/2017	NGN	86,360	USD	254	28	0.00
13/06/2017	PEN	31,253	USD	9,530	18	0.00
08/05/2017	PHP	29,900	USD	598	(3)	0.00
13/06/2017	PHP	17,600	USD	350	-	0.00
13/06/2017	PHP	13,625	USD	268	2	0.00
18/04/2017	PLN	55,801	EUR	12,671	522	0.09
18/04/2017	PLN	9,167	EUR	2,124	40	0.01
18/04/2017	PLN	24,619	EUR	5,758	51	0.01
13/06/2017	PLN	19,117	EUR	4,513	(20)	0.00
20/06/2017	PLN	1,960	EUR	461	(1)	0.00
18/04/2017	PLN	20,335	USD	4,914	218	0.04
18/04/2017	PLN	56,310	USD	13,463	747	0.13
01/06/2017	PLN	19,420	USD	4,960	(61)	(0.01)
01/06/2017	PLN	35,522	USD	8,737	224	0.04
01/06/2017	PLN	5,409	USD	1,352	12	0.00
01/06/2017	PLN	19,645	USD	4,900	56	0.01

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
01/06/2017	PLN	56,310	USD	14,434	(230)	(0.05)
01/06/2017	PLN	6,471	USD	1,597	35	0.01
01/06/2017	PLN	5,054	USD	1,243	32	0.00
20/06/2017	PLN	3,479	USD	884	(7)	0.00
20/06/2017	PLN	610	USD	153	1	0.00
18/04/2017	RON	3,646	EUR	807	(7)	0.00
18/04/2017	RON	4,878	EUR	1,068	3	0.00
18/04/2017	RON	12,546	EUR	2,785	(32)	0.00
13/06/2017	RON	4,501	EUR	989	(2)	0.00
18/04/2017	RON	9,187	USD	2,170	(11)	0.00
18/04/2017	RON	3,211	USD	770	(16)	0.00
18/04/2017	RON	12,950	USD	3,057	(14)	0.00
19/04/2017	RON	190	USD	46	(1)	0.00
19/04/2017	RON	480	USD	112	1	0.00
30/06/2017	RON	25,347	USD	5,988	(22)	0.00
06/06/2017	RSD	390,947	EUR	3,136	(1)	0.00
06/06/2017	RSD	66,789	EUR	535	1	0.00
18/04/2017	RUB	27,243	USD	446	36	0.01
18/04/2017	RUB	71,919	USD	1,249	23	0.00
18/04/2017	RUB	117,132	USD	1,937	135	0.02
09/06/2017	RUB	204,108	USD	3,103	464	0.08
09/06/2017	RUB	38,799	USD	650	28	0.00
09/06/2017	RUB	46,922	USD	780	40	0.01
13/06/2017	RUB	66,452	USD	1,164	(4)	0.00
16/06/2017	RUB	90,700	USD	1,532	51	0.01
18/04/2017	SEK	1,602	USD	180	-	0.00
18/04/2017	SEK	3,427	USD	381	3	0.00
18/04/2017	SEK	32,548	USD	3,603	45	0.01
21/04/2017	SGD	1,210	USD	854	12	0.00
30/05/2017	SGD	970	USD	695	-	0.00
30/05/2017	SGD	610	USD	436	1	0.00
05/06/2017	SGD	700	USD	502	(1)	0.00
12/06/2017	SGD	5,210	USD	3,700	30	0.00
10/04/2017	THB	20,100	USD	576	9	0.00
17/04/2017	THB	92,708	USD	2,700	(2)	0.00
17/04/2017	THB	339,476	USD	9,607	271	0.05
18/04/2017	THB	369,754	USD	10,476	283	0.04
13/06/2017	THB	72,806	USD	2,116	2	0.00
31/07/2017	THB	432,184	USD	12,547	23	0.00
12/04/2017	TRY	7,528	USD	2,009	53	0.01
12/04/2017	TRY	12,205	USD	3,208	135	0.02
12/04/2017	TRY	3,575	USD	964	15	0.00
12/04/2017	TRY	1,519	USD	401	15	0.00
12/04/2017	TRY	7,490	USD	1,891	161	0.02
17/04/2017	TRY	284	USD	80	(2)	0.00
17/04/2017	TRY	2,329	USD	640	(3)	0.00
17/04/2017	TRY	3,370	USD	926	(4)	0.00
17/04/2017	TRY	11,952	USD	3,096	173	0.03
17/04/2017	TRY	6,476	USD	1,760	11	0.00
18/04/2017	TRY	13,575	USD	3,726	(14)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
18/04/2017	TRY	16,102	USD	4,170	232	0.04
18/04/2017	TRY	3,170	USD	840	27	0.00
18/04/2017	TRY	17,496	USD	4,533	251	0.04
13/06/2017	TRY	6,500	USD	1,751	(2)	0.00
31/07/2017	TRY	12,017	USD	3,197	(6)	0.00
02/05/2017	USD	2,574	ARS	42,285	(144)	(0.03)
02/05/2017	USD	264	ARS	4,219	(7)	0.00
14/06/2017	USD	1,422	ARS	22,829	(16)	0.00
14/06/2017	USD	900	ARS	14,594	(20)	0.00
18/04/2017	USD	1,193	AUD	1,623	(45)	(0.01)
04/04/2017	USD	570	BRL	1,790	6	0.00
18/04/2017	USD	1,467	BRL	4,590	26	0.00
18/04/2017	USD	570	BRL	1,783	10	0.00
20/06/2017	USD	8,107	BRL	28,038	(569)	(0.10)
20/06/2017	USD	6,046	BRL	19,338	62	0.01
20/06/2017	USD	1,434	BRL	4,633	-	0.00
20/06/2017	USD	2,319	BRL	7,754	(80)	(0.01)
18/04/2017	USD	6,729	CAD	8,874	73	0.01
18/04/2017	USD	1,250	CAD	1,652	11	0.00
13/06/2017	USD	816	CAD	1,085	2	0.00
17/04/2017	USD	429	CLP	284,299	(1)	0.00
18/04/2017	USD	2,105	CLP	1,423,087	(43)	(0.01)
28/04/2017	USD	728	CLP	472,000	16	0.00
02/05/2017	USD	1,632	CLP	1,059,635	34	0.01
02/05/2017	USD	241	CLP	155,329	7	0.00
06/06/2017	USD	4,114	CLP	2,715,240	25	0.00
06/06/2017	USD	755	CLP	501,320	-	0.00
06/06/2017	USD	900	CLP	592,632	7	0.00
13/06/2017	USD	3,110	CLP	2,010,055	84	0.01
13/06/2017	USD	1,524	CLP	983,590	43	0.01
14/11/2017	USD	670	CNH	4,725	(6)	0.00
14/11/2017	USD	4,202	CNH	29,582	(33)	(0.01)
14/11/2017	USD	12,550	CNH	87,421	34	0.01
14/11/2017	USD	2,293	CNH	16,017	-	0.00
05/04/2017	USD	4,900	CNY	33,227	79	0.01
10/04/2017	USD	506	CNY	3,500	(2)	0.00
21/04/2017	USD	352	CNY	2,440	(2)	0.00
21/04/2017	USD	139	CNY	960	-	0.00
06/09/2017	USD	1,700	CNY	11,608	30	0.00
06/09/2017	USD	5,250	CNY	35,931	80	0.01
14/11/2017	USD	4,565	CNY	31,882	(9)	0.00
14/11/2017	USD	4,565	CNY	31,813	1	0.00
07/02/2018	USD	9,200	CNY	65,274	(134)	(0.03)
07/02/2018	USD	1,900	CNY	13,486	(28)	0.00
06/04/2017	USD	529	COP	1,590,000	(20)	0.00
17/04/2017	USD	1,986	COP	5,800,000	(14)	0.00
15/06/2017	USD	802	COP	2,406,802	(22)	0.00
15/06/2017	USD	1,977	COP	5,950,295	(59)	(0.01)
18/04/2017	USD	623	EUR	577	5	0.00
18/04/2017	USD	224	EUR	211	(2)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
18/04/2017	USD	10,011	HUF	2,846,605	148	0.02
24/04/2017	USD	671	HUF	194,332	(2)	0.00
24/04/2017	USD	351	HUF	100,000	5	0.00
13/04/2017	USD	2,714	ILS	10,369	(143)	(0.03)
13/04/2017	USD	240	ILS	874	(1)	0.00
13/04/2017	USD	1,600	ILS	5,795	3	0.00
13/04/2017	USD	911	ILS	3,368	(17)	0.00
18/04/2017	USD	428	ILS	1,585	(9)	0.00
18/04/2017	USD	916	ILS	3,308	4	0.00
18/04/2017	USD	5,069	ILS	19,401	(277)	(0.05)
18/04/2017	USD	834	ILS	3,173	(40)	(0.01)
13/06/2017	USD	829	ILS	3,000	1	0.00
31/07/2017	USD	5,679	ILS	20,406	36	0.01
03/04/2017	USD	712	INR	48,600	(36)	(0.01)
10/04/2017	USD	361	INR	24,400	(15)	0.00
30/05/2017	USD	5,228	INR	350,438	(128)	(0.02)
30/05/2017	USD	834	INR	54,364	3	0.00
14/06/2017	USD	743	INR	48,600	2	0.00
21/04/2017	USD	877	KRW	999,000	(16)	0.00
24/04/2017	USD	101	KRW	115,000	(2)	0.00
30/05/2017	USD	2,761	KRW	3,116,806	(28)	0.00
30/05/2017	USD	1,700	KRW	1,882,325	16	0.00
30/05/2017	USD	3,970	KRW	4,579,792	(128)	(0.02)
30/05/2017	USD	442	KRW	496,000	(2)	0.00
30/05/2017	USD	689	KRW	767,000	3	0.00
30/05/2017	USD	2,539	KRW	2,874,449	(33)	(0.01)
05/06/2017	USD	500	KRW	558,000	-	0.00
07/06/2017	USD	4,380	KRW	5,028,240	(120)	(0.02)
07/06/2017	USD	836	KRW	932,307	2	0.00
07/06/2017	USD	895	KRW	999,984	-	0.00
07/06/2017	USD	102	KRW	115,000	(1)	0.00
10/04/2017	USD	6,147	MXN	121,012	(273)	(0.04)
18/04/2017	USD	2,332	MXN	44,859	(45)	(0.01)
18/04/2017	USD	922	MXN	18,516	(59)	(0.01)
21/06/2017	USD	1,849	MXN	37,062	(96)	(0.01)
21/06/2017	USD	742	MXN	14,734	(31)	0.00
21/06/2017	USD	7,601	MXN	151,969	(373)	(0.06)
18/04/2017	USD	630	MYR	2,821	(7)	0.00
06/06/2017	USD	1,140	NOK	9,673	13	0.00
06/06/2017	USD	2,880	NOK	24,364	42	0.01
02/05/2017	USD	684	PEN	2,269	(12)	0.00
02/05/2017	USD	372	PEN	1,216	(1)	0.00
30/05/2017	USD	1,571	PEN	5,179	(13)	0.00
30/05/2017	USD	852	PEN	2,778	2	0.00
06/06/2017	USD	225	PEN	742	(2)	0.00
13/06/2017	USD	1,982	PEN	6,626	(42)	(0.01)
13/06/2017	USD	2,968	PEN	9,835	(36)	(0.01)
13/06/2017	USD	1,700	PEN	5,619	(17)	0.00
13/06/2017	USD	1,960	PEN	6,554	(42)	(0.01)
13/06/2017	USD	1,400	PEN	4,638	(17)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
08/05/2017	USD 789	PHP 39,948	(6)	0.00
18/04/2017	USD 14,439	PLN 56,310	228	0.05
01/06/2017	USD 3,529	PLN 14,465	(120)	(0.02)
20/06/2017	USD 960	PLN 3,844	(10)	0.00
20/06/2017	USD 505	PLN 1,998	1	0.00
18/04/2017	USD 5,980	RON 25,347	24	0.00
19/04/2017	USD 649	RON 2,750	3	0.00
09/06/2017	USD 3,717	RUB 220,820	(142)	(0.02)
09/06/2017	USD 1,600	RUB 95,456	(68)	(0.01)
16/06/2017	USD 2,919	RUB 176,424	(160)	(0.02)
18/04/2017	USD 4,155	SEK 37,577	(57)	(0.01)
18/04/2017	USD 1,404	SGD 2,013	(37)	(0.01)
18/04/2017	USD 298	SGD 416	-	0.00
12/06/2017	USD 3,100	SGD 4,391	(44)	(0.01)
12/06/2017	USD 610	SGD 865	(9)	0.00
13/06/2017	USD 273	SGD 380	1	0.00
10/04/2017	USD 1,098	THB 38,749	(29)	0.00
17/04/2017	USD 12,554	THB 432,184	(21)	0.00
12/04/2017	USD 1,362	TRY 4,959	3	0.00
12/04/2017	USD 7,490	TRY 27,359	(3)	0.00
17/04/2017	USD 554	TRY 2,030	(1)	0.00
17/04/2017	USD 736	TRY 2,775	(23)	0.00
17/04/2017	USD 1,933	TRY 7,058	3	0.00
18/04/2017	USD 5,536	TRY 20,248	-	0.00
05/04/2017	USD 3,983	ZAR 55,198	(133)	(0.02)
05/04/2017	USD 5,252	ZAR 67,514	217	0.03
18/04/2017	USD 3,908	ZAR 54,410	(140)	(0.02)
18/04/2017	USD 455	ZAR 6,030	6	0.00
18/04/2017	USD 5,321	ZAR 67,948	266	0.04
18/04/2017	USD 559	ZAR 7,177	25	0.00
19/04/2017	USD 3,752	ZAR 49,761	51	0.01
19/04/2017	USD 2,130	ZAR 28,274	27	0.00
19/04/2017	USD 2,500	ZAR 32,988	46	0.01
30/06/2017	USD 3,597	ZAR 47,289	123	0.02
05/04/2017	ZAR 51,385	USD 3,999	(167)	(0.03)
05/04/2017	ZAR 54,394	USD 4,019	37	0.01
18/04/2017	ZAR 42,355	USD 3,294	(143)	(0.02)
19/04/2017	ZAR 18,827	USD 1,345	56	0.01
19/04/2017	ZAR 11,566	USD 844	16	0.00
19/04/2017	ZAR 47,289	USD 3,642	(125)	(0.02)
19/04/2017	ZAR 12,888	USD 1,030	(71)	(0.01)
19/04/2017	ZAR 20,453	USD 1,500	21	0.00
Unrealised gain on open forward foreign currency exchange contracts			10,136	1.56
Unrealised loss on open forward foreign currency exchange contracts			(6,248)	(0.96)
Net unrealised gain (loss) on open forward foreign currency exchange contracts .			3,888	0.60

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Futures Options Purchased (0.00%)

Notional Amount USD '000	Description	Fair Value USD '000	Fund %
	United States (0.00%)		
545	Put at 98 on Euro Future Option Expiring June 2017	1	0.00
	Total futures options purchased at fair value (Premium received USD 5,450)	1	0.00

Interest Rate Swaps (0.08%)

Ccy	Notional Amount '000	Fund Pays	Fund Receives	Termination Date	Fair Value USD '000	Fund %
CZK	55,000	0.25%	CZK 6 month MPRIBOB	16/02/2021	33	0.01
CZK	40,600	0.26%	CZK 6 month MPRIBOB	15/07/2021	26	0.00
CZK	37,500	0.81%	CZK 6 month MPRIBOB	29/10/2025	14	0.00
HUF	59,400	HUF 6 month MBUBORI	2.90%	21/06/2027	5	0.00
HUF	59,700	HUF 6 month MBUBORI	2.77%	21/06/2027	2	0.00
KRW	3,301,000	KRW 3 month 1.64%	MKSDA	20/05/2026	60	0.01
SGD	1,663	SGD 6 month LIBOR	2.00%	17/10/2021	7	0.00
ZAR	180,000	ZAR 3 month MJIBARB	9.12%	13/07/2025	368	0.06
Interest rate swaps at fair value					515	0.08

Credit Default Swaps (0.01%)

Ccy	Notional Amount '000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value USD '000	Fund %
USD	600	Turkey Government International Bond	1.00%	#	20/12/2021	30	0.01
USD	269	Turkey Government International Bond	1.00%	#	20/12/2021	14	0.00
USD	231	Turkey Government International Bond	1.00%	#	20/12/2021	12	0.00
USD	500	Turkey Government International Bond	1.00%	#	20/12/2021	25	0.01

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

<u>Ccy</u>	<u>Notional Amount ‘000</u>	<u>Security Name</u>	<u>Fund Pays</u>	<u>Fund Receives</u>	<u>Termination Date</u>	<u>Fair Value USD ‘000</u>	<u>Fund %</u>
USD	327	Turkey Government International Bond	1.00%	#	20/12/2021	16	0.00
USD	273	Turkey Government International Bond	1.00%	#	20/12/2021	14	0.00
USD	500	Turkey Government International Bond	1.00%	#	20/12/2021	25	0.00
USD	321	Korea International Bond	1.00%	#	20/12/2021	(8)	0.00
USD	1,526	Korea International Bond	1.00%	#	20/12/2021	(38)	(0.01)
USD	300	Korea International Bond	1.00%	#	20/12/2021	(7)	0.00
Credit default swaps at positive fair value						136	0.02
Credit default swaps at negative fair value						(53)	(0.01)
Credit default swaps at fair value						83	0.01
Total Financial Derivative Instruments						4,493	0.69

In the event of bankruptcy or, the fund will pay/receive the notional amount to/from the counterparty.

	<u>Fair Value USD ‘000</u>	<u>Fund %</u>
Total Financial Assets at Fair Value through Profit or Loss ((87.38%))	596,695	92.01
Total Financial Liabilities at Fair Value through Profit or Loss ((0.97%))	(6,306)	(0.97)
Net Financial Assets at Fair Value through Profit or Loss (86.41%)	590,389	91.04
Other Net Assets (13.59%)	58,134	8.96
Net Assets	648,523	100.00

Analysis of gross assets

	<u>% of gross assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing	83.07
Investment funds (UCITS)	1.31
Exchange traded financial derivative instruments	0.00
Over the counter financial derivative instruments	1.55
Other assets	14.07
	100.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts USD*000		Open Forwards Foreign Currency Exchange Contracts USD*000		Futures Options Purchased USD*000	
	Gains	Losses	Gains	Losses	Gains	Losses
BNP Paribas	-	-	1,235	(297)	-	-
Citibank	-	-	1,643	(678)	-	-
HSBC	-	-	1,482	(1,277)	-	-
JP Morgan	11	(5)	2,297	(893)	1	-
State Street Bank	-	-	722	(1,118)	-	-
Other*	-	-	2,757	(1,985)	-	-
Total financial derivative assets	11	(5)	10,136	(6,248)	1	-

Broker/counterparty	Interest Rate Swaps USD*000		Credit Default Swaps USD*000		Total USD *000	
	Gains	Losses	Gains	Losses	Gains	Losses
BNP Paribas	368	-	25	-	1,628	(297)
Citibank	-	-	14	(15)	1,657	(693)
HSBC	-	-	-	-	1,482	(1,277)
JP Morgan	119	-	30	(38)	2,458	(936)
State Street Bank	-	-	-	-	722	(1,118)
Other*	28	-	67	-	2,852	(1,985)
Total financial derivative assets	515	-	136	(53)	10,799	(6,306)

* The brokers/counterparties included here are Bank of America Merrill Lynch, Barclays Bank, Deutsche Bank, Goldman Sachs, Standard Chartered Bank and UBS AG for open forward foreign currency exchange contracts, Bank of America, Barclays Bank and UBS AG for interest rate swaps and Barclays Bank and UBS AG for credit default swaps.

As at 31 March 2016

Broker/counterparty	Open Futures Contracts USD*000		Open Forwards Foreign Currency Exchange Contracts USD*000		Futures Options Purchased USD*000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	-	173	(769)	-	-
BNP Paribas	-	-	176	(629)	-	-
Citibank	-	-	2,132	(930)	-	-
JP Morgan	13	(2)	1,373	(1,441)	124	-
State Street Bank	-	-	2,425	(2,411)	-	-
Other**	-	-	479	(31)	-	-
Total financial derivative assets	13	(2)	6,758	(6,211)	124	-

Broker/counterparty	Interest Rate Swaps USD*000		Total Return Swaps USD*000		Total USD *000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	(70)	-	-	173	(839)
BNP Paribas	-	(97)	-	-	176	(726)
Citibank	29	(18)	9,669	-	11,830	(948)
JP Morgan	223	(432)	-	-	1,733	(1,875)
State Street Bank	-	-	-	-	2,425	(2,411)
Other**	10	(75)	234	-	723	(106)
Total financial derivative assets	262	(692)	9,903	-	17,060	(6,905)

** The brokers/counterparties included here are Goldman Sachs for open forward foreign currency exchange contracts, HSBC for total return swaps and UBS AG for interest rate swaps.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	516,845	-	516,845
Money market instruments	-	59,969	-	59,969
Investment funds	-	9,082	-	9,082
Unrealised gain on open futures contracts	11	-	-	11
Unrealised gain on open forward foreign currency exchange contracts	-	10,136	-	10,136
Options purchased at fair value	-	-	1	1
Interest rate swaps at fair value	-	515	-	515
Credit default swaps at fair value	-	136	-	136
Total assets	11	596,683	1	596,695
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(5)	-	-	(5)
Unrealised loss on open forward foreign currency exchange contracts	-	(6,248)	-	(6,248)
Credit default swaps at fair value	-	(53)	-	(53)
Total liabilities	(5)	(6,301)	-	(6,306)

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	364,696	-	364,696
Investment funds	-	4,038	-	4,038
Unrealised gain on open futures contracts	13	-	-	13
Unrealised gain on open forward foreign currency exchange contracts	-	6,758	-	6,758
Total return swaps at fair value	-	9,903	-	9,903
Currency swaps at fair value	-	124	-	124
Interest rate swaps at fair value	-	262	-	262
Total assets	13	385,781	-	385,794
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(2)	-	-	(2)
Unrealised loss on open forward foreign currency exchange contracts	-	(6,211)	-	(6,211)
Interest rate swaps at fair value	-	(692)	-	(692)
Total liabilities	(2)	(6,903)	-	(6,905)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Market Debt Local Currency Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and cumulative investment sales in excess of 1% of total investment sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company III		Russell Investment Company III	
Russell Investment U.S. Dollar Cash Fund		Russell Investment U.S. Dollar Cash Fund	
Class R Roll-Up Shares	217,813	Class R Roll-Up Shares	(212,847)
U.S. Treasury Bill		Poland Government Bond	
Zero Coupon due 04/05/2017	31,980	5.250% 25/10/2020	(17,246)
Zero Coupon due 27/04/2017	22,083	Brazil Letras do Tesouro Nacional	
Mexican Bonos		Zero Coupon due 01/01/2019	(15,762)
7.750% 13/11/2042	21,391	Malaysia Government Bond	
U.S. Treasury Bill		3.492% 31/03/2020	(12,187)
Zero Coupon due 16/03/2017	19,090	Brazil Notas do Tesouro Nacional Serie B	
Indonesia Treasury Bond		6.000% 15/08/2020	(11,269)
8.250% 15/05/2036	18,387	Turkey Government Bond	
Mexican Bonos		10.400% 20/03/2024	(10,459)
5.750% 05/03/2026	17,466	Poland Government Bond	
Malaysia Government Bond		5.750% 25/04/2029	(10,290)
3.800% 17/08/2023	16,624	U.S. Treasury Bill	
Brazil Letras do Tesouro Nacional		Zero Coupon due 15/12/2016	(9,997)
Zero Coupon due 01/01/2019	15,243	Indonesia Treasury Bond	
U.S. Treasury Bill		8.375% 15/03/2024	(9,095)
Zero Coupon due 22/12/2016	14,996	Turkey Government Bond	
South Africa Government Bond		8.000% 12/03/2025	(8,937)
6.500% 28/02/2041	14,645	Colombian TES	
10.500% 21/12/2026	14,179	7.750% 18/09/2030	(8,914)
Colombian TES		U.S. Treasury Bill	
7.750% 18/09/2030	14,169	Zero Coupon due 06/04/2017	(7,997)
Indonesia Treasury Bond		Russian Federal Inflation Linked Bond	
8.375% 15/03/2024	12,954	2.500% 16/08/2023	(7,204)
Russian Federal Bond - OFZ		Thailand Government Bond	
7.050% 19/01/2028	12,363	3.650% 17/12/2021	(6,971)
Turkey Government Bond		Turkey Government Bond	
10.700% 17/02/2021	12,229	7.400% 05/02/2020	(6,785)
Brazil Notas do Tesouro Nacional Serie F		South Africa Government Bond	
10.000% 01/01/2023	11,488	8.750% 28/02/2048	(6,676)
Mexican Bonos		Hungary Government Bond	
8.000% 11/06/2020	11,122	6.750% 22/10/2028	(6,213)
Turkey Government Bond		Poland Government Bond	
6.300% 14/02/2018	11,086	2.500% 25/07/2018	(5,827)
U.S. Treasury Bill		Russian Federal Bond - OFZ	
Zero Coupon due 09/02/2017	10,893	7.600% 14/04/2021	(5,642)
Turkey Government Bond		Brazil Letras do Tesouro Nacional	
10.400% 20/03/2024	10,689	Zero Coupon due 01/01/2018	(5,038)
Poland Government Bond			
5.750% 25/04/2029	10,669		
2.500% 25/07/2018	10,439		
U.S. Treasury Bill			
Zero Coupon due 15/12/2016	9,997		
Zero Coupon due 20/10/2016	9,997		
Turkey Government Bond			
10.600% 11/02/2026	9,216		

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments Emerging Markets Extended Opportunities Fund

Manager's Report

Money Managers as at 31 March 2017

Barrow, Hanley, Mewhinney & Strauss Inc.
BlackRock International Limited
East Capital Asset Management AB
Imara Asset Management Ltd.
Jardim Botanico Investimentos
JK Capital Management Ltd.
Oaktree Capital Management L.P.
Quantum Advisors
Russell Investments Limited
Russell Investment Management, LLC
RWC Partners

Investment Objective

Russell Investments Emerging Markets Extended Opportunities Fund's (the "Fund") investment objective is to provide long term capital appreciation by investing predominantly in Equities and Equity-Related Instruments.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class A) returned 20.8 per cent on a gross-of-fee basis (19 per cent on a net-of-fee basis), while the benchmark* returned 17.3 per cent.

Market Comment

The benchmark recovered from a negative May to edge 1.0 per cent higher in the second quarter of 2016. Emerging Markets ("EM") continued to outperform Developed Markets ("DM") but lagged the strong return in Frontier Markets. Fears of an impending US interest rate rise weighed on sentiment, although these concerns eased over the period. This followed US Federal Reserve (Fed) Chair Yellen's more "dovish" comments in June. Expectations of future U.S. interest rate hikes were pushed out further after the UK referendum result to leave the European Union ("EU"). The index echoed the DM selloff following the □Brexit' vote, before a subsequent rebound at quarter-end. It was a turbulent but positive quarter for Brazil (14.7 per cent). After a protracted process, President Dilma Rousseff was eventually suspended from office. Confirmation of former deputy Michel Temer as interim President provided some political certainty and boosted hopes of an economic turnaround. China extended its weak 2016 performance, as it underperformed to finish flat over the period (-0.2 per cent). Index provider MSCI notably failed to add mainland China A shares to its MSCI EM Index. In addition, the yuan sold off on speculation that China may devalue its currency following □Brexit'. Elsewhere, Taiwan edged 0.2 per cent higher. At quarter-end, the central bank reduced its key interest rate as expected to 1.375 per cent from 1.5 per cent in an effort to boost growth. Inflation continued to fall lower, while May's manufacturing Purchasing Managers Index ("PMI") slipped to 48.5 in May, having read 51.1 in March. Korea underperformed (-1.1 per cent). The central bank made a surprise 25 basis point ("bps") cut to its benchmark rate in June to a record low of 1.25 per cent.

The benchmark surged 8.5 per cent in the third quarter of 2016 in a risk-on environment. EM continued to outperform Developed Markets and also beat Frontier Markets in its strongest quarterly return in over three years. Sentiment towards the asset class appeared buoyant as investors search for yield in the current low global interest rate environment. This was amplified after the Fed failed to increase its interest rate in September. The subsequent weakening of the U.S. dollar was a tailwind to the market. It was a volatile period for oil. The price surged 8.5 per cent in the week ending the quarter as members of the Organization of Petroleum Exporting Countries ("OPEC") agreed in principle to reduce output. However, the price per barrel fell 3.8 per cent over the period. China was the strongest-performing country this quarter (13.4 per cent), as positive economic data increased investor confidence in the economy. Second-quarter gross domestic product ("GDP") growth was positive at 6.7 per cent year-on-year (YoY), beating estimates of 6.6 per cent. The modest surprise was driven by an increase in consumption. South Korea (9.1 per cent), Indonesia (9.2 per cent) and Taiwan (11.5 per cent) also outperformed the broader benchmark return. A less hawkish path to future US interest rate rises helped the South African and Indian markets. South Africa recorded a 7.2 per cent return, but was hindered by an August slump. Political uncertainty added to insecurity surrounding the country's investment grade status. Mexico and Turkey were among the worst-performing countries this quarter, with both the peso and lira the weakest currencies against the US dollar over the period. In Mexico (-2.0 per cent), the "Trump effect" weighed on investor confidence.

Russell Investment Company II plc

Russell Investments Emerging Markets Extended Opportunities Fund

Manager's Report

The benchmark slipped 4.0 per cent in a volatile fourth quarter of 2016. The U.S. Presidential election victory for Donald Trump caused an EM equity sell-off, with uncertainty regarding his protectionist policies weighing on sentiment. The U.S. Fed's December rate hike drove further U.S. dollar strength, which also negatively impacted EM. However, oil exporters benefited from the oil price climb after an OPEC production deal in November, causing a wide spread among index constituent returns. The weakest-performing countries suffered from currency weakness. Turkey, which has a large current account deficit, slumped 13.1 per cent. The central bank surprised markets with a 50-basis point increase to its benchmark rate, the first hike in three years. The increase to 8.0 per cent was driven by the depreciating lira, and contrary to the wishes of President Erdogan. However, the lira slid to new record lows against the U.S. dollar after the assassination of the Russian ambassador. Elsewhere, political uncertainty weighed on sentiment towards Korea (-7.4 per cent). President Park Geun-hye remained in power despite Parliament passing an impeachment motion in early December amid her links to corruption allegations. In India (-7.0 per cent), Prime Minister Narendra Modi's decision to withdraw the 500 and 1000 rupee banknotes to crackdown on the black market negatively impacted investor confidence. The rupee plunged against the strong US dollar after the move, despite the Reserve Bank of India's intervention, and remained volatile over the course of the quarter.

The benchmark made its strongest start to a year since 2012 as it surged 11.5 per cent in the first quarter of 2017. EM again outperformed both Developed and Frontier Markets as investor appetite for perceived riskier investments remained pronounced. This positivity came in a period where the U.S. dollar weakened, despite an interest rate rise by the Fed. A more dovish outlook for future U.S. rate hikes was a further tailwind for EM. India was the strongest-performing country this period, climbing 19.3 per cent. Prime Minister Modi's Bharatiya Janata Party ("BJP") won key state elections, including a landslide victory in the influential Uttar Pradesh region. The victories demonstrated strong domestic support for Modi's free-market reform programs. This, coupled with subsided concerns about the negative effects of the 2016 demonetization programme, boosted sentiment. Meanwhile, the Reserve Bank surprisingly held rates at 6.25 per cent - investors expected a cut to 6.0 per cent in order to spur growth. Mexico surged 16.4 per cent in a period where the peso was among the best-performing currencies against the US dollar. The central bank consecutively raised interest rates, reaching 6.50 per cent in March from 5.75 per cent in December, to curtail inflation and support the currency after its post-Trump slide. It was a positive period for South-East Asia countries including Korea (16.0 per cent), Taiwan (12.6 per cent) and China (12.4 per cent). In Korea, President Park Geun-Hye was removed from office after the constitutional court upheld the National Assembly's original impeachment ruling. Park was jailed ahead of a possible formal charge of corruption. Brazil enjoyed a positive quarter, climbing 11.8 per cent on hopes the economy could soon turn the corner and move out of recession.

General Comment on Money Managers/Performance

The Fund outperformed the benchmark in a positive second quarter of 2016 for Emerging Markets. In contrast to the first quarter, our Frontier Market exposure contributed this period as the asset class outperformed Emerging Markets. Country selection was a key driver of outperformance, and included our long-held underweight to Malaysia and overweight to Brazil. Effective stock selection underpinned positive relative returns. However, our value tilt did not suit the market environment. We continue to be positive on the asset class amid a more benign environment for US interest rates and attractive valuations relative to Developed Markets.

The Fund outperformed the significant benchmark return in the third quarter of 2016. In contrast to the previous quarter, it was a positive factor environment for our value tilt. Effective stock selection in Asian countries drove outperformance. This was strongest within cyclical sectors. An underweight position to Malaysia was a further contributor. RWC Partner's smaller country strategy and Brazilian manager Jardim Botanico were the only underperforming strategies this period. We remain cautiously positive on the asset class for the medium- to long-term largely on the back of attractive valuations.

The Fund outperformed the benchmark in a negative fourth quarter of 2016. Our Frontier Markets exposure was beneficial as the asset class outperformed Emerging Markets. Positive country selection additionally included an overweight to Pakistan, underweight to Malaysia and an off-benchmark allocation to Saudi Arabia. Effective stock selection drove comfortable outperformance for Quantum, RWC Partner, Oaktree and East Capital. Meanwhile, JK Capital suffered from its large cap tilt. We remain cautiously positive on the asset class for the medium- to long-term, largely on the back of attractive valuations.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Manager's Report - continued

The Fund finished in-line with the healthy benchmark return. In a contrast to 2016, country positioning was negative in a period where Frontier Markets lagged EM. However, stock selection was strong, particularly within high momentum and deep value stocks as well as within Brazil and China. Global EM managers ClariVest and Barrow Hanley were the strongest performers, while Quantum's value tilt and financials stock selection did not suit India's market rebound. We remain cautiously positive on the asset class for the medium- to long-term, largely on the back of attractive valuations.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell Emerging Market Extended Index Net

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 USD '000	31 March 2016 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	813,578	688,190
Cash at bank (Note 3)	12,655	12,485
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	1,558	502
Debtors:		
Receivable for investments sold	3,648	1,297
Dividends receivable	2,478	2,080
	<u>833,917</u>	<u>704,554</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(160)	(770)
Creditors – amounts falling due within one financial year:		
Cash due to brokers and counterparties for open financial derivative instruments (Note 3)	-	(557)
Payable for investments purchased	(3,494)	(5,620)
Management fees payable	(915)	(738)
Performance fees payable	(1,002)	(866)
Depositary fees payable	(16)	(9)
Sub-custodian fees payable	(89)	(104)
Administration and transfer agency fees payable	(27)	(27)
Audit fees payable	(17)	(18)
Other fees payable	(1)	(1)
	<u>(5,721)</u>	<u>(8,710)</u>
Net asset value attributable to redeemable participating shareholders	<u><u>828,196</u></u>	<u><u>695,844</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Income		
Dividends	20,391	22,586
Net gain (loss) on investment activities (Note 4)	131,751	(116,539)
Total investment income (expense)	152,142	(93,953)
Expenses		
Management fees (Note 5)	(9,952)	(10,088)
Performance fees (Note 5)	(1,145)	(776)
Depository fees (Note 6)	(100)	(65)
Sub-custodian fees (Note 6)	(808)	(836)
Administration and transfer agency fees (Note 6)	(243)	(255)
Audit fees (Note 6)	(18)	(18)
Professional fees	(72)	(106)
Other fees	(20)	(54)
Total operating expenses	(12,358)	(12,198)
Net income (expense).....	139,784	(106,151)
Finance costs		
Distributions (Note 8)	(6,464)	(9,048)
Profit (loss) for the financial year before taxation	133,320	(115,199)
Taxation (Note 9)		
Capital gains tax	(84)	(192)
Withholding tax	(2,235)	(2,237)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	131,001	(117,628)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	131,001	(117,628)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	6,464	9,048
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(5,113)</u>	<u>(41,380)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	132,352	(149,960)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>695,844</u>	<u>845,804</u>
End of financial year	<u><u>828,196</u></u>	<u><u>695,844</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Transferable Securities (92.02%) (2016: 93.05%)			Real Estate		
Common Stock (89.34%) (2016: 89.23%)			Hopson Development		
Argentina (0.56%)			126,000	Holdings Ltd	116 0.01
Banks			Retail Trade		
2,330	Banco Macro SA ADR	202 0.03	2,776,000	Giordano International Ltd .	1,507 0.18
88,139	Grupo Financiero Galicia SA		Telecommunications		
ADR	3,337 0.40		114,000	VEON Ltd ADR	465 0.06
Electric Utilities					12,596 1.52
20,370	Pampa Energia SA ADR	1,104 0.13	Botswana (0.12%)		
		4,643 0.56	Diversified Financials		
Australia (0.04%)			4,751,430	Letshego Holdings Ltd	977 0.12
Banks			Brazil (5.40%)		
108,651	Macquarie Bank Ltd.....	200 0.02	Advertising		
Metals and Mining			43,500	Multiplus SA	493 0.06
4,327,080	Tiger Resources Ltd	162 0.02	Aerospace and Defence		
		362 0.04	256,300	Embraer SA	1,404 0.17
Austria (0.21%)			Banks		
Banks			32,182	Banco Bradesco SA ADR ...	330 0.04
18,732	Erste Group Bank AG	612 0.08	128,995	Banco do Brasil SA	1,372 0.16
41,200	Raiffeisen Bank		Itau Unibanco Holding SA		
Food Products			390,704	ADR	4,716 0.57
2,650	DO & CO AG	172 0.02	Beverages		
		1,716 0.21	422,900	Ambev SA	2,430 0.29
Bangladesh (0.24%)			227,157	Ambev SA ADR	1,308 0.16
Telecommunications			Building Products		
474,300	GrameenPhone Ltd	1,964 0.24	816,471	Duratex SA	2,366 0.29
Bermuda (1.52%)			Commercial Services and Supplies		
Automobiles			68,800	Cielo SA	613 0.07
Brilliance China Automotive			EcoRodovias Infraestrutura e		
1,094,000	Holdings Ltd	1,830 0.22	308,200	Logistica SA	878 0.11
Banks			119,201	Kroton Educacional SA	499 0.06
16,271	Credicorp Ltd	2,657 0.32	Mills Estruturas e Servicos		
Commercial Services and Supplies			1,018,800	de Engenharia SA	1,200 0.14
236,000	COSCO Shipping Ports Ltd	261 0.03	Diversified Financials		
Food Products			BM&FBovespa SA - Bolsa		
1,146,000	China Foods Ltd	467 0.06	de Valores Mercadorias e		
Holding Companies - Diversified Operations			350,186	Futuros	2,128 0.26
715,000	NWS Holdings Ltd	1,305 0.16	Electric Utilities		
Home Furnishings			408,831	AES Tiete Energia SA	1,764 0.21
Haier Electronics Group Co			218,200	EDP - Energias do Brasil SA	959 0.12
761,973	Ltd	1,745 0.21	26,402	Equatorial Energia SA	489 0.06
Media			Food Products		
124,820	Central European Media		174,000	BRF SA	2,116 0.26
Oil and Gas			Health Care Providers and Services		
893,600	Kunlun Energy Co Ltd	828 0.10	16,406	Fleury SA	219 0.03
Paper and Forest Products			65,000	Instituto Hermes Pardini SA	409 0.05
219,434	Nine Dragons Paper		Home Builders		
Pharmaceuticals			157,109	Participacoes SA	711 0.09
1,309,300	Luye Pharma Group Ltd	792 0.09	Hotels, Restaurants and Leisure		
			CVC Brasil Operadora e		
			145,003	Agencia de Viagens SA	1,320 0.16

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Iron and Steel			Commercial Services and Supplies		
279,545 Gerdau SA ADR	964	0.12	58,924 New Oriental Education & Technology Group Inc ADR	3,558	0.43
234,742 Vale SA (Germany Listed) ADR	2,108	0.25	3,638 TAL Education Group ADR	388	0.05
105,240 Vale SA (US Listed) ADR ..	1,000	0.12	Electrical Equipment		
Oil and Gas			AAC Technologies Holdings		
Petroleo Brasileiro SA			311,038 Inc	3,640	0.44
88,909 ADR	820	0.10	2,377,000 Q Technology Group Co Ltd	1,780	0.21
891,600 QGEP Participacoes SA	1,727	0.21	Tianneng Power		
49,700 Ultrapar Participacoes SA ...	1,121	0.13	270,000 International Ltd	245	0.03
Personal Products			Tongda Group Holdings		
Natura Cosméticos SA			7,220,000 Ltd	2,555	0.31
Real Estate			Zhen Ding Technology		
Cyrela Brazil Realty SA			347,760 Holding Ltd	817	0.10
Empreendimentos e			Energy Equipment and Services		
408,700 Participacoes	1,704	0.21	930,000 Fullshare Holdings Ltd		
887,245 SA	679	0.08	GCL-Poly Energy Holdings		
Multiplan Empreendimentos			1,802,000 Ltd	239	0.03
78,909 Imobiliarios SA	1,648	0.20	Food Products		
Retail Trade			China Mengniu Dairy Co		
22,237 Lojas Renner SA			387,100 Ltd	802	0.10
197,400 Via Varejo SA			Tingyi Cayman Islands		
Telecommunications			599,800 Holding Corp	753	0.09
Telefonica Brasil SA			Health Care Providers and Services		
97,432 ADR	1,447	0.17	China Resources Phoenix		
Transport			1,326,500 Healthcare Holdings Co Ltd	1,627	0.20
96,018 Rumo SA			Household Products		
315,900 Tegna Gestao Logistica SA	1,149	0.14	Goodbaby International		
Water Utilities			3,169,000 Holdings Ltd	1,541	0.19
Cia de Saneamento Basico			Internet Software and Services		
do Estado de Sao Paulo			Alibaba Group Holding Ltd		
20,002 ADR	208	0.02	121,508 ADR	13,101	1.58
	44,722	5.40	2,687 Baidu Inc ADR	464	0.06
Canada (0.15%)			741,776 Tencent Holdings Ltd	21,265	2.57
Metals and Mining			7,163 Weibo Corp ADR	374	0.04
118,383 First Quantum Minerals Ltd	1,254	0.15	Iron and Steel		
Cayman Islands (11.05%)			Xingda International		
Auto Components			3,695,000 Holdings Ltd	1,617	0.19
570,000 Minth Group Ltd			Lodging		
Nexteer Automotive Group			34,311 Melco Resorts & Entertainment Ltd ADR		
1,315,000 Ltd	1,939	0.23	599,287 Sands China Ltd	2,776	0.33
2,748,000 Xinyi Glass Holdings Ltd	2,419	0.29	Metals and Mining		
Automobiles			749,200 China Zhongwang Holdings		
Geely Automobile Holdings			Ltd		
854,841 Ltd	1,309	0.16	Shougang Fushan Resources		
Biotechnology			3,210,000 Group Ltd	591	0.07
2,739,807 3SBio Inc			Miscellaneous Manufacturers		
Building Products			164,000 Airtac International Group ..		
China Resources Cement			Sunny Optical Technology		
256,000 Holdings Ltd	143	0.02	201,000 Group Co Ltd	1,469	0.18
Chemicals			Real Estate		
Kingboard Chemical			202,000 Agile Group Holdings Ltd ..		
215,315 Holdings Ltd	795	0.09	187,000 China Evergrande Group	173	0.02
			760,000 China Resources Land Ltd ..	2,054	0.25
			721,353 KWG Property Holding Ltd	523	0.06
			839,350 Longfor Properties Co Ltd ..	1,380	0.17

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Shimao Property Holdings 242,000 Ltd	384	0.05	4,093,000 BBMG Corp	1,701	0.21
Retail Trade			Chemicals		
Belle International Holdings 1,091,200 Ltd	709	0.09	Sinopec Shanghai 686,325 Petrochemical Co Ltd	381	0.04
Chow Tai Fook Jewellery 893,700 Group Ltd	868	0.10	Construction and Engineering		
3,381,500 Li Ning Co Ltd	1,984	0.24	Beijing Capital International 437,050 Airport Co Ltd	523	0.06
Semiconductor Equipment and Products			China Communications 331,459 Construction Co Ltd	467	0.06
Semiconductor Manufacturing International 1,714,500 Corp	2,122	0.26	China Communications 2,734,000 Services Corp Ltd	1,791	0.22
Software			1,760,000 China Railway Group Ltd ... Shanghai International	1,574	0.19
14,373 Momo Inc ADR	490	0.06	305,467 Airport Co Ltd	1,329	0.16
11,244 NetEase Inc ADR	3,193	0.38	Diversified Financials		
Textile and Apparel			China Cinda Asset 1,034,362 Management Co Ltd	402	0.05
Shenzhou International 407,000 Group Holdings Ltd	2,569	0.31	China Galaxy Securities Co 1,134,000 Ltd	1,046	0.12
	91,508	11.05	360,500 CITIC Securities Co Ltd	742	0.09
Chile (0.42%)			Energy Equipment and Services		
Electric Utilities			China Longyuan Power 3,453,000 Group Corp Ltd	2,684	0.32
Enel Americas SA 108,622 ADR	1,129	0.14	Health Care Equipment and Supplies		
6,744,800 Enel Chile SA	744	0.09	Shandong Weigao Group 1,249,500 Medical Polymer Co Ltd	894	0.11
41,469 Enel Chile SA ADR	228	0.03	Home Furnishings		
Retail Trade			Red Star Macalline Group 885,000 Corp Ltd	982	0.12
161,626 SACI Falabella	1,345	0.16	Insurance		
	3,446	0.42	1,843,000 China Life Insurance Co Ltd China Pacific Insurance	5,656	0.68
China (9.12%)			542,100 Group Co Ltd	1,957	0.24
Automobiles			PICC Property & Casualty 122,000 Co Ltd	188	0.02
Chongqing Changan 819,200 Automobile Co Ltd	1,138	0.14	Iron and Steel		
Dongfeng Motor Group Co 638,000 Ltd	717	0.09	1,014,000 Angang Steel Co Ltd	722	0.09
Guangzhou Automobile 756,304 Group Co Ltd	1,211	0.14	Metals and Mining		
Banks			Aluminum Corp of China 3,586,000 Ltd	1,753	0.21
9,378,472 Bank of China Ltd	4,658	0.56	253,000 China Coal Energy Co Ltd ..	128	0.01
Bank of Communications Co 299,000 Ltd	232	0.03	China Shenhua Energy Co 847,616 Ltd	1,968	0.24
China Construction Bank 12,010,003 Corp	9,659	1.17	351,000 Jiangxi Copper Co Ltd	546	0.07
China Everbright Bank Co 764,000 Ltd	374	0.04	Oil and Gas		
China Merchants Bank Co 714,628 Ltd	1,890	0.23	China Petroleum & 2,574,653 Chemical Corp	2,087	0.25
Chongqing Rural Commercial Bank Co 2,218,000 Ltd	1,498	0.18	China Petroleum & 10,087 Chemical Corp ADR	822	0.10
377,000 Harbin Bank Co Ltd	117	0.01	4,733,724 PetroChina Co Ltd	3,466	0.42
Industrial & Commercial 6,044,358 Bank of China Ltd	3,951	0.48	Oil and Gas Services		
Beverages			2,403,000 China Oilfield Services Ltd Sinopec Engineering Group	2,307	0.28
35,243 Kweichow Moutai Co Ltd ...	1,976	0.24	352,000 Co Ltd	361	0.04
Building Products			Pharmaceuticals		
Anhui Conch Cement Co 689,500 Ltd	2,342	0.28	Shanghai Fosun Pharmaceutical Group Co 558,000 Ltd	2,054	0.25

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %		Number of Shares		Fair Value USD '000	Fund %
88,391	Sinopharm Group Co Ltd	410	0.05			Greece (1.03%)		
	Real Estate					Airlines		
	Guangzhou R&F Properties				35,200	Aegean Airlines SA	279	0.03
510,145	Co Ltd	797	0.10			Banks		
	Retail Trade				1,544,764	Alpha Bank AE	2,776	0.33
	Shanghai Pharmaceuticals				1,957,600	Eurobank Ergasias SA	1,204	0.15
561,885	Holding Co Ltd	1,471	0.18			National Bank of Greece		
	Software				5,406,502	SA	1,394	0.17
204,000	TravelSky Technology Ltd ..	482	0.06			Building Products		
	Telecommunications				18,200	Titan Cement Co SA	465	0.06
2,624,000	China Telecom Corp Ltd	1,280	0.15			Distributors		
	Transport				139,690	Fourlis Holdings SA	668	0.08
4,286,000	Guangshen Railway Co Ltd	2,592	0.31			Entertainment		
441,000	Sinotrans Ltd	206	0.03		48,100	OPAP SA	450	0.05
		<u>75,532</u>	<u>9.12</u>			Oil and Gas		
	Colombia (0.42%)					Motor Oil Hellas Corinth		
	Banks				36,000	Refineries SA	616	0.07
69,468	Bancolombia SA ADR	2,770	0.33			Retail Trade		
	Oil and Gas				37,385	FF Group	718	0.09
77,000	Ecopetrol SA ADR	718	0.09				<u>8,570</u>	<u>1.03</u>
		<u>3,488</u>	<u>0.42</u>			Guernsey, Channel Islands (0.13%)		
	Cyprus (0.05%)					Real Estate		
	Transport					Etalon Group Ltd		
	Globaltrans Investment Plc				278,500	GDR	1,053	0.13
58,577	GDR	422	0.05			Hong Kong (2.98%)		
	Czech Republic (0.21%)					Banks		
	Banks				37,000	CITIC Ltd	53	0.01
18,350	Komerční Banka AS	683	0.08			Diversified Financials		
304,600	Moneta Money Bank AS	1,034	0.13		382,200	China Everbright Ltd	771	0.09
		<u>1,717</u>	<u>0.21</u>			Electric Utilities		
	Egypt (1.13%)					China Power International		
	Agriculture				911,000	Development Ltd	339	0.04
123,722	Eastern Tobacco	1,460	0.18			China Resources Power		
	Banks				26,000	Holdings Co Ltd	47	0.01
	Commercial International					Energy Equipment and Services		
462,810	Bank Egypt SAE	1,926	0.23			China Everbright		
	Commercial International				1,411,800	International Ltd	1,900	0.23
197,363	Bank Egypt SAE GDR	864	0.11			Gas Utilities		
	Food Products					Beijing Enterprises Holdings		
1,302,614	Edita Food Industries SAE ..	1,228	0.15		145,100	Ltd	751	0.09
	Pharmaceuticals					Holding Companies - Diversified Operations		
	Egyptian International					Melco International		
240,946	Pharmaceuticals EIPICO	1,415	0.17		433,000	Development Ltd	764	0.09
	Real Estate					Insurance		
	Emaar Misr for				328,600	AIA Group Ltd	2,072	0.25
4,719,951	Development SAE	662	0.08			Lodging		
	Palm Hills Developments				919,100	SJM Holdings Ltd	747	0.09
3,985,076	SAE	711	0.08			Media		
	Telecommunications					Television Broadcasts		
	Global Telecom Holding				122,100	Ltd	493	0.06
3,033,236	SAE	1,126	0.13			Oil and Gas		
		<u>9,392</u>	<u>1.13</u>		1,386,000	Cnooc Ltd	1,655	0.20
					8,931	Cnooc Ltd ADR	1,070	0.13

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Pharmaceuticals					
1,310,000			100,185		
CSPC Pharmaceutical Group Ltd	1,716	0.21	Wipro Ltd	3,738	0.45
Real Estate			Construction and Engineering		
4,306,000			107,805		
China Jinmao Holdings Group Ltd	1,380	0.17	J Kumar Infraprojects Ltd ...	427	0.05
1,302,678			L&T Technology Services Ltd	215	0.03
China Overseas Land & Investment Ltd	3,721	0.45	62,790		
366,735			Larsen & Toubro Ltd	1,519	0.18
Hang Lung Properties Ltd ...	953	0.11	Diversified Financials		
Real Estate Investment Trust			Housing Development		
2,890,000			148,713		
Yuexiu Real Estate Investment Trust	1,703	0.20	Finance Corp Ltd	3,435	0.42
Telecommunications			Indiabulls Housing Finance		
347,940			30,159		
China Mobile Ltd	3,808	0.46	Ltd	464	0.06
520,000			384,800		
HKT Trust & HKT Ltd	673	0.08	Power Finance Corp Ltd	865	0.10
Water Utilities			Electric Utilities		
56,000			1,424,577		
Guangdong Investment Ltd .	80	0.01	JSW Energy Ltd	1,373	0.16
	24,696	2.98	1,813,169		
			NTPC Ltd	4,631	0.56
Hungary (0.48%)			Power Grid Corp of India		
Banks			483,922		
77,674			Ltd	1,470	0.18
OTP Bank Plc	2,177	0.26	1,017,110		
Oil and Gas			PTC India Ltd	1,451	0.17
21,448			72,382		
MOL Hungarian Oil & Gas Plc	1,471	0.18	Reliance Infrastructure Ltd .	632	0.08
Pharmaceuticals			Electrical Equipment		
10,050			538,391		
Richter Gedeon Nyrt	229	0.03	Exide Industries Ltd	1,868	0.23
Telecommunications			3,228,929		
71,458			Suzlon Energy Ltd	950	0.11
Magyar Telekom			Gas Utilities		
Telecommunications Plc	119	0.01	318,729		
	3,996	0.48	GAIL India Ltd	1,848	0.22
India (9.59%)			Hotels, Restaurants and Leisure		
Automobiles			76,529		
75,252			Bajaj Auto Ltd	3,307	0.40
Mahindra & Mahindra			75,516		
785			Hero MotoCorp Ltd	3,746	0.45
Maruti Suzuki India Ltd	73	0.01	Insurance		
584,005			154,372		
Tata Motors Ltd	4,203	0.51	Insurance Ltd	913	0.11
24,917			Iron and Steel		
Tata Motors Ltd ADR	888	0.11	154,297		
Banks			Tata Steel Ltd	1,145	0.14
275,885			Lodging		
Axis Bank Ltd	2,085	0.25	867,405		
15,809			Indian Hotels Co Ltd	1,702	0.21
HDFC Bank Ltd ADR	1,189	0.14	Media		
398,611			50,400		
ICICI Bank Ltd	1,696	0.21	Sun TV Network Ltd	613	0.07
373,363			Metals and Mining		
ICICI Bank Ltd ADR	3,211	0.39	114,258		
73,485			Vedanta Ltd	485	0.06
Kotak Mahindra Bank Ltd ...	987	0.12	Oil and Gas		
521,810			183,637		
State Bank of India	2,357	0.28	Ltd	1,837	0.22
10,446			38,177		
State Bank of India GDR	466	0.06	Indian Oil Corp Ltd	228	0.03
25,100			Oil & Natural Gas Corp		
Yes Bank Ltd	598	0.07	602,760		
Chemicals			Ltd	1,717	0.21
290,022			151,999		
Godrej Industries Ltd	2,251	0.27	Reliance Industries Ltd	3,091	0.37
185,418			Pharmaceuticals		
Tata Chemicals Ltd	1,712	0.21	104,785		
212,826			Aurobindo Pharma Ltd	1,089	0.13
UPL Ltd	2,388	0.29	171,974		
Computers and Peripherals			Cipla Ltd	1,576	0.19
167,136			Pipelines		
Infosys Ltd	2,632	0.32	155,619		
36,648			Petronet LNG Ltd	967	0.12
Infosys Ltd ADR	579	0.07	Real Estate		
			206,538		
			Oberoi Realty Ltd	1,172	0.14

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
Telecommunications				KCell JSC GDR (UK Listed)			
246,283	Bharti Airtel Ltd	1,321	0.16	49,490		178	0.02
Transport						2,597	0.31
7,424	Blue Dart Express Ltd	590	0.07	Kenya (0.82%)			
		79,416	9.59	Agriculture			
Indonesia (2.94%)				107,200	British American Tobacco Kenya Ltd	886	0.11
Banks				Banks			
1,817,500	Bank Central Asia Tbk PT ..	2,257	0.27	6,504,800	Barclays Bank of Kenya Ltd	499	0.06
6,931,733	Bank Negara Indonesia Persero Tbk PT	3,368	0.41	3,785,783	Equity Group Holdings Ltd	1,214	0.15
3,944,700	Bank Rakyat Indonesia Persero Tbk PT	3,841	0.46	Beverages			
Building Products				1,162,200	East African Breweries Ltd .	2,574	0.31
	Semen Indonesia Persero			Telecommunications			
1,200,500	Tbk PT	811	0.10	8,969,520	Safaricom Ltd	1,594	0.19
Electric Utilities						6,767	0.82
11,855,951	Cikarang Listrindo Tbk PT ..	1,157	0.14	Korea, Republic of (9.87%)			
Food Products				Aerospace and Defence			
4,050,000	Ultrajaya Milk Industry & Trading Co Tbk PT	1,301	0.16	21,562	Korea Aerospace Industries Ltd	1,111	0.13
Gas Utilities				Agriculture			
13,509,500	Perusahaan Gas Negara Persero Tbk	2,565	0.31	3,469	KT&G Corp	302	0.04
Machinery				Auto Components			
416,000	United Tractors Tbk PT	827	0.10	7,134	Hankook Tire Co Ltd	348	0.04
Media				7,734	Hyundai Mobis Co Ltd	1,663	0.20
8,853,000	Surya Citra Media Tbk PT ..	1,794	0.22	13,018	Hyundai Wia Corp	790	0.10
Metals and Mining				Automobiles			
2,478,232	Adaro Energy Tbk PT	325	0.04	8,917	Hyundai Motor Co	1,256	0.15
Real Estate				46,403	Kia Motors Corp	1,537	0.19
	Bumi Serpong Damai Tbk			Banks			
3,793,000	PT	537	0.06	77,601	Industrial Bank of Korea	847	0.10
53,156,000	Pakuwon Jati Tbk PT	2,453	0.30	124,728	Woori Bank	1,450	0.18
Retail Trade				Beverages			
3,781,400	Astra International Tbk PT ..	2,448	0.29	34,065	Hite Jinro Co Ltd	620	0.07
Telecommunications				280	Muhak Co Ltd	6	0.00
	Telekomunikasi Indonesia			Chemicals			
2,094,179	Persero Tbk PT	649	0.08	11,581	Kumho Petrochemical Co Ltd	816	0.10
		24,333	2.94	5,811	LG Chem Ltd	1,528	0.18
Jersey, Channel Islands (0.18%)				718	Lotte Chemical Corp	238	0.03
Airlines				Computers and Peripherals			
12,000	Wizz Air Holdings Plc	246	0.03	1,422	SK Holdings Co Ltd	310	0.04
Building Products				Construction and Engineering			
2,637,100	West China Cement Ltd	383	0.05	5,457	Daelim Industrial Co Ltd	395	0.05
Health Care Providers and Services					Hyundai Development Co-		
	Integrated Diagnostics			9,814	Engineering & Construction	357	0.04
266,293	Holdings Plc	839	0.10		Hyundai Engineering &		
		1,468	0.18	3,010	Construction Co Ltd	133	0.02
Kazakhstan (0.31%)				Distributors			
Banks				10,663	LG Corp	669	0.08
199,600	Halyk Savings Bank of Kazakhstan JSC GDR	1,439	0.17	Diversified Financials			
Telecommunications				42,942	BNK Financial Group Inc ...	353	0.04
272,099	KCell JSC GDR	980	0.12	148,628	Hana Financial Group Inc ...	4,911	0.59
				36,466	KB Financial Group Inc	1,598	0.19

The accompanying notes are an integral part of the financial statements.

Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
1,587 Samsung Card Co Ltd	56	0.01	Kuwait (0.38%)		
24,796 Samsung Securities Co Ltd .	746	0.09	Banks		
Shinhan Financial Group Co			National Bank of Kuwait		
54,863 Ltd	2,286	0.28	1,444,352 SAKP	3,125	0.38
Electric Utilities			Luxembourg (0.11%)		
2,159 Korea Electric Power Corp ..	90	0.01	Agriculture		
Electrical Equipment			MHP SA GDR		
LS Industrial Systems Co			44,364	428	0.05
18,618 Ltd	787	0.09	Computers and Peripherals		
760 Neo Holdings	-	0.00	13,220 Globant SA	481	0.06
Food Products				909	0.11
805 CJ CheilJedang Corp	254	0.03	Malaysia (0.44%)		
Gas Utilities			Airlines		
9,444 Korea Gas Corp	380	0.05	209,800 AirAsia Bhd	149	0.02
Household Products			Banks		
62,984 Lock&Lock Co Ltd	794	0.10	1,050,100 CIMB Group Holdings Bhd	1,322	0.16
Insurance			304,600 Malayan Banking Bhd	614	0.07
Samsung Life Insurance Co			Chemicals		
11,535 Ltd	1,119	0.13	Petronas Chemicals Group		
Internet Software and Services			255,300 Bhd	444	0.05
3,472 NAVER Corp	2,655	0.32	Electric Utilities		
Iron and Steel			152,000 Tenaga Nasional Bhd	471	0.06
6,334 Hyundai Steel Co	331	0.04	Lodging		
17,805 POSCO	4,633	0.56	317,600 Genting Bhd	688	0.08
10,150 POSCO ADR	655	0.08		3,688	0.44
Lodging			Mauritius (0.16%)		
Grand Korea Leisure Co			Diversified Financials		
45,842 Ltd	898	0.11	215,264 MCB Group Ltd	1,367	0.16
Machinery			Mexico (2.34%)		
92,945 Doosan Bobcat Inc	3,050	0.37	Banks		
Doosan Heavy Industries &			Gentera SAB de CV		
16,584 Construction Co Ltd	355	0.04	Grupo Financiero Banorte		
Metals and Mining			396,378 SAB de CV	2,267	0.27
1,004 Korea Zinc Co Ltd	388	0.05	Beverages		
Miscellaneous Manufacturers			Arca Continental SAB de		
2,009 Doosan Corp	170	0.02	157,239 CV	1,085	0.13
Oil and Gas			Coca-Cola Femsa SAB de		
25,991 S-Oil Corp	2,336	0.28	142,092 CV	1,012	0.12
3,115 SK Innovation Co Ltd	464	0.06	Fomento Economico		
Personal Products			78,130 Mexicano SAB de CV	690	0.09
LG Household & Health			Fomento Economico		
2,599 Care Ltd	1,885	0.23	6,646 Mexicano SAB de CV ADR	588	0.07
Pharmaceuticals			Building Products		
288 Celltrion Inc	23	0.00	341,454 Cemex SAB de CV ADR	3,097	0.37
Retail Trade			Chemicals		
4,404 CJ O Shopping Co Ltd	825	0.10	552,322 Mexichem SAB de CV	1,495	0.18
7,248 E-MART Inc	1,332	0.16	Commercial Services and Supplies		
Semiconductor Equipment and Products			950,399 OHL Mexico SAB de CV ...	1,335	0.16
15,892 Samsung Electronics Co Ltd	29,274	3.53	Construction and Engineering		
78,741 SK Hynix Inc	3,556	0.43	Grupo Aeroportuario del		
Telecommunications			22,700 Sureste SAB de CV	391	0.05
93,946 LG Uplus Corp	1,201	0.14	Promotora y Operadora de		
	81,781	9.87	26,913 Infraestructura SAB de CV	289	0.03

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Electric Utilities					
107,914 Infraestructura Energetica Nova SAB de CV	513	0.06	4,330,210 Unilever Nigeria Plc	495	0.06
Food Products			Oil and Gas		
76,320 Gruma SAB de CV	1,072	0.13	927,392 SEPLAT Petroleum Development Co Plc	1,191	0.14
99,314 Organizacion Soriana SAB de CV	232	0.03	SEPLAT Petroleum Development Co Plc (U.K. Listed)	219	0.03
Holding Companies - Diversified Operations				7,943	0.96
41,633 Grupo Carso SAB de CV	190	0.02	Pakistan (0.98%)		
Media			Banks		
202,194 Megacable Holdings SAB de CV	784	0.09	408,330 Habib Bank Ltd	1,051	0.13
Metals and Mining			1,846,636 United Bank Ltd	4,052	0.49
283,383 Grupo Mexico SAB de CV .	845	0.10	Chemicals		
34,150 Industrias Penoles SAB de CV	874	0.11	2,788,895 Engro Fertilizers Ltd	1,664	0.20
Real Estate Investment Trust			Oil and Gas		
78,406 Concentradora Fibra Danhos SA de CV	129	0.02	328,080 Pakistan State Oil Co Ltd	1,321	0.16
Retail Trade				8,088	0.98
45,126 Grupo Sanborns SAB de CV	53	0.01	Panama (0.47%)		
287,813 Wal-Mart de Mexico SAB de CV	660	0.08	Airlines		
Telecommunications			96,024 Avianca Holdings SA ADR	740	0.09
110,439 America Movil SAB de CV ADR	1,565	0.19	15,443 Copa Holdings SA	1,733	0.21
	19,399	2.34	Retail Trade		
Morocco (0.48%)			73,451 InRetail Peru Corp	1,397	0.17
Banks				3,870	0.47
56,520 Attijariwafa Bank	2,253	0.27	Peru (0.18%)		
Telecommunications			Metals and Mining		
124,440 Maroc Telecom	1,703	0.21	Cia de Minas Buenaventura SAA ADR	1,471	0.18
	3,956	0.48	Philippines (1.45%)		
Netherlands (0.41%)			Banks		
Food Products			1,270,367 BDO Unibank Inc	2,977	0.36
55,700 X5 Retail Group NV GDR ..	1,874	0.23	Metropolitan Bank & Trust Co	1,361	0.16
Internet Software and Services			Building Products		
47,300 Yandex NV	1,037	0.12	CEMEX Holdings Philippines Inc	217	0.03
Retail Trade			Construction and Engineering		
101,907 Steinhoff International Holdings NV	488	0.06	Megawide Construction Corp	1,189	0.14
	3,399	0.41	Metals and Mining		
Nigeria (0.96%)			3,144,100 Nickel Asia Corp	381	0.05
Banks			Oil and Gas		
21,699,396 Guaranty Trust Bank Plc	1,765	0.21	Pilipinas Shell Petroleum Corp	964	0.12
10,603,413 Stanbic IBTC Holdings Plc	616	0.07	Other Finance		
27,878,759 Zenith Bank Plc	1,280	0.16	27,590 GT Capital Holdings Inc	630	0.08
Beverages			Real Estate		
1,275,649 Guinness Nigeria Plc	252	0.03	56,994 Ayala Corp	960	0.11
2,635,489 Nigerian Breweries Plc	1,094	0.13	3,367,000 Cosco Capital Inc	569	0.07
Food Products			Retail Trade		
420,694 Nestle Nigeria Plc	1,031	0.13	289,360 Jollibee Foods Corp	1,139	0.14

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %		Number of Shares		Fair Value USD '000	Fund %
1,197,200	Puregold Price Club Inc	1,043	0.12					
	Software							
2,840,000	Xurpas Inc	568	0.07					
		11,998	1.45					
	Poland (1.15%)							
	Banks							
18,800	Bank Pekao SA	627	0.08					
2,900	Bank Zachodni WBK SA	251	0.03					
84,400	Powszechna Kasa Oszczednosci Bank Polski SA	683	0.08					
	Commercial Services and Supplies							
10,632	KRUK SA	646	0.08					
	Computers and Peripherals							
17,000	Asseco Poland SA	233	0.03					
	Diversified Financials							
55,300	Alior Bank SA	998	0.12					
	Insurance							
141,540	Powszechny Zaklad Ubezpieczen SA	1,243	0.15					
	Internet Software and Services							
95,326	Wirtualna Polska Holding SA	1,345	0.16					
	Media							
31,517	Cyfrowy Polsat SA	193	0.02					
	Metals and Mining							
15,857	KGHM Polska Miedz SA	463	0.06					
	Oil and Gas							
37,000	Polski Koncern Naftowy Orlen SA	934	0.11					
	Retail Trade							
16,250	CCC SA	976	0.12					
	Textile and Apparel							
470	LPP SA	806	0.10					
	Transport							
12,000	Integer.pl SA	127	0.01					
		9,525	1.15					
	Qatar (0.10%)							
	Chemicals							
26,428	Industries Qatar QSC	801	0.10					
	Romania (0.69%)							
	Banks							
4,683,483	Banca Transilvania SA	2,927	0.35					
128,890	BRD-Groupe Societe Generale SA	373	0.05					
	Closed End Funds							
38,497	Fondul Proprietatea SA GDR	404	0.05					
	Health Care Providers and Services							
74,330	MED Life SA	499	0.06					
	Oil and Gas							
110,317	Societatea Nationala de Gaze Naturale ROMGAZ SA	790	0.09					
102,544	Societatea Nationala de Gaze Naturale ROMGAZ SA GDR	719	0.09					
		5,712	0.69					
	Russia (3.81%)							
	Airlines							
499,306	Aeroflot - Russian Airlines PJSC	1,489	0.18					
	Banks							
463,792	Bank St Petersburg PJSC	503	0.06					
1,377,232	Sberbank of Russia PJSC	3,906	0.47					
200,566	Sberbank of Russia PJSC ADR	2,315	0.28					
	Chemicals							
86,798	PhosAgro OAO GDR	1,267	0.15					
	Diversified Financials							
114,500	Moscow Exchange MICEX-RTS PJSC	227	0.03					
	Electric Utilities							
10,064,500	RusHydro PJSC	167	0.02					
	Iron and Steel							
824,700	Magnitogorsk Iron & Steel OJSC	536	0.06					
87,200	Mechel PJSC	235	0.03					
5,900	Mechel PJSC ADR	31	0.00					
51,950	Novolipetsk Steel PJSC GDR	1,034	0.13					
10,900	Severstal JSSC GDR	157	0.02					
	Metals and Mining							
704,100	Alrosa PJSC	1,137	0.14					
63,494	MMC Norilsk Nickel PJSC ADR (US Listed)	996	0.12					
	Oil and Gas							
563,532	Gazprom PJSC ADR (US Listed)	2,533	0.31					
101,146	Gazprom PJSC ADR (UK Listed)	452	0.05					
41,056	Lukoil PJSC ADR (UK Listed)	2,174	0.26					
59,114	Lukoil PJSC ADR (US Listed)	3,137	0.38					
19,275	Novatek OJSC GDR	2,400	0.29					
103,000	Rosneft Oil Co PJSC GDR (US Listed)	586	0.07					
101,083	Rosneft Oil Co PJSC GDR (UK Listed)	575	0.07					
	Real Estate							
20,838	LSR Group PJSC GDR	343	0.04					
143,020	LSR Group PJSC GDR	525	0.07					
	Retail Trade							
128,200	Detsky Mir PJSC	200	0.03					
371,000	Detsky Mir PJSC	579	0.07					
253,508	M.Video PJSC	1,689	0.20					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Telecommunications			108,106 Liberty Holdings Ltd	873	0.11
90,502 MegaFon PJSC GDR	1,060	0.13	93,813 Sanlam Ltd	471	0.06
800,480 Sistema PJSC FC	317	0.04	Iron and Steel		
Sistema PJSC FC (U.S. Listed)	171	0.02	55,162 Kumba Iron Ore Ltd	835	0.10
76,917 Sistema PJSC FC GDR	688	0.08	Media		
Transport			18,591 Naspers Ltd	3,210	0.39
1,582,311 Far Eastern Shipping Co Plc	89	0.01	Metals and Mining		
	31,518	3.81	AngloGold Ashanti Ltd		
Serbia & Montenegro (0.02%)			119,432 ADR	1,286	0.15
Banks			64,458 Exxaro Resources Ltd	567	0.07
Komercijalna Banka AD			Impala Platinum Holdings Ltd	292	0.04
9,500 Beograd	133	0.02	303,000 Sibanye Gold Ltd	649	0.08
Singapore (0.16%)			Oil and Gas		
Real Estate			76,560 Sasol Ltd	2,230	0.27
Yoma Strategic Holdings			Paper and Forest Products		
2,875,000 Ltd	1,317	0.16	120,773 Sappi Ltd	821	0.10
Slovenia (0.14%)			Real Estate Investment Trust		
Insurance			40,943 Resilient REIT Ltd	356	0.04
21,054 Zavarovalnica Triglav DD ...	585	0.07	Retail Trade		
Oil and Gas			86,000 Mr Price Group Ltd	1,026	0.12
1,675 Petrol DD Ljubljana	602	0.07	146,667 Truworths International Ltd	947	0.12
	1,187	0.14	206,000 Woolworths Holdings Ltd ..	1,074	0.13
South Africa (3.50%)			Telecommunications		
Banks			123,000 MTN Group Ltd	1,119	0.13
84,033 Barclays Africa Group Ltd ..	874	0.11		28,972	3.50
619,412 FirstRand Ltd	2,142	0.26	Spain (0.09%)		
6,959 Nedbank Group Ltd	125	0.01	Building Products		
188,545 Standard Bank Group Ltd	2,021	0.24	Cemex Latam Holdings		
Computers and Peripherals			196,726 SA	721	0.09
100,750 EOH Holdings Ltd	1,042	0.13	Taiwan (6.60%)		
Diversified Financials			Auto Components		
12,444 RMB Holdings Ltd	54	0.01	Cheng Shin Rubber Industry Co Ltd	428	0.05
Food Products			Banks		
51,871 Bid Corp Ltd	1,005	0.12	Chang Hwa Commercial		
113,752 Bidvest Group Ltd	1,305	0.16	433,000 Bank Ltd	264	0.03
21,336 Shoprite Holdings Ltd	308	0.04	Building Products		
13,842 Tiger Brands Ltd	413	0.05	176,000 Asia Cement Corp	177	0.02
87,000 Tongaat Hulett Ltd	798	0.09	Nien Made Enterprise Co		
Health Care Equipment and Supplies			48,000 Ltd	448	0.05
Aspen Pharmacare Holdings			310,000 Taiwan Cement Corp	371	0.05
22,790 Ltd	467	0.06	Chemicals		
Health Care Providers and Services			222,129 Nan Ya Plastics Corp	526	0.06
Life Healthcare Group			Computers and Peripherals		
250,500 Holdings Ltd	542	0.06	70,556 Advantech Co Ltd	591	0.07
Holding Companies - Diversified Operations			47,000 Asustek Computer Inc	465	0.06
77,402 Imperial Holdings Ltd	952	0.11	Foxconn Technology Co		
3,441 Remgro Ltd	53	0.01	407,108 Ltd	1,241	0.15
Insurance			479,783 Lite-On Technology Corp ...	827	0.10
116,200 Discovery Ltd	1,115	0.13	198,534 Quanta Computer Inc	404	0.05
			204,000 Wistron Corp	187	0.02

The accompanying notes are an integral part of the financial statements.

Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
	Diversified Financials				Taiwan Semiconductor Manufacturing Co Ltd	12,895	1.55
904,000	China Development Financial Holding Corp	248	0.03		Taiwan Semiconductor Manufacturing Co Ltd ADR	8,643	1.04
1,793,334	CTBC Financial Holding Co Ltd	1,108	0.14		Telecommunications		
	E.Sun Financial Holding Co Ltd	278	0.03	175,000	Chunghwa Telecom Co Far EasTone	594	0.07
458,000	First Financial Holding Co Ltd	441	0.05	207,000	Telecommunications Co Ltd	508	0.06
724,000	Hua Nan Financial Holdings Co Ltd	147	0.02	37,000	Taiwan Mobile Co Ltd	136	0.02
263,000	SinoPac Financial Holdings Co Ltd	270	0.03		Textile and Apparel		
865,000	Taishin Financial Holding Co Ltd	471	0.06	157,808	Far Eastern New Century Corp	137	0.01
1,130,418	Taiwan Cooperative Financial Holding Co Ltd	148	0.02	400,000	Pou Chen Corp	554	0.07
298,000	Yuanta Financial Holding Co Ltd	1,257	0.15			54,675	6.60
2,978,657					Thailand (1.68%)		
	Electrical Equipment				Banks		
531,000	AU Optronics Corp	207	0.03	389,500	Kasikornbank PCL	2,142	0.26
601,068	Delta Electronics Inc	3,219	0.39	498,500	Kasikornbank Pcl NVDR	2,742	0.33
	Elite Advanced Laser Corp	209	0.03	1,191,800	Krung Thai Bank PCL	708	0.08
42,000	FLEXium Interconnect Inc ..	510	0.06		Chemicals		
146,591	Hon Hai Precision Industry Co Ltd	5,507	0.66	214,000	PTT Global Chemical Pcl ...	456	0.05
1,836,383	Pegatron Corp	995	0.12		Holding Companies - Diversified Operations		
	Food Products			183,400	Siam Cement PCL NVDR ..	2,882	0.35
167,693	Uni-President Enterprises Corp	314	0.04		Home Builders		
	Home Furnishings			4,855,984	Land & Houses PCL NVDR	1,378	0.17
338,235	E Ink Holdings Inc	294	0.04		Oil and Gas		
	Insurance			58,200	PTT PCL	655	0.08
352,000	China Life Insurance Co Ltd	348	0.04	153,100	PTT PCL NVDR	1,724	0.21
	Iron and Steel				Real Estate		
1,576,016	China Steel Corp	1,314	0.16	389,800	Supalai PCL	284	0.03
	Metals and Mining				Retail Trade		
45,000	Catcher Technology Co Ltd	445	0.05	912,450	Minor International PCL	976	0.12
	Miscellaneous Manufacturers					13,947	1.68
29,555	Largan Precision Co Ltd	4,656	0.56		Turkey (1.43%)		
	Oil and Gas				Airlines		
83,000	Formosa Petrochemical Corp	290	0.04	87,884	Turk Hava Yollari AO	132	0.02
	Pharmaceuticals				Automobiles		
55,321	PharmaEngine Inc	370	0.04	47,100	Tofas Turk Otomobil Fabrikasi AS	352	0.04
	Real Estate				Banks		
277,187	Highwealth Construction Corp	487	0.06	426,675	Akbank TAS	999	0.12
	Retail Trade				Turkiye Garanti Bankasi AS	2,352	0.29
8,000	President Chain Store Corp .	66	0.01	966,845	Turkiye Halk Bankasi AS ...	1,412	0.17
	Semiconductor Equipment and Products			260,000	Turkiye Is Bankasi	473	0.06
184,848	MediaTek Inc	1,310	0.16		Turkiye Vakiflar Bankasi TAO	859	0.10
16,000	Novatek Microelectronics Corp	62	0.01	583,529	Yapi ve Kredi Bankasi AS ..	248	0.03
86,232	Realtek Semiconductor Corp	308	0.04	238,000			
					Beverages		
				94,500	Coca-Cola Icecek AS	925	0.11
					Building Products		
				48,281	Cimsa Cimento Sanayi VE Ticaret AS	205	0.02

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %		Number of Shares		Fair Value USD '000	Fund %
Construction and Engineering				Vietnam (0.07%)				
73,208	Enka Insaat ve Sanayi AS ...	123	0.02	Real Estate				
42,000	TAV Havalimanlari Holding AS	167	0.02	319,699	Vingroup JSC	587	0.07	
Diversified Financials				Virgin Islands, British (0.17%)				
360,753	Turkiye Sinai Kalkinma Bankasi AS	137	0.02	Chemicals				
Food Products				7,876,000	Tianhe Chemicals Group Ltd	-	0.00	
114,200	Migros Ticaret AS	695	0.08	Internet Software and Services				
Holding Companies - Diversified Operations				14,500	Mail.Ru Group Ltd GDR	320	0.04	
	Haci Omer Sabanci Holding AS	843	0.10	Retail Trade				
199,113	KOC Holding AS	839	0.10	134,400	Arcos Dorados Holdings Inc	1,082	0.13	
111,856	Tekfen Holding AS	266	0.03			1,402	0.17	
37,900	Yazicilar Holding AS	210	0.03	Zimbabwe (0.20%)				
Home Furnishings				Holding Companies - Diversified Operations				
29,309	Arcelik AS	182	0.02	1,942,954	Delta Corp Ltd	1,671	0.20	
Oil and Gas				Total Common Stock				
17,033	Tupras Turkiye Petrol Rafinerileri AS	422	0.05			739,926	89.34	
		11,841	1.43	Preferred Stock (1.98%) (2016: 2.34%)				
United Arab Emirates (0.50%)				Brazil (1.43%)				
Banks				Auto Components				
691,606	Dubai Islamic Bank PJSC ...	1,054	0.13	942,000	Marcopolo SA	777	0.09	
Real Estate				Food Products				
	Emaar Properties PJSC	3,104	0.37	152,500	Cia Brasileira de Distribuicao	2,887	0.35	
1,561,670		4,158	0.50	Holding Companies - Diversified Operations				
United Kingdom (1.22%)				2,724,792	Itausa - Investimentos Itau SA	8,153	0.99	
Banks						11,817	1.43	
34,299	BGEO Group Plc	1,382	0.17	Colombia (0.13%)				
85,684	HSBC Bank Plc	2,142	0.26	Banks				
Health Care Providers and Services				107,277	Banco Davivienda SA	1,109	0.13	
81,122	NMC Health Plc	1,794	0.21	Korea, Republic of (0.34%)				
Metals and Mining				Automobiles				
19,391	Fresnillo Plc	377	0.05	4,899	Hyundai Motor Co	435	0.05	
263,820	KAZ Minerals Plc	1,500	0.18	Semiconductor Equipment and Products				
2,318,139	Pan African Resources Plc	449	0.05	1,680	Samsung Electronics Co Ltd	2,408	0.29	
2,181,861	Pan African Resources Plc (South Africa Listed)	428	0.05			2,843	0.34	
Oil and Gas				Kuwait (0.08%)				
703,600	Tullow Oil Plc	2,059	0.25	Other Finance				
		10,131	1.22	405,512	Kuwait Projects Co Holding KSCP	658	0.08	
United States (0.48%)				Philippines (0.00%)				
Biotechnology				Banks				
8,733	China Biologic Products Inc	874	0.10	1,267,172	Security Bank Corp	-	0.00	
Oil and Gas				Total Preferred Stock				
273,800	Gran Tierra Energy Inc	723	0.09			16,427	1.98	
Retail Trade				Warrants (0.70%) (2016: 1.48%)				
26,055	PriceSmart Inc	2,402	0.29	United Kingdom (0.15%)				
		3,999	0.48	114,179	HSBC BANK	1,251	0.15	

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Curacao (0.47%)			Investment Funds (6.08%) (2016: 5.25%)		
Mouwasat Medical Services			Ireland (5.93%)		
40,032 Co	1,521	0.18	Russell Investment Company		
National Industrialization			III Plc Russell Investments		
508,366 Co	2,379	0.29	Euro Liquidity Fund - Class		
	3,900	0.47	1 R Roll-Up Shares	1	0.00
Australia (0.08%)			Russell Investment Company		
934,605 Macquarie Bank Ltd	630	0.08	III Plc The Sterling Liquidity		
Total Warrants			Fund - Class R Roll-Up		
	5,781	0.70	25 Shares	31	0.00
Rights (0.00%) (2016: 0.00%)			Russell Investment Company		
Nigeria (0.00%)			III Plc The U.S. Dollar Cash		
579,840 Guinness	5	0.00	Fund II - Class R Roll-Up		
South Africa (0.00%)			48,751 Shares	49,106	5.93
Life Healthcare Group				49,138	5.93
85,713 Holdings	29	0.00	Romania (0.15%)		
Total Rights			5,890,078 Fondul Proprietatea SA	1,229	0.15
Total Transferable			Total Investment Funds		
Securities				50,367	6.08
	762,168	92.02	Total Investments		
			excluding Financial		
			Derivative Instruments		
				812,535	98.10

Financial Derivative Instruments (0.11%) (2016: 0.14%)

Open Futures Contracts (0.09%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
25,293	940.26	538 of MSCI Emerging Markets Mini Futures		
		Long Futures Contracts		
		Expiring June 2017	569	0.07
10,606	0.24	174 of KOSPI Index Futures		
		Long Futures Contracts		
		Expiring June 2017	352	0.04
13,471	367.07	367 of MSCI Taiwan Index Futures		
		Long Futures Contracts		
		Expiring April 2017	(160)	(0.02)
Unrealised gain on open futures contracts			921	0.11
Unrealised loss on open futures contracts			(160)	(0.02)
Net unrealised gain (loss) on open futures contracts			761	0.09

Open Forward Foreign Currency Exchange Contracts (0.02%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
21/06/2017	KRW	6,327,000	USD	5,541
			122	0.02
Net unrealised gain (loss) on open forward foreign currency exchange contracts ..			122	0.02
Total Financial Derivative Instruments			883	0.11

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

	Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (97.95%)	813,578	98.23
Total Financial Liabilities at Fair Value through Profit or Loss ((0.02%))	(160)	(0.02)
Net Financial Assets at Fair Value through Profit or Loss (97.93%)	813,418	98.21
Other Net Assets (2.07%)	14,778	1.79
Net Assets	828,196	100.00

Abbreviation used:

ADR - American Depositary Receipt

GDR - Global Depositary Receipt

NVDR - Non-Voting Depositary Receipt

	% of gross assets
Analysis of gross assets	
Transferable securities admitted to an official stock exchange listing	90.78
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	0.62
Investment funds (UCITS)	6.04
Exchange traded financial derivative instruments	0.11
Over the counter financial derivative instruments	0.01
Other assets	2.44
	100.00

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts USD'000		Open Forwards Foreign Currency Exchange Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	-	122	-	122	-
Goldman Sachs	921	(160)	-	-	921	(160)
Total financial derivative assets	921	(160)	122	-	1,043	(160)

As at 31 March 2016

Broker/counterparty	Open Futures Contracts USD'000		Open Forwards Foreign Currency Exchange Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	-	518	(345)	518	(345)
Goldman Sachs	1,071	(425)	-	-	1,071	(425)
State Street Bank and Trust Company	-	-	140	-	140	-
Total financial derivative assets	1,071	(425)	658	(345)	1,729	(770)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i))

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	756,387	5,781	-	762,168
Investment funds	1,229	49,138	-	50,367
Unrealised gain on open futures contracts	921	-	-	921
Unrealised gain on open forward foreign currency exchange contracts	-	122	-	122
Total assets	758,537	55,041	-	813,578
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(160)	-	-	(160)
Total liabilities	(160)	-	-	(160)

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	631,844	13,946	1,739	647,529
Money market instruments	-	2,399	-	2,399
Investment funds	1,416	35,117	-	36,533
Unrealised gain on open futures contracts	1,071	-	-	1,071
Unrealised gain on open forward foreign currency exchange contracts	-	658	-	658
Total assets	634,331	52,120	1,739	688,190
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(425)	-	-	(425)
Unrealised loss on open forward foreign currency exchange contracts	-	(345)	-	(345)
Total liabilities	(425)	(345)	-	(770)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Emerging Markets Extended Opportunities Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are the 20 largest cumulative investment purchases and sales during the financial year ended 31 March 2017

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company III Plc		Russell Investment Company III Plc	
Russell Investments U.S. Dollar Cash Fund	240,746,000	Russell Investments U.S. Dollar Cash Fund	(226,908,816)
Class R Roll-Up Shares		Class R Roll-Up Shares	
Alibaba Group Holding Ltd	10,511,438	Samsung Electronics Co Ltd	(8,457,328)
Samsung Electronics Co Ltd	7,648,859	Ping An Insurance Group Co of China Ltd	(5,337,094)
Taiwan Semiconductor Manufacturing Co Ltd	7,287,145	Taiwan Semiconductor Manufacturing Co Ltd	(4,624,973)
Tencent Holdings Ltd	6,369,222	China Mobile Ltd	(4,562,423)
PetroChina Co Ltd	5,340,076	Taiwan Semiconductor Manufacturing Co Ltd ADR	(4,495,386)
China Construction Bank Corp	3,831,057	SK Hynix Inc	(4,451,988)
Largan Precision Co Ltd	3,515,015	JD.com Inc	(4,392,800)
China Life Insurance Co Ltd	3,506,297	PetroChina Co Ltd	(4,155,681)
KT&G Corp	3,389,539	Itausa - Investimentos Itau SA	(4,081,263)
Itausa - Investimentos Itau SA	3,177,965	Naspers Ltd	(3,958,371)
Gazprom PJSC	2,815,480	Alibaba Group Holding Ltd	(3,786,595)
NAVER Corp	2,756,154	Tencent Holdings Ltd	(3,770,881)
Hon Hai Precision Industry Co Ltd	2,615,409	Hyundai Motor Co	(3,526,830)
Engro Fertilizers Ltd	2,601,406	KT&G Corp	(3,444,383)
Doosan Bobcat Inc	2,540,318	Hon Hai Precision Industry Co Ltd	(3,121,092)
Tullow Oil PLC	2,456,226	Sands China Ltd	(3,104,628)
Alpha Bank AE	2,423,690	China Shenhua Energy Co Ltd	(2,988,431)
Reliance Industries Ltd	2,282,104	Silicon Motion Technology Corp	(2,985,784)
BRF SA	2,216,053	China Resources Gas Group Ltd	(2,728,147)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments Euro Fixed Income Fund

Manager's Report

Money Managers as at 31 March 2017

Fidelity Investments International Limited
Russell Investments Limited
Western Asset Management

Investment Objective

The investment objective of Russell Investments Euro Fixed Income Fund (the "Fund") is to provide income and capital growth by investing primarily in Euro denominated transferable debt instruments, which include, but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more States is a member), mortgage related debt and corporate debt that are listed, traded or dealt in on a regulated market in the Organisation for Economic Co-operation and Development ("OECD") and which may have fixed or floating interest rates.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class B) returned 0.4 per cent on a gross of fee basis (-0.5 per cent on a net of fee basis), while the benchmark* returned -0.7 per cent.

Market Comment

The benchmark climbed 1.9 per cent as it continued its positive start to the year in the second quarter of 2016. A general risk-off market sentiment characterised much of the period, driven by more dovish stances by G4 central banks. Moreover, the run up to UK's European Union ("EU") referendum caused significant market concerns and the resultant surprise 'Brexit' vote on June 23rd, threw worldwide markets into turmoil and pushed investor demand firmly into 'safe-haven' assets. The International Monetary Fund and European Central Bank ("ECB") were among numerous institutions that suggested Britain's departure from the European Union, and the surrounding uncertainty, would weigh on future growth in euro zone countries. Prior to the Brexit vote, the European Commission had already cut its euro zone growth forecasts to 1.8 per cent from 1.9 per cent for 2016. The 2017 outlook was also reduced to 1.9 per cent from 2 per cent. In economic data, euro zone inflation was confirmed at -0.2 per cent year-on-year ("YoY") in April, having read 0.4 per cent YoY in January. Unemployment ticked marginally lower. Euro zone industrial production figures fluctuated but were strong in April at 2.0 per cent YoY. Meanwhile, in Germany, factory orders unexpectedly slipped -2.0 per cent month-on-month ("MoM") in April, the weakest since July 2015. The euro weakened against the US dollar over the period. Over the period, the yields in both Germany and France pressed lower by 28 basis points ("bps") to a record low of -0.13 per cent and 30 bps to 0.18 per cent, respectively. Yields also declined in Belgium (down 28 bps to 0.23 per cent) and Spain (-27 bps to 1.16 per cent). However, they increased four bps to 1.26 per cent in Italy. Portugal's yield increased for the third successive quarter, up 6 bps to 2.99 per cent. Elsewhere, the benchmark 10-year UK gilt fell 55 bps to 0.87 per cent. The benchmark 10-year US Treasury yield fell by 30 bps to 1.47 per cent.

The benchmark climbed 0.9 per cent in the 2016 third quarter. The period shook off the general risk-off market sentiment that characterised much of the second quarter. This was achieved by accommodative stances of G4 central banks, encouraging economic data and slowly stabilising oil prices. The ECB remained cautious and retained its accommodative monetary policy. Across the Channel, the Bank of England cut its benchmark rate and unleashed a new round of easing. Additionally, an element of political certainty was provided by the installation of Theresa May as the new UK Prime Minister. Economic data was broadly positive. The second quarter euro zone GDP growth rate expanded 0.3 per cent quarter-on-quarter ("QoQ"), led by Germany whose economy (0.4 per cent QoQ) beat growth estimates of 0.2 per cent QoQ. Inflation in the euro area strengthened over the period, up to 0.4 per cent YoY in August from 0.1 per cent YoY in June. The Centre for European Economic Research ("ZEW") sentiment measures also improved over the period. Meanwhile, euro zone PMIs were relatively flat, remaining above 50. Over the quarter, the benchmark 10-year yield in Germany rose by a single basis point to -0.12, whilst the yield was flat in France at 0.19 per cent. Italy's yield fell seven bps to 1.19 per cent, while Spain's yield slumped again, down 28 bps to 88 bps. Elsewhere, the benchmark 10-year UK gilt yield declined 12 bps to 0.75 per cent. In contrast, the benchmark 10-year US Treasury yield pushed higher by 12 bps to 1.59 per cent.

The benchmark slipped 2.5 per cent in the fourth quarter of 2016. This was the first quarterly decline since the second quarter of 2015. Italians rejected a referendum on constitutional reform, resulting in the resignation of Prime Minister Matteo Renzi. After the referendum, Moody's cut Italy's sovereign rating outlook to negative from stable. Nevertheless, local markets were buoyed in December by the ECB's decision to extend its quantitative easing program until the end of 2017. However, the ECB added that it would purchase EUR80 billion worth of bonds per month until March and then lower the rate to EUR60 billion thereon. In contrast, in the US, encouraging economic data enabled the US Federal Reserve ("Fed") to raise the interest rate by 25 bps to 0.75 per cent. In economic data, preliminary December readings showed the euro zone manufacturing PMI increased to 54.9, the highest since January 2014. The composite reading was flat with November's, while the services PMI slipped as expected to 53.1. Meanwhile, euro zone GDP growth was confirmed at 0.3 per cent QoQ (1.7 per cent YoY). Inflation remained flat at 0.6 per cent YoY for November. Over the quarter, the benchmark yields in Germany and France rose by 33 bps and 50 bps to 0.21 per cent and 0.69 per cent respectively. Italy's yield increased 63 bps to 1.82 per cent, while Spain's yield surged 50 bps to 1.38 per cent. Elsewhere, the benchmark 10-year UK gilt yield climbed 49 bps to 1.24 per cent. Meanwhile, higher inflation expectations (Trump) coupled with the increased interest rate in December pushed the US 10-year Treasury yield up by 85 bps to 2.44 per cent.

Russell Investment Company II plc

Russell Investments Euro Fixed Income Fund

Manager's Report - continued

The benchmark slipped 1.0 per cent in the first quarter of 2017. The disparity between the accommodative ECB and more hawkish Fed underpinned sentiment, in a period where the Fed increased its interest rate by 25 bps. The ECB also upgraded its growth and inflation expectations. Political risk softened over the period as market-friendly Emmanuel Macron overtook nationalist Marine Le Pen in French Presidential election polling. Additionally, Netherlands Prime Minister Rutte's party won the most votes in the general election, as voters rejected the anti-EU rhetoric from the Party for Freedom. Meanwhile, UK Prime Minister Theresa May triggered Article 50 on 29 March as expected, which officially began the UK's withdrawal from the EU. Over the quarter, the benchmark yields in Germany and France rose by 12 bps and 28 bps to 0.33 per cent and 0.97 per cent respectively. Italy's yield surged 50 bps to 2.32 per cent, while Spain's yield increased 50 bps to 1.66 per cent. Elsewhere, the benchmark 10-year UK gilt yield declined 10 bps to 1.14 per cent. Meanwhile, the Fed's March interest rate rise was broadly a dovish one, pulling the benchmark 10-year US Treasury yield back down 6 bps to 2.39 per cent.

General Comment on Money Managers/Performance

The Fund outperformed the benchmark over the second quarter of 2016. Our currency exposure was a key contributor. An overweight to the Japanese yen was rewarded as the currency rallied, while an underweight to sterling was beneficial after it slumped in value following the Brexit referendum result. Security selection was positive. Our Global Adjusted Real Yield strategy, which was added to the Fund in May, also contributed. The Fund was neutrally positioned with regard to duration which limited the impact from the decline in yields over the period. We expect the ECB to provide continued support to European bond markets.

The Fund added to its longer-term outperformance of the benchmark in the 2016 third quarter. The Fund's large overweight to investment-grade financials was a key driver of performance. Exposure to corporate high yield and effective security selection also added relative value. Meanwhile, our Global Adjusted Real Yield strategy, which was added to the Fund in May, additionally contributed. The Fund was neutrally positioned with regard to duration. We expect the ECB to provide continued support to European bond markets.

The Fund marginally underperformed the benchmark in a negative environment during the fourth quarter of 2016. An overweight to Italy detracted in a period where its yields surged higher. Our Real Yield positioning strategy also detracted driven by an overweight to the US and Australia. However, our underweight towards Germany was rewarded and our long-held overweights to investment-grade financials and corporate high yield remained key contributors. Low central bank policy rates and quantitative easing should keep government bond yields low. However, we expect G4 rates to edge higher given limited value and the prospect of several US Fed rate hikes in 2017.

The Fund outperformed the benchmark in the first quarter of 2017. Our long-held overweight to investment-grade financials remained a key contributor. An underweight to France was rewarded although this was largely offset by an overweight to Italy. During the quarter, we terminated Pioneer from the Fund and reallocated to both Fidelity and Western. Low central bank policy rates and quantitative easing should keep government bond yields low. However, we expect G4 rates to edge higher given the strengthening global growth backdrop and the prospect of further Fed rate hikes in 2017.

Past performance is no indication of current or future performance.

* Benchmark Source: Citigroup EuroBig Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 EUR '000	31 March 2016 EUR '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	210,013	291,926
Cash at bank (Note 3)	999	209
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	1,648	1,126
Debtors:		
Receivable for investments sold	1,000	7,475
Receivable on fund shares issued	44	104
Interest receivable	1,305	2,770
Prepayments and other debtors	8	7
	215,017	303,617
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(984)	(3,400)
Creditors – amounts falling due within one financial year:		
Bank overdraft (Note 3)	-	(1,025)
Payable for investments purchased	(839)	(5,849)
Payable on fund shares redeemed	(17)	(100)
Distributions payable on income share classes	(213)	(583)
Management fees payable	(134)	(182)
Depository fees payable	(4)	(4)
Sub-custodian fees payable	(20)	(18)
Administration and transfer agency fees payable	(8)	(12)
Audit fees payable	(28)	(22)
	(2,247)	(11,195)
Net asset value attributable to redeemable participating shareholders	212,770	292,422

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Income		
Interest income	2,857	4,446
Net gain (loss) on investment activities (Note 4)	(10,700)	(15,059)
Total investment income (expense)	(7,843)	(10,613)
Expenses		
Management fees (Note 5)	(1,918)	(2,138)
Depository fees (Note 6)	(36)	(25)
Sub-custodian fees (Note 6)	(131)	(92)
Administration and transfer agency fees (Note 6)	(124)	(129)
Audit fees (Note 6)	(27)	(21)
Professional fees	(19)	(35)
Other fees	(20)	(22)
Total operating expenses	(2,275)	(2,462)
Net income (expense)	(10,118)	(13,075)
Finance costs		
Distributions (Note 8)	(2,752)	(4,619)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(12,870)	(17,694)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(12,870)	(17,694)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	1,343	2,163
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(68,125)</u>	<u>63,886</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(79,652)	48,355
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>292,422</u>	<u>244,067</u>
End of financial year	<u><u>212,770</u></u>	<u><u>292,422</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments

31 March 2017

Principal Amount		Fair Value EUR '000		Fund %	Principal Amount		Fair Value EUR '000		Fund %
Transferable Securities (88.61%) (2016: 93.58%)					Casino Guichard Perrachon SA				
Long Term Bonds and Notes (84.98%) (2016: 90.55%)					100,000 4.498% due 07/03/24 109 0.05				
Australia (0.56%)					Electricite de France SA				
EUR	576,000	1.500% due 29/04/30	571	0.27	600,000	1.875% due 13/10/36	537	0.25	
	BHP Billiton Finance Ltd				France Government Bond OAT				
	600,000	4.125% due 25/05/18	629	0.29	650,000	3.750% due 25/10/19	719	0.34	
					4,550,000	1.750% due 25/05/23	4,950	2.33	
					8,100,000	0.500% due 25/05/26	7,828	3.68	
					2,800,000	0.250% due 25/11/26	2,616	1.23	
Belgium (4.24%)					4,110,000	3.250% due 25/05/45	5,235	2.46	
Anheuser-Busch InBev SA/NV					Wendel SA				
	480,000	2.750% due 17/03/36	514	0.24	900,000	1.000% due 20/04/23	881	0.41	
	Belgium Government Bond				300,000	2.750% due 02/10/24	322	0.15	
	4,310,000	1.000% due 22/06/26	4,439	2.09					
	560,000	3.750% due 22/06/45	808	0.38	24,242 11.39				
	650,000	1.600% due 22/06/47	613	0.29	Germany (11.73%)				
KBC Groep NV					Allianz SE				
2,600,000	1.875% due 11/03/27	2,638	1.24	200,000	4.750% *	226	0.11		
					Bundesobligation				
					2,200,000	Zero Coupon due 08/10/21	2,248	1.06	
	Canada (0.70%)				Bundesrepublik Deutschland				
	Canadian Imperial Bank of Commerce				4,050,000	0.500% due 15/02/26	4,171	1.96	
400,000	0.221% due 03/06/18	402	0.19	6,100,000	0.250% due 15/02/27	6,055	2.85		
	Royal Bank of Canada				390,000	3.250% due 04/07/42	584	0.27	
	500,000	0.102% due 06/08/20	505	0.24	600,000	2.500% due 15/08/46	808	0.38	
	Toronto-Dominion Bank				Deutsche Bundesrepublik				
	580,000	0.375% due 27/04/23	583	0.27	Inflation Linked Bond				
					6,895,314	1.750% due 15/04/20	7,613	3.58	
					1,712,304	0.100% due 15/04/23	1,863	0.88	
Denmark (0.31%)					HeidelbergCement AG				
Danske Bank A/S					200,000	1.500% due 07/02/25	202	0.09	
DKK	370,000	0.500% due 06/05/21	375	0.17	Muenchener				
	280,000	3.875% due 04/10/23	295	0.14	Rueckversicherungs-				
	Nykredit Realkredit A/S				Gesellschaft AG in				
	1	2.000% due 01/10/47	-	0.00	Muenchen				
	Realkredit Danmark A/S				500,000	6.250% due 26/05/42	617	0.29	
1	2.000% due 01/10/47	-	0.00	WPP Finance Deutschland					
					GmbH				
					580,000	1.625% due 23/03/30	565	0.26	
						24,952 11.73			
	Finland (1.12%)					Ireland (3.31%)			
Elenia Finance OYJ					Eaton Capital Unlimited				
EUR	422,000	2.875% due 17/12/20	455	0.21	Co				
	Finland Government Bond				100,000	0.750% due 20/09/24	98	0.05	
	1,730,000	3.375% due 15/04/20	1,936	0.91	Fresenius Finance Ireland				
					Plc				
					140,000	1.500% due 30/01/24	143	0.07	
France (11.39%)					Ireland Government				
Banque Federative du Credit Mutuel					Bond				
500,000	0.141% due 03/06/20	503	0.24	5,150,000	1.000% due 15/05/26	5,156	2.42		
	BNP Paribas SA				500,582	2.000% due 18/02/45	493	0.23	
	520,000	2.875% due 20/03/26	542	0.25					

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
		Shire Acquisitions Investments Ireland DAC					Deutsche Telekom International Finance BV		
USD	1,250,000	2.400% due 23/09/21	1,144	0.54		230,000	1.500% due 03/04/28	229	0.11
			7,034	3.31			EDP Finance BV		
		Italy (23.92%)				300,000	1.875% due 29/09/23	305	0.14
		Assicurazioni Generali SpA					Gas Natural Fenosa Finance BV		
EUR	100,000	4.125% due 04/05/26	106	0.05		100,000	1.375% due 21/01/25	102	0.05
		Intesa Sanpaolo SpA					ING Bank NV		
	1,100,000	1.125% due 04/03/22	1,099	0.51		350,000	6.125% due 29/05/23	373	0.17
		Italy Buoni Poliennali Del Tesoro				500,000	3.000% due 11/04/28	528	0.25
	3,000,000	0.300% due 15/10/18	3,017	1.42			Netherlands Government Bond		
	3,400,000	0.650% due 01/11/20	3,421	1.61		150,000	Zero Coupon due 15/01/22	152	0.07
	10,150,000	1.350% due 15/04/22	10,292	4.84			Netherlands Government Bond		
	25,080,000	4.500% due 01/03/24	29,664	13.94		400,000	1.250% due 15/01/19	414	0.19
	2,600,000	1.250% due 01/12/26	2,402	1.13		1,050,000	0.250% due 15/01/20	1,076	0.51
	1,000,000	2.700% due 01/03/47	897	0.42			Petrobras Global Finance BV		
			50,898	23.92		578,000	5.875% due 07/03/22	644	0.30
		Jersey, Channel Islands (0.37%)					Volkswagen International Finance NV		
		UBS Group Funding Jersey Ltd				500,000	1.875% due 30/03/27	504	0.24
	360,000	1.750% due 16/11/22	378	0.18			Vonovia Finance BV		
	400,000	1.500% due 30/11/24	404	0.19		500,000	1.250% due 06/12/24	502	0.24
			782	0.37				7,723	3.63
		Luxembourg (0.83%)					New Zealand (0.25%)		
		Alpha Trains Finance SA					ASB Finance		
	560,000	2.064% due 30/06/25	540	0.25		530,000	0.500% due 17/06/20	534	0.25
		Glencore Finance Europe SA							
	570,000	1.750% due 17/03/25	562	0.27			Norway (0.37%)		
		Hannover Finance Luxembourg SA					DNB Bank ASA		
	300,000	5.750% due 14/09/40	346	0.16		300,000	1.250% due 01/03/27	301	0.14
		HeidelbergCement Finance Luxembourg SA					Statoil ASA		
	310,000	1.625% due 07/04/26	311	0.15		480,000	1.250% due 17/02/27	485	0.23
			1,759	0.83				786	0.37
		Mexico (0.35%)					Spain (7.93%)		
		Petroleos Mexicanos					Banco Santander SA		
	660,000	5.500% due 24/02/25	745	0.35		200,000	6.250% *	198	0.09
							Santander Issuances SAU		
		Netherlands (3.63%)				400,000	2.500% due 18/03/25	400	0.19
		ABN Amro Bank NV					Spain Government Bond		
	500,000	7.125% due 06/07/22	642	0.30		200,000	0.400% due 30/04/22	199	0.09
	140,000	2.875% due 30/06/25	147	0.07		7,525,000	2.750% due 31/10/24	8,380	3.94
		Allianz Finance II BV				2,850,000	1.300% due 31/10/26	2,790	1.31
	500,000	5.750% due 08/07/41	587	0.28		3,260,000	2.900% due 31/10/46	3,266	1.54
		Cooperatieve Rabobank UA					Telefonica Emisiones SAU		
	450,000	6.875% due 19/03/20	532	0.25		1,200,000	1.528% due 17/01/25	1,212	0.57
	210,000	3.875% due 25/07/23	244	0.11		400,000	2.932% due 17/10/29	429	0.20
	500,000	2.500% due 26/05/26	524	0.25				16,874	7.93
	200,000	6.625% *	218	0.10					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
Sweden (1.76%)									
		Skandinaviska Enskilda Banken AB					Sky Plc		
	737,000	0.271% due 26/05/20	747	0.35		450,000	1.875% due 24/11/23	472	0.22
		Svenska Handelsbanken AB				480,000	2.250% due 17/11/25	509	0.24
	220,000	2.656% due 15/01/24	229	0.11		1,100,000	2.500% due 15/09/26	1,184	0.56
		Swedbank AB					Smiths Group Plc		
	1,100,000	0.625% due 04/01/21	1,119	0.52		300,000	2.000% due 23/02/27	306	0.14
		Sweden Government Bond					Standard Chartered Plc		
SEK	9,650,000	3.500% due 30/03/39	1,379	0.65		270,000	3.625% due 23/11/22	295	0.14
		Vattenfall AB				390,000	3.125% due 19/11/24	415	0.19
EUR	290,000	3.000% due 19/03/77	269	0.13			Tesco Property Finance 3 Plc		
			3,743	1.76	GBP	225,039	5.744% due 13/04/40	276	0.13
							Yorkshire Building Society		
					EUR	730,000	1.250% due 17/03/22	734	0.34
								11,763	5.53
Switzerland (0.23%)					United States (6.45%)				
		UBS AG					AbbVie Inc		
	450,000	4.750% due 12/02/26	495	0.23		410,000	0.375% due 18/11/19	412	0.19
United Kingdom (5.53%)							American Express Credit Corp		
		Aviva Plc				420,000	0.625% due 22/11/21	424	0.20
	102,000	6.125% due 05/07/43	121	0.06			AT&T Inc		
	320,000	3.375% due 04/12/45	323	0.15		200,000	3.550% due 17/12/32	225	0.11
		Barclays Plc					Bank of America Corp		
	500,000	1.875% due 08/12/23	512	0.24		450,000	1.379% due 07/02/25	453	0.21
		BAT International Finance Plc					Becton Dickinson and Co		
	496,000	1.250% due 13/03/27	484	0.23		280,000	1.000% due 15/12/22	283	0.13
		BP Capital Markets Plc					Berkshire Hathaway Inc		
	280,000	1.573% due 16/02/27	287	0.13		500,000	1.125% due 16/03/27	491	0.23
		British Telecommunications Plc					Blackstone Holdings Finance LLC		
	310,000	1.750% due 10/03/26	319	0.15		510,000	1.000% due 05/10/26	484	0.23
		HSBC Holdings Plc					Citigroup Inc		
	520,000	3.375% due 10/01/24	546	0.26		250,000	0.500% due 24/05/21	255	0.12
		Imperial Brands Finance Plc				990,000	1.750% due 28/01/25	1,026	0.48
	390,000	3.375% due 26/02/26	451	0.21		1,750,000	1.500% due 26/10/28	1,703	0.80
		Leeds Building Society					Colgate-Palmolive Co		
	330,000	1.375% due 05/05/22	331	0.16		800,000	Zero Coupon due 14/05/19	803	0.38
		Lloyds Bank Plc					General Electric Co		
	600,000	10.375% due 12/02/24	709	0.33		720,000	1.875% due 28/05/27	777	0.37
		Lloyds Banking Group Plc					Goldman Sachs Group Inc		
	960,000	1.000% due 09/11/23	947	0.45		510,000	2.000% due 27/07/23	541	0.25
		National Grid Gas Finance Plc				500,000	2.125% due 30/09/24	531	0.25
	450,000	0.625% due 22/09/24	440	0.21		600,000	3.000% due 12/02/31	651	0.31
		Nationwide Building Society					Kraft Heinz Foods Co		
	490,000	0.500% due 29/10/19	495	0.23		600,000	2.250% due 25/05/28	603	0.28
		Royal Bank of Scotland Group Plc					McDonald's Corp		
	752,000	2.500% due 22/03/23	779	0.37		400,000	2.625% due 11/06/29	449	0.21
	810,000	3.625% due 25/03/24	828	0.39			Molson Coors Brewing Co		
						850,000	1.250% due 15/07/24	851	0.40

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %
	Mondelez International Inc		
280,000	2.375% due 06/03/35	269	0.13
	Wells Fargo & Co		
650,000	0.118% due 24/04/19	653	0.31
910,000	0.291% due 26/04/21	918	0.43
887,000	1.625% due 02/06/25	916	0.43
		<u>13,718</u>	<u>6.45</u>
	Total Long Term Bonds and Notes	<u>180,811</u>	<u>84.98</u>
	Short Term Investments (3.63%) (2016: 3.03%)		
	Australia (0.31%)		
	National Australia Bank Ltd		
650,000	Zero Coupon due 16/01/18	<u>652</u>	<u>0.31</u>
	Canada (0.66%)		
	Canadian Imperial Bank of Commerce		
400,000	Zero Coupon due 08/09/17	401	0.19
	National Bank of Canada		
800,000	Zero Coupon due 09/09/17	801	0.38
	Toronto-Dominion Bank		
200,000	Zero Coupon due 16/06/17	<u>200</u>	<u>0.09</u>
		<u>1,402</u>	<u>0.66</u>
	France (0.44%)		
	France Government Bond OAT		
140,000	3.750% due 25/04/17	140	0.06
	Sanofi		
800,000	1.000% due 14/11/17	<u>806</u>	<u>0.38</u>
		<u>946</u>	<u>0.44</u>
	Germany (0.14%)		
	Euro Time Deposit		
306,000	0.600% due 03/04/17	<u>306</u>	<u>0.14</u>
	Switzerland (0.38%)		
	UBS AG/London		
300,000	Zero Coupon due 15/05/17	300	0.14
500,000	0.101% due 15/05/17	<u>500</u>	<u>0.24</u>
		<u>800</u>	<u>0.38</u>
	United Kingdom (0.69%)		
	HSBC Bank Plc		
600,000	3.125% due 15/11/17	612	0.29
	Standard Chartered Plc		
850,000	Zero Coupon due 13/06/17	<u>851</u>	<u>0.40</u>
		<u>1,463</u>	<u>0.69</u>
	United States (1.01%)		
	BMW US Capital LLC		
750,000	1.000% due 18/07/17	753	0.35

Principal Amount		Fair Value EUR '000	Fund %
	JPMorgan Chase & Co		
210,000	0.271% due 12/06/17	210	0.10
	Pfizer Inc		
700,000	4.550% due 15/05/17	704	0.33
	Toyota Motor Credit Corp		
490,000	Zero Coupon due 08/09/17	<u>490</u>	<u>0.23</u>
		<u>2,157</u>	<u>1.01</u>
	Total Short Term Investments	<u>7,726</u>	<u>3.63</u>
	Total Transferable Securities	<u>188,537</u>	<u>88.61</u>
	Certificates of Deposit (0.47%) (2016: 0.34%)		
	Japan (0.47%)		
	Mizuho Bank Ltd		
1,000,000	Zero Coupon due 02/05/17	<u>1,000</u>	<u>0.47</u>
	Total Certificates of Deposit	<u>1,000</u>	<u>0.47</u>
	Commercial Paper (1.41%) (2016: 0.51%)		
	Austria (0.47%)		
	KA Finanz AG		
1,000,000	Zero Coupon due 17/05/17	<u>1,002</u>	<u>0.47</u>
	Ireland (0.47%)		
	Matchpoint Finance Public		
1,000,000	Zero Coupon due 19/04/17	<u>1,000</u>	<u>0.47</u>
	Netherlands (0.47%)		
	Cooperatieve Rabobank UA		
1,000,000	Zero Coupon due 27/10/17	<u>1,002</u>	<u>0.47</u>
	Total Commercial Paper ...	<u>3,004</u>	<u>1.41</u>
	Money Market Instruments (0.61%) (2016: 0.00%)		
	France (0.61%)		
	France Treasury Bill		
	BTF		
1,300,000	Zero Coupon due 04/05/17	<u>1,301</u>	<u>0.61</u>
	Total Money Market Instruments	<u>1,301</u>	<u>0.61</u>
	Investment Fund (7.24%) (2016: 4.70%)		
	Ireland (7.24%)		
	Russell Investment Company III Plc Russell Investments Euro Liquidity Fund - Class R Roll-Up Shares		
12,657		<u>12,633</u>	<u>5.94</u>
	Russell Investment Company III Plc Russell Investments Sterling Liquidity Fund - Class R Roll-Up Shares		
28		<u>33</u>	<u>0.02</u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Principal Amount	Fair Value EUR '000	Fund %	Principal Amount	Fair Value EUR '000	Fund %
			Total Investments excluding Financial Derivative Instruments	209,236	98.34
506	476	0.22			
2,111	2,252	1.06			
Total Investment Fund	15,394	7.24			

Financial Derivative Instruments ((0.10)%) (2016: (0.46)%)

Open Futures Contracts (0.05%)

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
(3,303)	(132.13)	25 of Euro Bobl Futures Short Futures Contracts Expiring June 2017	8	0.00
2,098	161.40	13 of Euro Bund Futures Long Futures Contracts Expiring June 2017	0	0.00
(881)	(146.83)	6 of Long Gilt Futures Short Futures Contracts Expiring June 2017	(14)	(0.01)
1,184	131.50	9 of Euro Bobl Futures Long Futures Contracts Expiring June 2017	3	0.00
2,080	160.00	13 of Euro Bund Futures Long Futures Contracts Expiring June 2017	18	0.01
337	112.29	3 of Euro Schatz Futures Long Futures Contracts Expiring June 2017	0	0.00
2,110	131.87	16 of Euro Bobl Futures Long Futures Contracts Expiring June 2017	(1)	0.00
2,607	130.34	20 of Euro-BTP Futures Long Futures Contracts Expiring June 2017	7	0.00
4,664	160.82	29 of Euro Bund Futures Long Futures Contracts Expiring June 2017	18	0.01
1,684	112.29	15 of Euro Schatz Futures Long Futures Contracts Expiring June 2017	(1)	0.00
4,912	67.29	15 of Euro Schatz Futures Long Futures Contracts Expiring June 2017	152	0.08
1,978	131.86	73 of 10 Year Australian Treasury Bond Futures Long Futures Contracts Expiring June 2017	(1)	0.00
2,476	130.34	15 of Euro Bobl Futures Long Futures Contracts Expiring June 2017	7	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
4,181	160.82	19 of Euro-BTP Futures Long Futures Contracts Expiring June 2017	16	0.01
5,951	160.85	26 of Euro Bund Futures Long Futures Contracts Expiring June 2017	(21)	(0.01)
(1,572)	(112.29)	37 of Euro Bund Futures Short Futures Contracts Expiring June 2017	(1)	0.00
5,734	147.04	14 of Euro Schatz Futures Long Futures Contracts Expiring June 2017	(82)	(0.04)
(8,148)	(116.40)	39 of Long Gilt Futures Short Futures Contracts Expiring June 2017	4	0.00
Unrealised gain on open futures contracts			233	0.11
Unrealised loss on open futures contracts			(121)	(0.06)
Net unrealised gain (loss) on open futures contracts			112	0.05

Open Forward Foreign Currency Exchange Contracts ((0.05)%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
07/04/2017	AUD 2,572	EUR 1,859	(26)	(0.01)
07/04/2017	EUR 1,859	AUD 2,572	26	0.01
07/04/2017	EUR 2,616	CHF 2,784	15	0.01
07/04/2017	EUR 5,287	GBP 4,535	(14)	(0.01)
07/04/2017	EUR 5,299	GBP 4,521	14	0.01
07/04/2017	EUR 1,106	GBP 949	(3)	0.00
11/05/2017	EUR 409	GBP 354	(4)	0.00
07/04/2017	EUR 1,108	JPY 133,149	(9)	0.00
07/04/2017	EUR 1,855	NOK 16,477	61	0.03
07/04/2017	EUR 746	SEK 7,118	1	0.00
11/05/2017	EUR 606	SEK 5,700	9	0.00
11/05/2017	EUR 1,052	USD 1,142	(14)	(0.01)
11/05/2017	EUR 628	USD 673	-	0.00
16/05/2017	EUR 1,069	USD 1,147	(1)	0.00
07/04/2017	GBP 22,148	EUR 25,950	(57)	(0.03)
07/04/2017	GBP 22,149	EUR 25,950	(57)	(0.03)
07/04/2017	GBP 22,158	EUR 25,950	(45)	(0.02)
07/04/2017	GBP 1,581	EUR 1,844	5	0.00
07/04/2017	GBP 1,920	EUR 2,247	(2)	0.00
07/04/2017	GBP 22,146	EUR 25,950	(60)	(0.03)
27/04/2017	JPY 221,915	EUR 1,847	15	0.01
07/04/2017	MXN 25,538	USD 1,200	140	0.06
11/05/2017	NZD 2,743	EUR 1,846	(54)	(0.02)
07/04/2017	SEK 6,895	EUR 727	(5)	0.00
11/05/2017	USD 1,975	EUR 1,868	(22)	(0.01)
11/05/2017	USD 440	EUR 413	(2)	0.00
27/04/2017	USD 760	EUR 703	7	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
07/04/2017	USD 1,328	MXN 25,538	(22)	(0.01)
Unrealised gain on open forward foreign currency exchange contracts			293	0.13
Unrealised loss on open forward foreign currency exchange contracts			(397)	(0.18)
Net unrealised gain (loss) on open forward foreign currency exchange contracts			(104)	(0.05)

Credit Default Swaps ((0.10)%)

Ccy	Notional Amount EUR '000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value EUR '000	Fund %
EUR	15,980	iTraxx Europe Series 26	#	1.00%	20/12/2021	(251)	(0.12)
EUR	15,980	iTraxx Europe Series 27	1.00%	#	20/06/2022	(215)	(0.10)
EUR	15,980	iTraxx Europe Series 26	#	1.00%	20/12/2021	251	0.12
Credit default swaps at positive fair value						251	0.12
Credit default swaps at negative fair value						(466)	(0.22)
Credit default swaps at fair value						(215)	(0.10)
Total Financial Derivative Instruments						(207)	(0.10)

	Fair Value EUR '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (98.70%)	210,013	98.70
Total Financial Liabilities at Fair Value through Profit or Loss ((0.46)%)	(984)	(0.46)
Net Financial Assets at Fair Value through Profit or Loss (98.24%)	209,029	98.24
Other Net Assets (1.76%)	3,741	1.76
Net Assets	212,770	100

* Perpetual Bond.

In the event of bankruptcy or, the fund will pay/receive the notional amount to/from the counterparty

Analysis of gross assets	% of gross assets
Transferable securities and money market instruments admitted to an official stock exchange listing	58.27
Transferable securities dealt in on another regulated market	29.25
Money market instruments	0.60
Certificate of deposits	0.46
Commercial paper	1.39
Investment Fund (UCITS)	7.15
Exchange traded financial derivative instruments	0.11
Over the counter financial derivative instruments	0.25
Other assets	2.52
	100.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts EUR'000		Open Forwards Foreign Currency Exchange Contracts EUR'000		Credit Default Swaps EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	-	-	-	251	(466)
Brown Brothers Harriman	-	-	154	(36)	-	-
Commonwealth Bank of Australia	-	-	41	(83)	-	-
Goldman Sachs	233	(121)	-	-	-	-
State Street Bank	-	-	1	(78)	-	-
Other*	-	-	97	(200)	-	-
Total financial derivative assets	233	(121)	293	(397)	251	(466)

Broker/counterparty	Total EUR'000	
	Gains	Losses
Bank of America Merrill Lynch	251	(466)
Brown Brothers Harriman	154	(36)
Commonwealth Bank of Australia	41	(83)
Goldman Sachs	233	(121)
Street State Bank	1	(78)
Other*	97	(200)
Total financial derivative assets	777	(984)

* The brokers/counterparties included here are Bank of Montreal, Deutsche Bank AG, HSBC, JP Morgan, Royal Bank of Canada and UBS AG for open forward foreign currency exchange contracts.

As at 31 March 2016

Broker/counterparty	Open Futures Contracts EUR'000		Open Forwards Foreign Currency Exchange Contracts EUR'000		Credit Default Swaps EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Citibank	-	-	17	(74)	160	(49)
Goldman Sachs	110	(9)	74	(45)	-	-
JP Morgan Chase	-	-	4	(6)	2	(56)
State Street Bank	-	-	78	(381)	-	-
UBS AG	19	(223)	193	(278)	-	-
Other**	24	(6)	277	(1,378)	-	(55)
Total financial derivative assets	153	(238)	643	(2,162)	162	(160)

Broker/counterparty	Interest Rate Swaps EUR'000		Currency Options Purchased EUR'000		Swaptions Purchased EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Citibank	184	(177)	-	-	44	-
Goldman Sachs	13	(53)	-	-	15	-
JP Morgan Chase	129	(182)	-	-	-	-
State Street Bank	-	-	-	-	-	-
UBS AG	466	(270)	-	-	91	-
Other**	98	(91)	56	(12)	-	-
Total financial derivative assets	890	(773)	56	(12)	150	-

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

Broker/counterparty	Swaptions Written EUR'000		Total EUR'000	
	Gains	Losses	Gains	Losses
Citibank	-	(50)	405	(350)
Goldman Sachs	-	(5)	212	(112)
JP Morgan Chase	-	-	135	(244)
State Street Bank	-	-	78	(381)
UBS AG	-	-	769	(771)
Other**	-	-	455	(1,542)
Total financial derivative assets	-	(55)	2,054	(3,400)

** The brokers/counterparties included here are Bank of America Merrill Lynch for futures contracts, Bank of America Merrill Lynch, Barclays Bank, BNP Paribas, Commonwealth Bank of Australia, Deutsche Bank AG, HSBC, Royal Bank of Canada, Societe Generale and Standard Chartered Bank for open forward foreign currency exchange contracts, Barclays Bank and Danske Bank for interest rate swaps, Bank of America Merrill Lynch for credit default swaps, Bank of America Merrill Lynch and Deutsche Bank AG for currency options purchased.

Fair Value Hierarchy (Note 12 b) i))

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	188,537	-	188,537
Money market instruments	-	1,301	-	1,301
Certificate of deposits	-	1,000	-	1,000
Commercial papers	-	3,004	-	3,004
Investment funds	-	15,394	-	15,394
Unrealised gain on open futures contracts	233	-	-	233
Unrealised gain on open forward foreign currency exchange contracts	-	293	-	293
Credit default swaps at fair value	-	251	-	251
Total assets	233	209,780	-	210,013
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(121)	-	-	(121)
Unrealised loss on open forward foreign currency exchange contracts	-	(397)	-	(397)
Credit default swaps at fair value	-	(466)	-	(466)
Total liabilities	(121)	(863)	-	(984)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Schedule of Investments - continued

31 March 2017

As at 31 March 2016

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	273,626	-	273,626
Certificate of deposits	-	1,000	-	1,000
Commercial papers	-	1,500	-	1,500
Investment funds.....	-	13,746	-	13,746
Unrealised gain on open futures contracts	153	-	-	153
Unrealised gain on open forward foreign currency exchange contracts	-	643	-	643
Swaptions purchased at value	-	150	-	150
Credit default swaps at fair value	-	162	-	162
Interest rate swaps at fair value	-	890	-	890
Currency options purchased at fair value	-	56	-	56
Total assets	153	291,773	-	291,926
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(238)	-	-	(238)
Unrealised loss on open forward foreign currency exchange contracts	-	(2,162)	-	(2,162)
Swaptions written at value	-	(55)	-	(55)
Interest rate swaps at fair value	-	(773)	-	(773)
Credit default swaps at fair value	-	(160)	-	(160)
Currency swap at fair value	-	(12)	-	(12)
Total liabilities	(238)	(3,162)	-	(3,400)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Euro Fixed Income Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are the cumulative investment purchases and cumulative investment sales in excess of 1% of total investment sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost EUR '000	Portfolio Securities	Disposal Proceeds EUR '000
Russell Investment Company Plc		Russell Investment Company Plc	
Russell Investments Euro Liquidity Fund		Russell Investments Euro Liquidity Fund	
Class R Roll-Up Shares	90,873	Class R Roll-Up Shares	(89,404)
Italy Buoni Poliennali Del Tesoro		Russell Investment Company III Plc	
4.500% due 01/03/2024	31,711	Russell Investments	
Russell Investment Company III Plc		Euro Liquidity Fund	
Russell Investments		Class R Roll-Up Shares	(23,305)
Euro Liquidity Fund		Italy Buoni Poliennali Del Tesoro	
Class R Roll-Up Shares	26,083	4.500% due 01/03/2024	(20,642)
Bundesrepublik Deutschland		Bundesrepublik Deutschland	
0.500% due 15/02/2026	21,959	0.500% due 15/02/2026	(18,328)
French Republic Government Bond OAT		Kingdom of Belgium Government Bond	
0.500% due 25/05/2026	18,914	3.000% due 28/09/2019	(13,769)
1.750% due 25/05/2023	18,056	French Republic Government Bond OAT	
Spain Government Bond		1.750% due 25/05/2023	(13,061)
2.750% due 31/10/2024	13,511	Italy Buoni Poliennali Del Tesoro	
Kingdom of Belgium Government Bond		0.450% due 01/06/2021	(11,435)
1.000% due 22/06/2026	12,693	French Republic Government Bond OAT	
Italy Buoni Poliennali Del Tesoro		0.500% due 25/05/2026	(10,628)
1.350% due 15/04/2022	11,454	2.500% due 25/10/2020	(9,899)
Ireland Government Bond		Spain Government Bond	
1.000% due 15/05/2026	10,217	2.750% due 31/10/2024	(9,068)
Bundesobligation		Italy Buoni Poliennali Del Tesoro	
Zero Coupon due 08/10/2021	8,973	0.250% due 15/05/2018	(8,850)
Italy Buoni Poliennali Del Tesoro		Spain Government Bond	
0.250% due 15/05/2018	8,845	0.750% due 30/07/2021	(8,554)
Spain Government Bond		Kingdom of Belgium Government Bond	
0.750% due 30/07/2021	8,556	1.000% due 22/06/2026	(8,006)
Italy Buoni Poliennali Del Tesoro		Ireland Government Bond	
0.450% due 01/06/2021	8,088	5.000% due 18/10/2020	(7,703)
Deutsche Bundesrepublik Inflation		Italy Buoni Poliennali Del Tesoro	
Linked Bond		1.500% due 01/08/2019	(6,810)
1.750% due 15/04/2020	7,671	Bundesobligation	
French Republic Government Bond		Zero Coupon due 08/10/2021	(6,696)
OAT 3.250% due 25/05/2045	7,648	Kingdom of Belgium Government Bond	
Euro Time Deposit		2.250% due 22/06/2023	(6,580)
0.600% due 03/04/2017	7,158	Spain Government Inflation Linked Bond	
Ireland Government Bond		0.550% due 30/11/2019	(6,270)
5.000% due 18/10/2020	7,155	Kingdom of Belgium Government Bond	
Italy Buoni Poliennali Del Tesoro		0.800% due 22/06/2025	(6,204)
1.500% due 01/08/2019	6,808	Netherlands Government Bond	
Bundesrepublik Deutschland		0.500% due 15/07/2026	(6,133)
0.250% due 15/02/2027	6,548	French Republic Government Bond OAT	
Spain Government Inflation Linked Bond		3.250% due 25/05/2045	(6,118)
0.550% due 30/11/2019	6,246	Italy Buoni Poliennali Del Tesoro	
Kingdom of Belgium Government Bond		0.350% due 01/11/2021	(6,024)
0.800% due 22/06/2025	6,047		
Italy Buoni Poliennali Del Tesoro			
0.350% due 01/11/2021	6,013		

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments Global Bond (Euro Hedged) Fund

Manager's Report

Money Managers as at 31 March 2017

BlueBay Asset Management Limited
Colchester Global Investors Limited
Insight Asset Management
Loomis, Sayles & Company, L.P.
Pacific Investment Management Company (PIMCO)
Russell Investments Limited
Russell Investment Management LLC
Schroder Investment Management Inc.

Investment Objective

The investment objective of Russell Investments Global Bond (Euro Hedged) Fund (the "Fund") is to provide income and capital growth by investing primarily in transferable debt instruments denominated in a variety of currencies, which include but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more States is a member), mortgage related debt and corporate debt that are listed, traded or dealt in on a regulated market in the Organisation for Economic Co-operation and Development ("OECD") and which may have fixed or floating interest rates.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class B) returned 2.2 per cent on a gross of fee basis (1.1 per cent on a net of fee basis), while the benchmark* returned -0.5 per cent.

Market Comment

The benchmark rose 2.2 per cent in the second quarter of 2016. A general risk-off market sentiment characterised much of the period, driven by more dovish stances by G4 central banks. Moreover, the run up to UK's European Union ("EU") referendum caused significant market concerns and the resultant surprise 'Brexit' vote on June 23rd, threw worldwide markets into turmoil and pushed investor demand firmly into 'safe-haven' assets. Stabilising oil prices aided the high yield market and also added some momentum to developing currencies. In the UK, the benchmark 10-year gilt fell 55 bps to 0.87 per cent. Market attention became increasingly fixated upon the UK as the quarter progressed, with the referendum result meaning that the UK will leave the EU, severing a 43-year membership. Additionally, David Cameron announced that he would step down as Prime Minister but would stay in office for the next few months to "steady the ship". The pound sterling also plunged to a 31-year low (against the U.S. dollar), setting a record intraday swing of more than 10 per cent between its highs and lows. In response, the Bank of England ("BoE") pledged \$345 billion of new stimulus and BoE Governor Carney stated the he had further measures in place to deal with the "period of uncertainty and adjustment".

The benchmark rose 0.2 per cent in the 2016 third quarter. The period shook off the general risk-off market sentiment that characterised much of the second quarter. This was achieved by accommodative stances of G4 central banks, encouraging economic data and slowly stabilising oil prices. In the UK, the BoE cut its interest rate for the first time in over seven years. In addition to the interest rate cut, the asset purchase program was expanded by £60 billion to £435 billion. The central bank also introduced a "Term Funding Scheme" worth up to £100 billion for commercial banks to lend to consumers and businesses and committed to buying up to £10 billion of UK corporate bonds. Over the period, the benchmark 10-year gilt yield declined 12 bps to 0.75 per cent. The European Central Bank ("ECB") remained cautious, whilst the U.S. Federal Reserve ("Fed") ended months of deliberation on whether to raise rates, with a hawkish hold. While signalling that a rate hike is likely in the months ahead, Fed officials lowered their economic growth forecast and trimmed the number of rate hikes they foresee in 2017 from three to two. The benchmark 10-year Treasury yield pushed higher by 12 basis points (bps) to 1.59 per cent. In Japan, Bank of Japan ("BoJ") Governor Haruhiko Kuroda introduced new policies to his toolkit in order to tackle deflation and to spur growth. The Bank will look to set a cap on 10-year bond yields and vowed to overshoot its 2.0 per cent inflation target. The benchmark 10-year yield gained 13 bps to reach -0.09 per cent.

Russell Investment Company II plc

Russell Investments Global Bond (Euro Hedged) Fund

Manager's Report - continued

The benchmark decreased 2.4 per cent in the 2016 fourth quarter. Donald Trump's U.S. presidential election victory heightened expectations for further inflation on the back of his fiscal plans. After months of deliberations, the Fed increased its benchmark interest rate by 25 basis points ("bps") to 0.75 per cent. in December on the back of encouraging economic data. Higher inflation expectations coupled with the increased interest rate pushed the U.S. 10-year Treasury yield up by 85 bps to 2.44 per cent. In the UK, concerns about a 'hard Brexit' softened as the UK High Court decided that Parliament must vote on invoking Article 50 of the Lisbon Treaty. The benchmark 10-year gilt yield climbed 49 bps to 1.24 per cent. In Europe, Italians rejected a referendum on constitutional reform resulting in the resignation of Prime Minister Matteo Renzi. After the referendum, Moody's cut Italy's sovereign rating outlook to negative from stable. The markets were buoyed however, by the decision of the ECB to extend its quantitative easing program until the end of 2017. However, the ECB added that it would purchase €80 billion worth of bonds per month until March and then lower the rate to €60 billion onwards. Nevertheless, the benchmark yields in Germany and France rose by 33 bps and 50 bps to 0.21 per cent and 0.69 per cent respectively. In Japan, the Bank of Japan's near zero percent target for the 10-year bond yield came to fruition this quarter as the yield rose 14 bps to 0.05 per cent.

The benchmark decreased 0.9 per cent in the first quarter of 2017. The Fed raised its benchmark rate by another 25 bps as the market expected and on the back of positive economic data, with two more hikes very likely in 2017. However, the March interest rate rise was accompanied by a dovish statement, pulling the benchmark 10-year Treasury yield back down 6 bps to 2.39 per cent. Additionally, the post-Trump risk rally lost some steam in the latter stages of the period, after President Trump lost support from his own Republican party for his health care bill. Across the pond, Prime Minister Theresa May finally triggered Article 50, setting in motion the formal process of leaving the EU. The formal letter acting as the 'trigger' necessitated the need for a "fair and orderly" exit "with as little disruption as possible on each side". Investors also held caution over election developments in the Netherlands, France and Germany. However, defeat of populism in the Dutch elections as well as solid economic data, was well received. The benchmark 10-year UK gilt declined 10 bps to 1.14 per cent with the 10-year German bund rising 12 bps to 0.33 per cent. Meanwhile, Japan's central bank reaffirmed its commitment to a zero percent cap on the 10-year bond yield – which moved upwards by 2 bps to 0.07 per cent. Japan's central bank also kept its benchmark rate unchanged at -0.1 per cent.

General Comment on Money Managers/Performance

The Fund outperformed the benchmark over the second quarter of 2016. Currency positioning drove performance, with the Russell Investments positioning strategy performing particularly well. Key contributors were an underweight to GBP and overweights to JPY and BRL – sterling devalued after the surprise June 23rd 'Brexit' result, while investors viewed the Brazil central bank's inflation targeting positively. Sector positioning was also positive over the period, through overweights to high yield, EMD and non-agency RMBS. Rates positioning held back further outperformance, as underweights to Japan, France and UK offset gains generated through overweights to the U.S. and Brazil.

The Fund comfortably outperformed the benchmark in the 2016 third quarter. Sector positioning drove performance, notably through exposure to the securitised sector and an overweight position in corporate high yield. Overweight to emerging market debt was also rewarded. In active currency positioning, overweight Mexican peso, as well as underweight Australian dollar and Swiss franc, slightly offset gains generated through overweight South African rand, Colombian peso and Norwegian krone. Performance from rates positioning was more neutral over the period. Underweight to Japan and overweight to Germany were positive, whilst underweight UK and overweight U.S. were negative.

The Fund outperformed the benchmark in a challenging fourth quarter of 2016. Performance was driven by currency and credit positioning. On the currency side key, positives were underweights to the Swiss franc, Australian dollar and South Korean Won. Sector positioning added value through overweights to corporate high yield and non-agency residential mortgage-backed securities. Rates positioning struggled over the period as overweights in the U.S., Australia and Mexico offset the gains generated through underweights in the UK, Italy and Canada.

The Fund outperformed the benchmark over the first quarter of 2017. Rates and credit positioning drove performance whilst active currency positioning was broadly flat. Within the rates space, underweights in France, Italy and overweights in Brazil and Mexico generated meaningful returns. An underweight in the UK was a slight detractor. In sectors, overweights to corporate high yield, investment-grade financials and non-agency mortgages were rewarded. In currencies, whilst overweight to the Mexican peso, Japanese yen and Colombian peso were positive, this was offset by underweights to Australian dollar and South Korean won.

Past performance is no indication of current or future performance.

* Benchmark Source: Barclays Global Aggregate EH Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 EUR '000	31 March 2016 EUR '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	398,059	434,680
Cash at bank (Note 3)	8,257	8,289
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	7,319	5,324
Debtors:		
Receivable for investments sold	12,533	28,972
Receivable on fund shares issued	257	-
Interest receivable	2,128	2,545
	428,553	479,810
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(4,981)	(12,739)
Creditors – amounts falling due within one financial year:		
Cash due to brokers and counterparties for open financial derivative instruments (Note 3)	(1,531)	(1,609)
Payable for investments purchased	(30,441)	(54,335)
Payable on fund shares redeemed	(1,964)	(6)
Distributions payable on income share classes	(391)	(515)
Management fees payable	(275)	(291)
Depositary fees payable	(7)	(6)
Sub-custodian fees payable	(39)	(63)
Administration and transfer agency fees payable	(13)	(17)
Audit fees payable	(27)	(27)
Other fees payable	(2)	(3)
	(39,671)	(69,611)
Net asset value attributable to redeemable participating shareholders	388,882	410,199

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Income		
Dividends	-	103
Interest income	9,241	12,526
	<u>9,241</u>	<u>12,629</u>
Net gain (loss) on investment activities (Note 4)	(2,783)	(22,974)
Total investment income (expense)	<u>6,458</u>	<u>(10,345)</u>
Expenses		
Management fees (Note 5)	(3,182)	(4,400)
Depositary fees (Note 6)	(50)	(44)
Sub-custodian fees (Note 6)	(271)	(314)
Administration and transfer agency fees (Note 6)	(140)	(192)
Audit fees (Note 6)	(27)	(27)
Professional fees	(26)	(53)
Other fees	(9)	(19)
Total operating expenses	<u>(3,705)</u>	<u>(5,049)</u>
Net income (expense)	2,753	(15,394)
Finance costs		
Distributions (Note 8)	(6,042)	(8,977)
Profit (loss) for the financial year before taxation	<u>(3,289)</u>	<u>(24,371)</u>
Taxation (Note 9)		
Capital gains tax	(11)	-
Withholding tax	(44)	(25)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(3,344)</u>	<u>(24,396)</u>

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(3,344)	(24,396)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	4,309	6,793
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(22,282)</u>	<u>(137,607)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(21,317)	(155,210)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>410,199</u>	<u>565,409</u>
End of financial year	<u><u>388,882</u></u>	<u><u>410,199</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments

31 March 2017

Principal Amount					Fair Value EUR '000		Fund %	Principal Amount					Fair Value EUR '000		Fund %
Transferable Securities (88.56%) (2016: 92.42%)							Bermuda (0.09%)								
Long Term Bonds and Notes (80.82%)							Aircastle Ltd								
Argentina (0.16%)							USD	175,000	4.125% due 01/05/24		164	0.04			
Argentine Republic							Cronos Containers Program I Ltd								
Government International Bond								185,185	3.270% due 18/11/29		169	0.05			
USD	250,000	6.875% due 22/04/21		252	0.06										
EUR	412,000	5.000% due 15/01/27		386	0.10										

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount			Fair Value EUR '000	Fund %
		Province of Manitoba Canada					Octagon Investment Partners 30 Ltd		
CAD	300,000	4.400% due 05/09/25	242	0.06		625,000	2.355% due 17/03/30	585	0.15
		Province of Ontario Canada					Octagon Investment Partners XXIII Ltd		
USD	575,000	3.000% due 16/07/18	548	0.14		520,000	2.578% due 15/07/27	488	0.13
CAD	500,000	3.150% due 02/06/22	375	0.10			Seneca Park CLO Ltd		
	235,000	1.950% due 27/01/23	165	0.04		395,000	2.503% due 17/07/26	370	0.10
	400,000	3.500% due 02/06/24	306	0.08			THL Credit Wind River CLO Ltd		
	125,000	4.650% due 02/06/41	109	0.03		500,000	2.338% due 18/04/26	468	0.12
CAD	300,000	3.450% due 02/06/45	219	0.06				3,308	0.85
		Province of Quebec Canada					Chile (0.07%)		
USD	920,000	1.330% due 04/09/18	861	0.22			Latam Airlines Pass Through Trust		
	220,000	1.436% due 21/07/19	206	0.05		281,953	4.200% due 15/11/27	263	0.07
	200,000	2.750% due 25/08/21	191	0.05					
CAD	400,000	4.250% due 01/12/21	313	0.08			Colombia (0.59%)		
	400,000	3.500% due 01/12/22	306	0.08			Colombia Government International Bond		
	400,000	3.000% due 01/09/23	298	0.08		200,000	3.875% due 25/04/27	186	0.05
	200,000	5.000% due 01/12/38	180	0.05					
	100,000	5.000% due 01/12/41	91	0.02					
		Royal Bank of Canada Zero Coupon due			COP		Colombian TES		
		22/10/18	1,006	0.26		419,100,000	11.000% due 24/07/20 ..	156	0.04
EUR	1,000,000					618,600,000	7.000% due 04/05/22	208	0.05
USD	400,000	2.300% due 22/03/21	375	0.10		999,400,000	10.000% due 24/07/24 ..	388	0.10
GBP	150,000	1.125% due 22/12/21	177	0.04		2,797,000,000	7.500% due 26/08/26	958	0.25
		SCG Hotel Issuer Inc				1,160,800,000	7.750% due 18/09/30	407	0.10
CAD	147,566	3.442% due 12/10/18	105	0.03				2,303	0.59
		Teck Resources Ltd					Croatia (0.04%)		
USD	110,000	6.250% due 15/07/41	107	0.03			Croatia Government International Bond		
		Toronto-Dominion Bank			EUR	150,000	3.000% due 11/03/25	153	0.04
	350,000	1.993% due 22/01/19	331	0.08					
	200,000	2.500% due 18/01/22	187	0.05			Cyprus (0.18%)		
		Valeant Pharmaceuticals International Inc					Cyprus Government International Bond		
EUR	200,000	4.500% due 15/05/23	148	0.04		644,000	4.250% due 04/11/25	690	0.18
			11,906	3.06					
		Cayman Islands (0.85%)					Czech Republic (0.10%)		
		Cent CLO 22 Ltd					Czech Republic Government Bond		
USD	500,000	2.444% due 07/11/26	469	0.12					
		CK Hutchison Finance 16 II Ltd			CZK	1,270,000	2.400% due 17/09/25	53	0.01
EUR	125,000	0.875% due 03/10/24	122	0.03			Czech Republic International		
		CK Hutchison International 16 Ltd			EUR	300,000	4.125% due 18/03/20	339	0.09
USD	200,000	1.875% due 03/10/21	180	0.05				392	0.10
		Dryden 37 Senior Loan Fund					Denmark (0.90%)		
	630,000	2.658% due 15/04/27	593	0.15			Danske Bank A/S Zero Coupon due		
		Noble Holding International Ltd				771,000	19/11/18	774	0.20
	15,000	6.200% due 01/08/40	10	0.00	USD	500,000	1.574% due 02/03/20	468	0.12
	10,000	6.050% due 01/03/41	7	0.00			Denmark Government Bond		
	25,000	5.250% due 15/03/42	16	0.00	DKK	1,482,191	1.500% due 15/11/23	219	0.06

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
	3,310,000	1.750% due 15/11/25	500	0.13			Total SA		
		Nordea Kredit				200,000	2.708%*	199	0.05
		Realkreditaktieselskab						4,408	1.13
	1,200,000	2.000% due 01/04/18	165	0.04			Germany (2.58%)		
		Nykredit Realkredit					Allianz SE		
		A/S				200,000	2.241% due 07/07/45	199	0.05
	900,000	1.000% due 01/04/18	123	0.03			Bayer AG		
	1,900,000	1.000% due 01/04/18	259	0.07			3.000% due 01/07/75	172	0.04
	4,800,000	2.000% due 01/04/18	661	0.17		168,000	Bundesrepublik Deutschland		
		Realkredit Danmark					4.250% due 04/07/18	159	0.04
		A/S					1.500% due 04/09/22	2,422	0.62
	400,000	1.000% due 01/04/18	55	0.01		2,198,786	0.500% due 15/02/26	1,221	0.31
	2,100,000	2.000% due 01/04/18	289	0.07		1,185,000	0.250% due 15/02/27	2,780	0.72
			3,513	0.90		2,800,000	2.500% due 04/07/44	340	0.09
		Finland (0.19%)				255,000	Bundesrepublik Deutschland		
		Finland Government					Bundesobligation Inflation Linked Bond		
		Bond					0.750% due 15/04/18	327	0.08
EUR	146,000	2.000% due 15/04/24	165	0.04		319,545	Commerzbank AG		
		Nokia OYJ					4.000% due 23/03/26	164	0.04
	100,000	2.000% due 15/03/24	99	0.03		155,000	Deutsche Bank AG		
		Nordic Investment					2.850% due 10/05/19	283	0.07
		Bank					2.944% due 10/05/19	190	0.05
NOK	4,320,000	1.375% due 15/07/20	475	0.12			4.250% due 14/10/21	192	0.05
			739	0.19			1.500% due 20/01/22	305	0.08
		France (1.13%)			USD	300,000	Deutsche Bundesrepublik Inflation Linked Bond		
		Autoroutes du Sud de la					0.100% due 15/04/23	226	0.06
		France SA				207,552	HeidelbergCement AG		
EUR	200,000	1.250% due 18/01/27	201	0.05	EUR	300,000	2.250% due 03/06/24	112	0.03
		BNP Paribas SA					Kreditanstalt fuer Wiederaufbau		
USD	200,000	3.800% due 10/01/24	186	0.05		410,000	0.625% due 15/01/25	423	0.11
EUR	100,000	2.875% due 01/10/26	103	0.03	GBP	54,000	5.750% due 07/06/32	98	0.03
USD	200,000	4.625% due 13/03/27	187	0.05			Red & Black Auto		
		Credit Agricole					Germany 2		
		Assurances SA					Zero Coupon due		
EUR	100,000	4.750% due 27/09/48	105	0.03	EUR	17,441	15/09/22	17	0.00
		Credit Agricole SA					State of North Rhine- Westphalia		
	100,000	1.875% due 20/12/26	100	0.02			0.625% due 17/11/23	411	0.11
USD	250,000	4.125% due 10/01/27	232	0.06				10,041	2.58
		France Government Bond					Guernsey, Channel Islands (0.19%)		
		OAT					Credit Suisse Group		
		Zero Coupon due					Funding Guernsey Ltd		
EUR	300,000	25/05/22	298	0.08					
	380,000	2.250% due 25/10/22	423	0.11	USD	250,000	3.125% due 10/12/20	235	0.06
	185,000	4.500% due 25/04/41	281	0.07		300,000	3.800% due 15/09/22	285	0.07
	1,035,000	3.250% due 25/05/45	1,318	0.34		250,000	3.800% due 09/06/23	235	0.06
		mFinance France SA						755	0.19
	300,000	2.375% due 01/04/19	313	0.08			Hong Kong (0.05%)		
		Pernod Ricard SA					AIA Group Ltd		
USD	150,000	5.500% due 15/01/42	162	0.04		200,000	3.200% due 11/03/25	184	0.05
		SFR Group SA							
	100,000	7.375% due 01/05/26	97	0.02					
		Societe Generale SA							
EUR	100,000	1.000% due 01/04/22	100	0.02					
	100,000	2.625% due 27/02/25	103	0.03					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

				Principal Amount	Fair Value EUR '000	Fund %					Principal Amount	Fair Value EUR '000	Fund %
HUF	Hungary (0.14%)						Taurus DEU DAC						
	Hungary Government Bond						1.300% due 17/11/26				177	0.05	
	174,110,000	1.750% due 26/10/22			551	0.14					5,272	1.36	
USD	Iceland (0.44%)						Israel (0.18%)						
	Iceland Government International Bond						Israel Government Bond						
	900,000	5.875% due 11/05/22			951	0.24	3.750% due 31/03/24				89	0.02	
ISK	Iceland Rikisbref						Israel Government International Bond						
	26,942,438	8.000% due 12/06/25			269	0.07	1.500% due 18/01/27				405	0.11	
	51,863,819	6.500% due 24/01/31			496	0.13	2.375% due 18/01/37				199	0.05	
					1,716	0.44					693	0.18	
IDR	Indonesia (0.34%)						Italy (1.26%)						
	Indonesia Treasury Bond						Asti RMBS Srl						
	11,142,000,000	8.250% due 15/07/21			823	0.21	0.920% due 27/12/60				97	0.02	
USD	Perusahaan Penerbit SBSN Indonesia III						Atlantia SpA						
	500,000	4.550% due 29/03/26			486	0.13	1.625% due 03/02/25				277	0.07	
					1,309	0.34	Banca Carige SpA						
EUR	Ireland (1.36%)						3.875% due 24/10/18				314	0.08	
	Allied Irish Banks Plc						Berica 8 Residential MBS Srl						
	100,000	4.125% due 26/11/25			105	0.03	Zero Coupon due 31/03/48				35	0.01	
	Aquarius and Investments Plc for Zurich Insurance Co Ltd						Berica ABS 3 Srl						
	150,000	4.250% due 02/10/43			170	0.04	0.720% due 30/06/61				143	0.04	
	250,000	3.168% due 15/07/27			252	0.06	Berica ABS Srl						
	Avoca CLO XI Ltd						Zero Coupon due 31/12/55				99	0.03	
	183,052	1.127% due 24/01/59			183	0.05	Claris ABS Srl						
	168,035	3.900% due 20/03/23			204	0.05	0.137% due 31/10/60				119	0.03	
	European Residential Loan Securitisation DAC						Claris RMBS Srl						
	135,000	1.700% due 15/05/37			132	0.03	0.820% due 28/12/61				71	0.02	
	235,000	2.000% due 18/02/45			231	0.06	Enel SpA						
	Lansdowne Mortgage Securities No 2 Plc						5.750% due 22/06/37				132	0.03	
	406,870	Zero Coupon due 16/09/48			296	0.08	6.500% due 10/01/74				204	0.05	
	210,000	Liberty Mutual Finance Europe DAC					Intesa Sanpaolo SpA						
	Orwell Park CLO Designated Activity Co						3.928% due 15/09/26				103	0.03	
	300,000	3.250% due 18/07/29			297	0.08	7.750%*				206	0.05	
	200,000	Russian Railways via RZD Capital Plc					Italy Buoni Poliennali Del Tesoro						
USD	Shire Acquisitions Investments Ireland DAC						4.000% due 01/09/20				463	0.12	
	200,000	4.375% due 01/03/24			187	0.05	5.000% due 01/03/22				434	0.11	
		1.900% due 23/09/19			186	0.05	1.250% due 01/12/26				185	0.05	
							2.250% due 01/11/29				343	0.09	
							5.000% due 01/08/34				138	0.04	
							3.250% due 01/09/46				135	0.03	
							2.700% due 01/03/47				143	0.04	
							Italy Government International Bond						
							6.000% due 04/08/28				289	0.07	
							Marche Mutui 4 Srl						
							Zero Coupon due 25/02/55				5	0.00	

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
		Sestante Finance Srl				70,000,000	2.100% due 20/03/30	728	0.19
		Zero Coupon due				50,000,000	1.500% due 20/06/34	490	0.13
	1	23/07/46	-	0.00		137,500,000	0.400% due 20/03/36	1,116	0.29
		Siviglia SPV Srl				63,900,000	0.600% due 20/12/36	534	0.14
	151,000	0.173% due 25/10/55	150	0.04			Japan Government Two Year Bond		
		Towers CQ Srl				171,000,000	0.100% due 15/08/18	1,442	0.37
	376,140	0.620% due 28/12/33	378	0.10		126,000,000	0.100% due 15/11/18	1,063	0.27
		UniCredit SpA					Japanese Government CPI Linked Bond		
	328,000	4.375% due 03/01/27	339	0.09		20,696,000	0.100% due 10/09/24	182	0.05
		Vela Home Srl				108,772,700	0.100% due 10/03/25	961	0.25
		Zero Coupon due				67,910,150	0.100% due 10/03/26	601	0.15
	25,141	25/10/42	25	0.01			Sumitomo Mitsui Financial Group Inc		
		Voba N 3 Srl					2.298% due 19/10/21	284	0.07
	54,063	0.671% due 23/11/47	54	0.01			Sumitomo Mitsui Trust Bank Ltd		
			4,881	1.26	USD	300,000	2.050% due 06/03/19	702	0.18
		Japan (5.39%)				200,000	2.050% due 06/03/19	187	0.05
		Central Nippon						20,976	5.39
		Expressway Co Ltd					Jersey, Channel Islands (0.08%)		
USD	400,000	2.362% due 28/05/21	368	0.10			Delphi Automotive Plc		
		Development Bank of Japan Inc				40,000	3.150% due 19/11/20	38	0.01
	400,000	1.625% due 01/09/21	361	0.09		100,000	1.500% due 10/03/25	101	0.02
		Japan Bank for International Cooperation			EUR		UBS Group Funding Jersey Ltd		
	360,000	3.375% due 31/07/23	351	0.09		200,000	2.650% due 01/02/22	184	0.05
		Japan Expressway Holding and Debt Repayment Agency						323	0.08
JPY	30,000,000	2.850% due 18/03/39	327	0.08			Kazakhstan (0.20%)		
		Japan Government Five Year Bond					KazAgro National Management Holding JSC		
	152,850,000	0.200% due 20/06/19	1,294	0.33		750,000	3.255% due 22/05/19	765	0.20
	140,350,000	0.100% due 20/12/19	1,187	0.31			Korea, Republic of (0.38%)		
	88,050,000	0.100% due 20/03/20	745	0.19			Export-Import Bank of Korea		
	94,850,000	0.100% due 20/09/21	804	0.21					
		Japan Government Forty Year Bond			NOK	1,775,000	3.000% due 22/05/18	196	0.05
	22,300,000	0.400% due 20/03/56	154	0.04	CAD	200,000	1.927% due 24/02/20	141	0.04
		Japan Government Ten Year Bond					Kookmin Bank		
	98,350,000	1.400% due 20/03/20	864	0.22		230,000	2.125% due 21/10/20	212	0.05
	128,250,000	1.300% due 20/03/21	1,138	0.29			Korea Housing Finance Corp		
		Japan Government Thirty Year Bond				300,000	2.000% due 11/10/21	271	0.07
	136,450,000	2.000% due 20/12/33	1,432	0.37			Korea International Bond		
	109,500,000	2.300% due 20/03/35	1,199	0.31		600,000	2.125% due 10/06/24	659	0.17
	17,000,000	2.400% due 20/03/37	190	0.05				1,479	0.38
	33,750,000	2.000% due 20/03/42	364	0.09			Liberia (0.07%)		
	58,200,000	1.700% due 20/12/43	596	0.15			Royal Caribbean Cruises Ltd		
	10,000,000	1.700% due 20/09/44	103	0.03		250,000	5.250% due 15/11/22	254	0.07
	9,450,000	1.500% due 20/12/44	93	0.02					
	103,000,000	0.300% due 20/06/46	749	0.19					
		Japan Government Twenty Year Bond							
	36,000,000	2.100% due 20/12/27	367	0.09					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount			Fair Value EUR '000	Fund %
EUR	400,000	Luxembourg (0.83%)				200,000	4.150% due 28/03/27	190	0.05
		Altice Luxembourg SA			EUR	408,000	3.625% due 09/04/29	444	0.11
		7.250% due 15/05/22				314,000	4.000% due 15/03/15	274	0.07
		Compartment Driver UK Two SA					Petroleos Mexicanos		
GBP	24,114	0.677% due 25/01/23				130,000	4.875% due 21/02/28	134	0.04
		European Investment Bank					Sigma Alimentos SA de CV		
AUD	1,050,000	6.500% due 07/08/19			USD	200,000	4.125% due 02/05/26	183	0.05
	1,280,000	6.000% due 06/08/20						9,862	2.54
USD	66,000	2.875% due 15/09/20					Morocco (0.18%)		
EUR	80,000	4.000% due 15/10/37					Morocco Government International Bond		
	36,000	1.750% due 15/09/45							
		European Stability Mechanism			EUR	200,000	4.500% due 05/10/20	224	0.06
					USD	263,000	4.250% due 11/12/22	255	0.06
	234,919	1.800% due 02/11/46					OCP SA		
		Holcim US Finance Sarl & Cie SCS				215,000	6.875% due 25/04/44	217	0.06
USD	230,000	5.150% due 12/09/23						696	0.18
		SES SA					Netherlands (1.46%)		
EUR	240,000	4.625%*			EUR	800,000	0.471% due 06/03/19	811	0.21
					USD	400,000	4.400% due 27/03/28	377	0.10
							ATF Netherlands BV		
		Macedonia (0.16%)			EUR	500,000	1.500% due 03/05/22	501	0.13
		Macedonia Government International Bond				100,000	1.500% due 15/07/24	96	0.03
	600,000	4.875% due 01/12/20					Cooperatieve Rabobank UA		
						200,000	6.875% due 19/03/20	236	0.06
		Malaysia (0.93%)					EDP Finance BV		
		Malaysia Government Bond			USD	240,000	4.125% due 15/01/20	231	0.06
MYR	6,320,000	4.048% due 30/09/21			EUR	100,000	1.125% due 12/02/24	96	0.02
	1,670,000	3.795% due 30/09/22				120,000	2.000% due 22/04/25	120	0.03
	780,000	3.800% due 17/08/23					Embraer Netherlands Finance BV		
	1,390,000	4.181% due 15/07/24			USD	220,000	5.050% due 15/06/25	212	0.05
	6,950,000	3.955% due 15/09/25				50,000	5.400% due 01/02/27	48	0.01
							LeasePlan Corp NV		
						300,000	2.500% due 16/05/18	281	0.07
USD	200,000	Mexico (2.54%)					Mylan NV		
		America Movil SAB de CV				115,000	3.950% due 15/06/26	105	0.03
		Mexican Bonos					Netherlands Government Bond		
MXN	31,280,000	8.000% due 11/06/20			EUR	240,000	1.250% due 15/01/19	248	0.06
	31,219,300	6.500% due 10/06/21				260,000	2.250% due 15/07/22	295	0.08
	904,800	10.000% due 05/12/24 ...				510,000	2.500% due 15/01/33	636	0.16
	34,620,000	10.000% due 05/12/24 ...				62,600	3.750% due 15/01/42	99	0.03
	25,760,000	5.750% due 05/03/26					NN Group NV		
	9,350,000	7.750% due 29/05/31				159,000	4.625% due 13/01/48	164	0.04
	5,500,000	8.500% due 18/11/38					Petrobras Global Finance BV		
	15,135,000	7.750% due 13/11/42			USD	30,000	4.375% due 20/05/23	27	0.01
		Mexican Udibonos			GBP	130,000	6.250% due 14/12/26	156	0.04
	901,300	4.500% due 04/12/25					Mexico Government International Bond		
USD	226,000	3.625% due 15/03/22					3.625% due 15/03/22		

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount					Fair Value EUR '000	Fund %	Principal Amount					Fair Value EUR '000	Fund %			
USD	180,000	2.800% due 21/07/23	160	0.04	660,000	2.875% due 15/10/25	636	0.16	Portugal Obrigacoes do Tesouro OT							
	110,000	3.150% due 01/10/26	95	0.02												
	53,000	4.100% due 01/10/46	43	0.01												
	Teva Pharmaceutical Finance Netherlands III BV															
EUR	100,000	1.125% due 02/10/23	100	0.03	120,000	2.875% due 28/10/24	129	0.03	Romania (0.03%) Romanian Government International Bond							
	300,000	1.875% due 30/03/27	303	0.08												
	90,000	2.500%*	89	0.02												
	Volkswagen International Finance NV															
USD	155,000	6.000% due 15/01/27	145	0.04	SGD	770,000	0.500% due 01/04/18	512	0.13	Singapore (1.30%) Singapore Government Bond						
			5,674	1.46		290,000	1.625% due 01/10/19	195	0.05							
	New Zealand (1.44%) Fonterra Co-operative Group Ltd					440,000	2.000% due 01/07/20	299	0.08							
						740,000	2.250% due 01/06/21	507	0.13							
AUD	400,000	4.500% due 30/06/21	297	0.08	250,000	1.250% due 01/10/21	164	0.04								
	New Zealand Government Bond					1,170,000	3.125% due 01/09/22	835	0.21							
	NZD	4,280,000	5.000% due 15/03/19	2,950	0.76	820,000	2.750% due 01/07/23	575	0.15							
		290,000	6.000% due 15/05/21	216	0.05	1,204,000	3.000% due 01/09/24	856	0.22							
340,000		6.000% due 15/05/21	253	0.06	540,000	2.375% due 01/06/25	369	0.10								
833,000		5.500% due 15/04/23	626	0.16	350,000	2.125% due 01/06/26	234	0.06								
	1,130,000	2.000% due 20/09/25	774	0.20	670,000	3.500% due 01/03/27	499	0.13								
	749,458	2.500% due 20/09/40	493	0.13			5,045	1.30								
						Slovakia (0.19%) Slovakia Government Bond										
	Norway (1.10%) Norway Government Bond					EUR	240,000	3.625% due 16/01/29	301	0.08						
NOK	1,557,000	4.500% due 22/05/19	183	0.05	420,000		1.875% due 09/03/37	421	0.11							
	15,230,000	3.750% due 25/05/21	1,848	0.47				722	0.19							
	8,365,000	2.000% due 24/05/23	955	0.25	Slovenia (0.18%) Slovenia Government International Bond											
	3,410,000	3.000% due 14/03/24	413	0.11	USD	647,000	5.500% due 26/10/22	681	0.18							
8,000,000	1.500% due 19/02/26	870	0.22													
						South Africa (1.02%) South Africa Government Bond										
						ZAR	2,800,000	8.000% due 21/12/18	196	0.05						
PLN	2,470,000	1.500% due 25/04/20	569	0.14	17,290,000		6.750% due 31/03/21	1,160	0.30							
	2,630,000	2.000% due 25/04/21	606	0.15	133,481		6.750% due 31/03/21	9	0.00							
	1,190,000	1.750% due 25/07/21	270	0.07	18,000,000		10.500% due 21/12/26 ..	1,389	0.36							
	4,985,000	4.000% due 25/10/23	1,242	0.32	12,800,000	7.000% due 28/02/31	736	0.19								
	3,300,000	2.500% due 25/07/26	726	0.19	9,480,000	6.500% due 28/02/41	467	0.12								
								3,957	1.02							
	Poland (0.97%) Poland Government International Bond					EUR	Spain (1.13%) Autonomous Community of Catalonia									
	EUR	110,000	5.625% due 20/06/18	118	0.03		650,000	4.750% due 04/06/18	678	0.17						
250,000		2.375% due 18/01/36	260	0.07	100,000		5.900% due 28/05/30	105	0.02							
					30,000		4.220% due 26/04/35	26	0.01							

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount			Fair Value EUR '000	Fund %
		Inmobiliaria Colonial SA							
	200,000	1.450% due 28/10/24	190	0.05			Tunisia (0.11%)		
		Instituto de Credito Oficial					Banque Centrale de Tunisie International Bond		
CAD	200,000	5.000% due 31/03/20	149	0.04					
		Santander Issuances SAU			EUR	430,000	5.625% due 17/02/24	431	0.11
USD	200,000	5.179% due 19/11/25	194	0.05					
		Spain Government Bond					United Arab Emirates (0.11%)		
	110,000	4.000% due 30/04/20	124	0.03			Dubai Electricity & Water Authority		
EUR	210,000	5.850% due 31/01/22	265	0.07					
	800,000	2.750% due 31/10/24	891	0.23	USD	225,000	7.375% due 21/10/20	243	0.06
	978,000	1.950% due 30/04/26	1,016	0.26			Emirates Telecommunications Group Co PJSC		
	80,000	5.150% due 31/10/28	108	0.03					
	350,000	4.200% due 31/01/37	444	0.11		200,000	2.375% due 18/06/19	188	0.05
	50,000	5.150% due 31/10/44	72	0.02				431	0.11
	140,000	3.450% due 30/07/66	148	0.04					
			4,410	1.13			United Kingdom (4.21%)		
		Sweden (0.35%)			GBP	30,826	0.654% due 01/10/41	36	0.01
		Nordea Bank AB					Aviva Plc		
	473,000	0.121% due 22/02/19	476	0.12	EUR	135,000	6.125% due 05/07/43	160	0.04
USD	200,000	2.250% due 27/05/21	184	0.05			Barclays Bank Plc		
		Stadshypotek AB			USD	400,000	7.750% due 10/04/23	394	0.10
	300,000	2.500% due 05/04/22	280	0.07			Barclays Plc		
		Sweden Government Bond				200,000	4.950% due 10/01/47	188	0.05
SEK	2,395,000	1.500% due 13/11/23	272	0.07	GBP	200,000	7.250%*	236	0.06
	1,295,000	2.500% due 12/05/25	158	0.04			BP Capital Markets Plc		
			1,370	0.35	USD	100,000	1.386% due 14/08/18	94	0.02
		Switzerland (0.44%)					Business Mortgage Finance 7 Plc		
		Credit Suisse Group AG			GBP	313,727	2.358% due 15/02/41	351	0.09
USD	200,000	7.125%*	194	0.05			Co-Operative Bank Plc		
		Eurofima				150,000	4.750% due 11/11/21	197	0.05
AUD	680,000	6.250% due 28/12/18	518	0.13		107,654	1.595% due 20/12/52	126	0.03
		Raiffeisen Schweiz Genossenschaft					E-Carat 3 Plc		
CHF	245,000	3.000%*	239	0.06		13,613	0.726% due 18/03/22	16	0.00
		Switzerland Government Bond				168,513	0.507% due 10/12/44	193	0.05
	155,000	3.000% due 12/05/19	157	0.04		26,727	0.504% due 13/03/45	30	0.01
	100,000	1.500% due 24/07/25	107	0.03			FCE Bank Plc		
	51,000	1.250% due 27/06/37	57	0.02	EUR	100,000	1.528% due 09/11/20	103	0.03
		UBS AG					Friary No 2 Plc		
USD	200,000	4.750% due 22/05/23	192	0.05	GBP	54,497	0.931% due 21/10/46	64	0.02
		UBS Group Funding Switzerland AG					Gemgarto Plc		
	260,000	4.253% due 23/03/28	247	0.06		100,000	2.608% due 14/05/45	117	0.03
			1,711	0.44		250,000	2.458% due 16/02/47	288	0.07
		Thailand (0.10%)				63,099	1.808% due 16/02/54	74	0.02
		Thailand Government Bond					Great Hall Mortgages No 1 Plc		
THB	13,126,000	5.625% due 12/01/19	382	0.10	EUR	450,000	0.201% due 18/06/39	343	0.09

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount			Fair Value EUR '000	Fund %
		HBOS Plc			EUR	318,000	2.000% due 08/03/23	321	0.08
	60,000	4.500% due 18/03/30	68	0.02	USD	450,000	3.875% due 12/09/23	415	0.11
		HSBC Bank Plc				315,000	5.125% due 28/05/24	298	0.08
USD	200,000	1.679% due 15/05/18	188	0.05		100,000	7.640%*	88	0.02
		HSBC Holdings Plc					Santander UK Group Holdings Plc		
	300,000	3.400% due 08/03/21	287	0.07		100,000	3.125% due 08/01/21	94	0.02
	75,000	4.000% due 30/03/22	73	0.02		300,000	2.875% due 05/08/21	277	0.07
GBP	95,000	5.750% due 20/12/27	134	0.03		320,000	4.750% due 15/09/25	299	0.08
		Imperial Brands Finance Plc					Santander UK Plc		
USD	500,000	3.750% due 21/07/22	481	0.12	EUR	562,000	0.296% due 22/05/19	567	0.15
		Lloyds Bank Plc				200,000	2.250% due 17/11/25	212	0.05
EUR	263,000	10.375% due 12/02/24 ...	311	0.08			Standard Chartered Plc		
GBP	220,000	6.000% due 08/02/29	369	0.10	USD	380,000	5.700% due 26/03/44	368	0.09
USD	200,000	12.000%*	252	0.06			Tesco Plc		
		Mansard Mortgages Plc			GBP	75,000	5.000% due 24/03/23	97	0.03
GBP	164,862	0.994% due 15/12/49	181	0.05			Towd Point Mortgage Funding Plc		
		Nationwide Building Society				105,000	1.736% due 20/07/46	124	0.03
EUR	500,000	0.173% due 02/11/18	503	0.13			United Kingdom Gilt		
		Network Rail Infrastructure Finance Plc				70,000	5.000% due 07/03/25	108	0.03
	234,000	4.375% due 09/12/30	363	0.09		200,000	4.250% due 07/06/32	322	0.08
		NewDay Funding Plc				100,000	4.250% due 07/03/36	166	0.04
GBP	300,000	2.756% due 15/07/23	349	0.09		200,000	4.750% due 07/12/38	363	0.09
		OAK No.1 Plc				70,000	4.250% due 07/09/39	120	0.03
	42,159	1.024% due 26/02/52	49	0.01		200,000	4.250% due 07/12/40	348	0.09
		Paragon Secured Finance No 1 Plc				1,515,000	3.250% due 22/01/44	2,329	0.60
	164,227	2.358% due 15/11/35	182	0.05		500,000	3.500% due 22/01/45	807	0.21
		Precise Mortgage Funding Plc				75,000	4.250% due 07/12/55	155	0.04
	41,835	1.144% due 12/09/47	49	0.01		215,000	4.875% due 15/01/27	254	0.07
		RAC Bond Co Plc					Warwick Finance Residential Mortgages No One Plc		
	100,000	4.565% due 06/05/23	128	0.03		77,386	1.343% due 21/09/49	91	0.02
	206,000	4.870% due 06/05/26	268	0.07		300,000	2.543% due 21/09/49	332	0.09
		Residential Mortgage Securities 20 Plc						16,379	4.21
	36,468	0.622% due 10/08/38	41	0.01					
		Residential Mortgage Securities 21 Plc					United States (38.48%)		
	31,375	0.762% due 12/11/38	36	0.01			A10 Term Asset Financing LLC		
		Residential Mortgage Securities 22 Plc			USD	29,222	2.620% due 15/11/27	27	0.01
	28,688	0.718% due 14/11/39	32	0.01			Accredited Mortgage Loan Trust		
		Rmac Plc				560,000	1.262% due 25/04/36	497	0.13
EUR	34,011	Zero Coupon due 12/06/43	33	0.01		1,200,000	1.242% due 25/09/36	1,038	0.27
GBP	123,648	0.684% due 12/12/43	138	0.04			ACE Securities Corp		
		Rochester Financing No 2 Plc				334,005	1.666% due 25/05/35	313	0.08
	254,719	1.642% due 20/06/45	299	0.08			AFC Home Equity Loan Trust		
		Royal Bank of Scotland Group Plc				142	1.692% due 22/12/27	-	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %	Principal Amount		Fair Value EUR '000	Fund %
	Ally Auto Receivables Trust				Antero Resources Corp		
300,000	1.490% due 15/11/19	281	0.07	30,000	5.000% due 01/03/25	28	0.01
	Ally Financial Inc				Apple Inc		
135,000	3.500% due 27/01/19	127	0.03	764,000	1.285% due 03/05/18	717	0.18
95,000	4.125% due 13/02/22	89	0.02	640,000	1.174% due 02/08/19	599	0.15
	Ally Master Owner Trust				Asset-Backed Pass-Through Certificates		
200,000	1.394% due 15/02/21	187	0.05	200,000	1.641% due 25/07/35	156	0.04
	Alternative Loan Trust				AT&T Inc		
22,044	5.250% due 25/06/35	19	0.00	695,000	1.962% due 27/11/18	656	0.17
117,104	2.065% due 25/11/35	93	0.02	200,000	2.800% due 17/02/21	188	0.05
249,932	1.662% due 25/12/35	211	0.05	200,000	3.400% due 15/05/25	181	0.05
33,545	6.250% due 25/08/37	27	0.01	100,000	4.300% due 15/12/42	83	0.02
203,595	1.203% due 20/03/46	159	0.04	15,000	4.800% due 15/06/44	13	0.00
28,766	1.172% due 25/09/46	21	0.01	105,000	4.350% due 15/06/45	87	0.02
	American Airlines Pass Through Trust			109,000	4.750% due 15/05/46	95	0.02
205,000	4.950% due 15/02/25	196	0.05		Athene Global Funding		
	American Express Credit Account Master Trust			300,000	4.000% due 25/01/22	285	0.07
600,000	1.260% due 15/01/20	561	0.14		AvalonBay Communities Inc		
760,000	1.490% due 15/04/20	711	0.18	300,000	3.500% due 15/11/24	284	0.07
	American Express Credit Corp				Aviation Capital Group Corp		
300,000	1.609% due 30/10/19	281	0.07	300,000	7.125% due 15/10/20	321	0.08
	American Home Mortgage Assets Trust			195,000	4.875% due 01/10/25	196	0.05
289,446	1.362% due 25/02/47	159	0.04		BAMLL Commercial Mortgage Securities Trust		
	AmeriCredit Automobile Receivables			200,000	3.912% due 15/12/33	190	0.05
254,637	1.520% due 10/06/19	238	0.06		Banc of America Commercial Mortgage Trust		
	AmeriCredit Automobile Receivables Trust			220,000	5.850% due 10/06/49	207	0.05
58,756	1.520% due 08/01/19	55	0.01		Banc of America Funding Trust		
670,000	2.420% due 08/05/19	629	0.16	521,724	3.543% due 20/07/36	495	0.13
232,848	1.420% due 08/10/19	218	0.06	68,674	3.581% due 20/10/46	48	0.01
	Ameritrust Mortgage Securities Inc Asset-Backed Pass-Through Certificates			42,218	3.549% due 20/01/47	35	0.01
208,775	1.966% due 25/10/34	195	0.05		Banc of America Mortgage Trust		
410,000	2.101% due 25/03/35	350	0.09	79,860	3.252% due 25/05/35	72	0.02
	Anadarko Petroleum Corp				Bank of America Corp		
120,000	5.550% due 15/03/26	125	0.03	500,000	6.875% due 25/04/18	492	0.13
	Anheuser-Busch InBev Finance Inc			EUR 400,000	1.379% due 07/02/25	403	0.10
280,000	1.900% due 01/02/19	262	0.07	USD 130,000	3.950% due 21/04/25	121	0.03
105,000	2.650% due 01/02/21	99	0.03	80,000	4.183% due 25/11/27	75	0.02
265,000	3.650% due 01/02/26	251	0.06		Bay Area Toll Authority		
20,000	4.700% due 01/02/36	20	0.01	225,000	6.263% due 01/04/49	287	0.07
379,000	4.900% due 01/02/46	384	0.10		Bayview Commercial Asset Trust		
	Anheuser-Busch InBev Worldwide Inc			311,523	1.421% due 25/08/34	270	0.07
75,000	7.750% due 15/01/19	77	0.02		Bayview Opportunity Master Fund IVb Trust		
				113,314	3.598% due 28/02/32	106	0.03
					BCAP LLC Trust		

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
550,000	0.293% due 26/07/36	436	0.11		85,059	2.610% due 20/08/21	78	0.02
830,000	1.068% due 26/07/45	711	0.18			Charter Communications Operating LLC / Charter Communications Operating Capital		
89,623	3.329% due 25/01/35	82	0.02		150,000	6.484% due 23/10/45	162	0.04
136,480	3.260% due 25/03/35	129	0.03			Chevron Corp		
	Bear Stearns Alt-A Trust				500,000	1.537% due 16/05/18	470	0.12
37,382	3.272% due 25/09/35	30	0.01		270,000	1.547% due 16/11/18	254	0.07
123,163	3.236% due 25/11/35	95	0.02		250,000	2.100% due 16/05/21	232	0.06
285,098	3.239% due 25/01/36	233	0.06			CHL Mortgage Pass-Through Trust		
284,136	3.155% due 25/08/36	200	0.05		22,591	3.273% due 19/11/33	21	0.01
76,812	3.527% due 25/08/36	53	0.01		29,355	1.622% due 25/03/35	25	0.01
68,889	3.135% due 25/11/36	53	0.01		28,982	3.023% due 20/10/35	24	0.01
	Bear Stearns Asset Backed Securities I Trust				34,121	3.309% due 20/02/36	28	0.01
27,649	1.092% due 25/04/31	27	0.01			CIT Group Inc		
	Bear Stearns Mortgage Funding Trust				100,000	5.500% due 15/02/19	99	0.03
553,180	1.152% due 25/06/47	442	0.11			CIT Mortgage Loan Trust		
	Bear Stearns Second Lien Trust				173,092	2.341% due 25/10/37	161	0.04
125,528	1.491% due 25/12/36	116	0.03			Citibank Credit Card Issuance Trust		
	Bear Stearns Structured Products Inc				300,000	5.650% due 20/09/19	286	0.07
33,587	3.504% due 26/01/36	29	0.01		505,000	2.150% due 15/07/21	476	0.12
72,212	3.289% due 26/12/46	58	0.01			Citibank NA		
	Blackbird Capital Aircraft Lease Securitization Ltd				850,000	1.492% due 20/03/19	795	0.20
244,792	2.487% due 16/12/41	227	0.06			Citigroup Commercial Mortgage Trust		
	BLCP Hotel Trust				210,000	3.251% due 10/05/35	201	0.05
150,000	3.494% due 15/08/29	141	0.04			Citigroup Inc		
	BMW US Capital LLC				840,000	2.032% due 07/06/19	793	0.20
980,000	1.530% due 06/04/20	917	0.24		100,000	2.700% due 30/03/21	94	0.02
	BMW Vehicle Owner Trust				95,000	4.400% due 10/06/25	91	0.02
848,735	0.990% due 28/05/19	793	0.20		35,000	3.400% due 01/05/26	32	0.01
	Brambles USA Inc				85,000	3.200% due 21/10/26	76	0.02
200,000	4.125% due 23/10/25	192	0.05	EUR	180,000	1.500% due 26/10/28	175	0.05
	Broadcom Corp / Broadcom Cayman Finance Ltd					Citigroup Mortgage Loan Trust		
270,000	3.875% due 15/01/27	254	0.07	USD	933,090	2.980% due 25/08/36	757	0.19
	BXHTL Mortgage Trust				211,287	3.365% due 25/09/37	170	0.04
780,000	3.844% due 15/05/29	734	0.19			Citigroup Mortgage Loan Trust Inc		
450,000	4.223% due 15/05/29	424	0.11		29,727	3.534% due 25/03/34	28	0.01
	Capital Auto Receivables Asset Trust				200,000	1.502% due 25/01/36	168	0.04
157,665	1.690% due 22/10/18	147	0.04		1,413,000	1.252% due 25/08/36	1,195	0.31
	CBL & Associates LP					City of Chicago IL		
150,000	5.950% due 15/12/26	136	0.03		200,000	7.375% due 01/01/33	189	0.05
	CDGJ Commercial Mortgage Trust				200,000	6.314% due 01/01/44	168	0.04
130,490	2.312% due 15/12/27	122	0.03			COBALT CMBS Commercial Mortgage Trust		
	Celgene Corp				6,681	5.484% due 15/04/47	6	0.00
70,000	4.625% due 15/05/44	65	0.02			COMM Mortgage Trust		
	Centre Point Funding LLC				202,869	2.690% due 13/05/31	189	0.05

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
185,000	2.632% due 15/10/34	174	0.04		100,000	4.850% due 15/07/26	97	0.02
305,960	5.736% due 10/12/49	288	0.07		362,000	4.400% due 15/03/27	337	0.09
	ConocoPhillips Co					Energy Transfer Partners LP		
110,000	1.369% due 15/05/18	103	0.03		220,000	3.600% due 01/02/23	205	0.05
	Continental Airlines Pass Through Trust				100,000	5.150% due 15/03/45	89	0.02
205,000	6.125% due 29/04/18	199	0.05		85,000	6.125% due 15/12/45	85	0.02
	Countrywide Asset-Backed Certificates					Exelon Corp		
741,861	1.732% due 25/12/34	697	0.18		160,000	3.497% due 01/06/22	151	0.04
278,657	5.555% due 25/04/36	260	0.07			Express Scripts Holding Co		
158,984	5.588% due 25/08/36	148	0.04		225,000	4.500% due 25/02/26	216	0.06
234,288	1.322% due 25/12/36	113	0.03			Exxon Mobil Corp		
	CPS Auto Receivables Trust				195,000	1.281% due 15/03/19	183	0.05
14,308	1.110% due 15/11/18	13	0.00			Fannie Mae Grantor Trust		
	Crown Castle International Corp				35,991	6.000% due 25/02/44	38	0.01
160,000	3.400% due 15/02/21	152	0.04			Fannie Mae Pool		
	CSAB Mortgage Backed Trust			USD	860,000	3.500% due 15/04/31	837	0.22
48,703	5.684% due 25/12/36	22	0.01		67,875	2.887% due 01/12/34	66	0.02
	CSMC Trust				179,237	3.274% due 01/02/35	177	0.05
	Zero Coupon due 25/03/21	188	0.05		6,164	1.838% due 01/10/44	6	0.00
200,000	3.762% due 15/08/30	658	0.17		224,820	3.500% due 01/06/45	216	0.06
700,000	6.500% due 26/07/36	22	0.01		71,162	4.500% due 01/12/45	72	0.02
43,154	Delta Air Lines Pass Through Trust				280,360	4.000% due 01/04/46	275	0.07
166,750	4.250% due 30/07/23	160	0.04		46,262	4.500% due 01/07/46	47	0.01
249,202	1.182% due 25/08/47	194	0.05		465,415	2.500% due 01/10/46	415	0.11
	Deutsche Alt-B Securities Mortgage Loan Trust				5,000,000	3.000% due 15/04/46	4,635	1.19
35,363	5.886% due 25/10/36	30	0.01		180,000	4.000% due 15/04/46	177	0.05
	Diamond 1 Finance Corp / Diamond 2 Finance Corp				200,000	4.500% due 15/04/46	201	0.05
200,000	4.420% due 15/06/21	196	0.05		860,000	5.500% due 15/04/46	893	0.23
	Diamond Offshore Drilling Inc				855,000	3.000% due 15/05/46	791	0.20
30,000	4.875% due 01/11/43	20	0.01		5,175,000	3.500% due 15/05/46	4,941	1.27
	DSLA Mortgage Loan Trust				2,600,000	3.500% due 15/06/46	2,477	0.64
330,337	1.814% due 19/09/44	298	0.08			Fannie Mae REMIC Trust		
	DT Auto Owner Trust				135,549	6.000% due 25/07/44	145	0.04
187,026	1.560% due 15/06/20	175	0.05			Fannie Mae REMICS		
80,000	3.540% due 15/10/21	76	0.02		20,838	1.632% due 25/09/23	20	0.01
	DXC Technology Co				64,013	6.000% due 25/06/33	11	0.00
140,000	4.750% due 15/04/27	134	0.03		84,799	1.102% due 25/03/34	79	0.02
	Education Realty Operating Partnership LP				33,920	6.000% due 25/04/43	36	0.01
400,000	4.600% due 01/12/24	377	0.10		218,739	1.332% due 25/09/42	203	0.05
	EMC Mortgage Loan Trust					FedEx Corp		
32,654	1.722% due 25/05/40	28	0.01		100,000	4.550% due 01/04/46	94	0.02
	Enable Midstream Partners LP					First Franklin Mortgage Loan Trust		
					417,495	1.472% due 25/09/35	385	0.10
						First Horizon Alternative Mortgage Securities Trust		
					431,309	1.632% due 25/11/35	268	0.07
					192,972	1.682% due 25/12/35	127	0.03
						First Horizon Asset Securities Inc		
					39,900	5.250% due 25/03/35	39	0.01

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

	Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
		FirstEnergy Corp				Inc			
	164,000	4.250% due 15/03/23	159	0.04		90,000	3.850% due 08/07/24	86	0.02
		Flagship Credit Auto Trust				560,000	3.500% due 16/11/26	513	0.13
	16,182	1.430% due 16/12/19	15	0.00			Government National Mortgage Association		
		Ford Credit Auto Lease Trust				263,914	1.290% due 20/06/65	245	0.06
	248,104	1.110% due 15/02/19	232	0.06		370,519	1.430% due 20/07/65	344	0.09
	300,000	1.134% due 15/11/19	281	0.07		271,818	1.430% due 20/07/65	252	0.06
		Ford Motor Credit Co LLC				282,298	1.430% due 20/09/65	262	0.07
AUD	310,000	4.050% due 10/12/18	225	0.06		492,857	1.350% due 20/10/65	459	0.12
		Freddie Mac Gold Pool				392,947	1.580% due 20/12/65	367	0.09
USD	54,287	4.500% due 01/07/39	55	0.01		196,543	1.000% due 20/01/66	186	0.05
	325,551	4.000% due 01/04/46	321	0.08		298,404	1.680% due 20/04/66	280	0.07
	438,784	4.000% due 01/02/47	433	0.11		200,000	1.290% due 20/02/67	187	0.05
	150,000	4.000% due 15/04/46	147	0.04			GP Portfolio Trust		
USD	450,000	5.000% due 15/04/46	458	0.12		111,717	2.194% due 15/02/27	105	0.03
		Freddie Mac Structured Agency Credit Risk Debt Notes					Great Plains Energy Inc		
	250,000	5.132% due 25/01/25	249	0.06		66,000	3.150% due 01/04/22	62	0.02
		Freeport-McMoRan Inc				326,000	3.900% due 01/04/27	308	0.08
	5,000	5.400% due 14/11/34	4	0.00		179,000	4.850% due 01/04/47	172	0.04
	50,000	5.450% due 15/03/43	40	0.01			Greenpoint Manufactured Housing		
		General Electric Co				430,173	7.270% due 15/06/29	414	0.11
	180,000	1.958% due 15/04/20	171	0.04			GreenPoint Mortgage Funding Trust		
	200,000	4.625% due 30/01/43	188	0.05		52,880	1.252% due 25/11/45	43	0.01
		General Mills Inc				200,000	1.261% due 25/03/47	153	0.04
	1,000,000	6.590% due 15/10/18	1,011	0.26		164,795	3.087% due 25/09/35	160	0.04
		General Motors Co				156,805	3.355% due 25/01/36	138	0.04
	40,000	5.200% due 01/04/45	37	0.01			HarborView Mortgage Loan Trust		
		General Motors Financial Co Inc				29,136	3.143% due 19/05/33	27	0.01
	125,000	4.000% due 15/01/25	118	0.03			HarborView Mortgage Loan Trust		
		Gilead Sciences Inc				38,624	1.174% due 19/07/46	21	0.01
	35,000	4.750% due 01/03/46	33	0.01			HCA Holdings Inc		
	135,000	4.150% due 01/03/47	118	0.03		70,000	6.250% due 15/02/21	71	0.02
		Ginnie Mae II Pool					HCA Inc		
	4,330	2.125% due 20/09/25	4	0.00		300,000	3.750% due 15/03/19	288	0.07
	3,702	2.125% due 20/09/26	4	0.00		100,000	6.500% due 15/02/20	103	0.03
	900,000	4.000% due 15/04/46	889	0.23		145,000	4.750% due 01/05/23	142	0.04
	500,000	4.500% due 15/04/46	499	0.13		20,000	5.000% due 15/03/24	20	0.01
USD	192,463	4.655% due 20/03/62	187	0.05		85,000	5.375% due 01/02/25	83	0.02
	102,377	3.095% due 20/10/63	102	0.03		5,000	5.250% due 15/04/25	5	0.00
	83,294	2.572% due 20/05/64	81	0.02			Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp		
	109,528	4.668% due 20/05/64	111	0.03		75,000	4.875% due 01/04/27	71	0.02
	75,946	4.638% due 20/07/64	77	0.02			Home Equity Asset Trust		
	115,514	4.669% due 20/07/64	117	0.03		562,000	1.401% due 25/04/36	491	0.13
	102,184	2.808% due 20/11/64	102	0.03		700,000	1.372% due 25/07/36	565	0.15
	85,411	2.932% due 20/11/64	85	0.02					
	138,377	4.561% due 20/02/65	140	0.04					
		Goldman Sachs Group							

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
316,000	1.271% due 25/08/36 Home Equity Mortgage Loan Asset-Backed Trust	278	0.07			JP Morgan Chase Commercial Mortgage Securities Trust		
557,500	1.151% due 25/07/37 Home Equity Mortgage Trust	331	0.09		21,623	2.744% due 15/12/30	20	0.01
					124,260	1.974% due 15/07/31	116	0.03
84,269	6.000% due 25/01/37 Honda Auto Receivables Owner Trust	30	0.01		160,000	6.173% due 12/02/51	152	0.04
260,866	1.130% due 17/09/18 Hospitality Properties Trust	244	0.06		135,959	5.716% due 15/02/51	129	0.03
189,558	1.040% due 21/02/19 Hudsons Bay Simon JV Trust	177	0.05		54,875	3.310% due 25/07/35	51	0.01
400,000	1.040% due 18/04/19 HSBC Bank USA NA	373	0.10		204,105	3.269% due 25/08/35	192	0.05
120,000	4.500% due 15/06/23 HSI Asset Securitization Corp Trust	116	0.03		255,819	7.000% due 25/08/37	216	0.06
400,000	5.875% due 01/11/34 IndyMac INDA Mortgage Loan Trust	447	0.11			JP Morgan Resecuritization Trust		
221,902	1.172% due 25/02/36 Hyatt Hotel Portfolio Trust	206	0.05		31,202	2.461% due 26/09/35	29	0.01
340,000	4.633% due 05/08/34 IndyMac INDX Mortgage Loan Trust	316	0.08		715,171	2.497% due 26/01/37	574	0.15
310,000	4.712% due 15/11/29 International Bank for Reconstruction & Development	292	0.08			JPMorgan Chase & Co		
140,527	3.594% due 25/03/37 International Business Machines Corp	128	0.03		300,000	2.550% due 29/10/20	282	0.07
411,955	3.425% due 25/07/37 INVISTA Finance LLC	341	0.09		400,000	2.535% due 01/03/21	386	0.10
87,052	1.231% due 25/07/35 Iowa Tobacco Settlement Authority	72	0.02		300,000	3.875% due 01/02/24	292	0.08
180,705	1.048% due 25/06/37 IXIS Real Estate Capital Trust	123	0.03		70,000	3.125% due 23/01/25	64	0.02
180,000	2.500% due 29/07/25 Jefferies Group LLC	168	0.04		100,000	4.750% due 15/05/19	97	0.02
1,450,000	1.404% due 12/02/19 Johnson & Johnson	1,363	0.35			Kinder Morgan Inc		
340,000	4.250% due 15/10/19 Marathon Oil Corp	328	0.08		300,000	5.000% due 15/02/21	300	0.08
134,532	1.391% due 25/03/36 Macy's Retail Holdings Inc	81	0.02		200,000	5.550% due 01/06/45	192	0.05
364,450	1.591% due 25/03/36 Macy's Retail Holdings Inc	223	0.06			Kraft Heinz Foods Co		
737,283	1.151% due 25/08/36 Marathon Oil Corp	280	0.07		155,000	2.250% due 25/05/28	156	0.04
120,000	4.850% due 15/01/27 Marathon Oil Corp	115	0.03		USD 150,000	5.200% due 15/07/45	147	0.04
250,000	2.250% due 03/03/22 Marathon Oil Corp	234	0.06		55,000	4.375% due 01/06/46	48	0.01
						Ladder Capital Finance Holdings LLLP / Ladder Capital Finance Corp		
					85,000	5.250% due 15/03/22	80	0.02
					491,000	6.456% due 15/09/45	468	0.12
						Lehman ABS Manufactured Housing Contract Trust		
					450,000	6.630% due 15/04/40	455	0.12
						Lehman Brothers Holdings Inc		
					GBP 600,000	7.875% due 08/05/18	56	0.01
					363,708	1.181% due 25/11/46	294	0.08
						Liberty Mutual Group Inc		
					225,000	4.850% due 01/08/44	214	0.06
						Los Angeles County Public Works Financing Authority		
					100,000	7.488% due 01/08/33	126	0.03
						Macy's Retail Holdings Inc		
					99,000	4.375% due 01/09/23	92	0.02
						Marathon Oil Corp		
					148,000	2.800% due 01/11/22	133	0.03

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

		Principal Amount		Fair Value EUR '000	Fund %			Principal Amount		Fair Value EUR '000	Fund %
EUR			Marathon Petroleum Corp						Equity Loan Trust		
		110,000	4.750% due 15/09/44	93	0.02			450,000	1.471% due 25/10/35	374	0.10
		472,509	1.691% due 25/11/35	307	0.08				New York State Dormitory Authority		
		252,797	1.151% due 25/11/36	157	0.04			250,000	5.600% due 15/03/40	288	0.07
			Meccanica Holdings USA Inc						Newfield Exploration Co		
		100,000	6.250% due 15/01/40	99	0.03			40,000	5.375% due 01/01/26	39	0.01
			Merck & Co Inc					109,052	0.720% due 15/08/18	102	0.03
		605,000	1.412% due 18/05/18	568	0.15			270,213	0.750% due 15/07/19	253	0.07
			Merrill Lynch Mortgage Investors Trust					1,212,117	1.050% due 15/10/19	1,131	0.29
		292,866	1.602% due 25/08/28	264	0.07				Nomura Asset Acceptance Corp Alternative Loan Trust		
		75,215	2.543% due 25/10/35	70	0.02			550,846	1.591% due 25/12/34	482	0.12
		613,444	3.145% due 25/12/35	552	0.14			180,243	3.065% due 25/10/35	156	0.04
		147,357	2.960% due 25/02/36	137	0.04				Nomura Resecuritization Trust		
		421,474	1.582% due 25/09/36	373	0.10			500,000	0.928% due 26/10/36	395	0.10
		119,566	3.248% due 25/06/37	108	0.03			259,165	0.938% due 26/10/36	232	0.06
			MetLife Inc					644,916	1.604% due 26/06/46	577	0.15
		45,000	6.400% due 15/12/36	46	0.01			221,242	1.384% due 26/04/47	204	0.05
			Mid-State Capital Corp Trust						Novartis Capital Corp		
		262,667	6.497% due 15/08/37	266	0.07			640,000	1.800% due 14/02/20	599	0.15
			Moody's Corp						One Market Plaza Trust		
USD		160,000	1.750% due 09/03/27	164	0.04			653,000	4.142% due 10/02/32	600	0.15
			Morgan Stanley					250,000	4.146% due 10/02/32	237	0.06
		655,000	2.003% due 24/01/19	617	0.16				OneMain Financial Issuance Trust		
		457,000	2.625% due 17/11/21	425	0.11			125,000	4.100% due 20/03/28	120	0.03
			Morgan Stanley Capital I Trust						ONEOK Partners LP		
		250,000	5.871% due 11/06/42	238	0.06			200,000	8.625% due 01/03/19	208	0.05
		265,984	5.574% due 12/11/49	252	0.06				PACCAR Financial Corp		
		410,000	6.261% due 12/12/49	391	0.10			350,000	1.700% due 06/12/18	330	0.08
			Morgan Stanley Re-REMIC Trust					410,000	1.452% due 25/09/35	370	0.10
		100,000	6.040% due 12/08/45	94	0.02				Park Place Securities Inc Asset-Backed Pass-Through Certificates		
		545,000	1.298% due 26/04/47	366	0.09			510,000	2.107% due 25/03/35	447	0.11
			MPLX LP						Pfizer Inc		
		55,000	5.500% due 15/02/23	53	0.01			410,000	1.431% due 15/06/18	385	0.10
		65,000	4.500% due 15/07/23	63	0.02				Procter & Gamble Co		
		55,000	4.875% due 01/12/24	54	0.01			1,140,000	1.304% due 01/11/19	1,069	0.27
		55,000	4.875% due 01/06/25	54	0.01				Puttable Floating Option Taxable Notes		
		15,000	5.200% due 01/03/47	14	0.00				Zero Coupon due 15/04/46	131	0.03
			Nationstar Home Equity Loan Trust					140,000			
		946,000	1.312% due 25/09/36	767	0.20			275,000	1.300% due 15/04/46	257	0.07
		760,000	1.212% due 25/03/37	683	0.18				Quicken Loans Inc		
			Neuberger Berman Group LLC / Neuberger Berman Finance Corp					145,000	5.750% due 01/05/25	134	0.03
		50,000	4.500% due 15/03/27	48	0.01			668,193	1.142% due 25/01/37	535	0.14
			New Century Home					282,292	1.252% due 25/02/46	180	0.05
								204,946	1.192% due 25/04/46	98	0.03

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %		Principal Amount		Fair Value EUR '000	Fund %
175,492	1.162% due 25/06/46	71	0.02			Southern Power Co		
577,834	1.488% due 25/09/46	438	0.11	100,000	4.950% due 15/12/46		93	0.02
307,051	1.132% due 25/02/47	172	0.04		Southwestern Energy Co			
	RAMP Trust			35,000	4.100% due 15/03/22		31	0.01
1,036	1.551% due 25/06/32	1	0.00	220,000	6.700% due 23/01/25		204	0.05
	RBSCF Trust				Spirit Airlines Pass Through Trust			
150,000	5.695% due 16/09/40	140	0.04	201,455	4.450% due 01/04/24		193	0.05
	Regency Energy Partners LP / Regency Energy Finance Corp				SpringCastle America Funding LLC			
300,000	4.500% due 01/11/23	288	0.07	199,907	3.050% due 25/04/29		188	0.05
	Resource Capital Corp Ltd				Springleaf Finance Corp			
33,608	1.993% due 15/04/32	31	0.01	200,000	8.250% due 15/12/20		205	0.05
	RFMSI Trust				Structured Adjustable Rate Mortgage Loan Trust			
258,215	3.505% due 25/09/35	191	0.05	24,585	3.379% due 25/02/34		23	0.01
23,578	4.273% due 25/02/36	20	0.01	48,431	3.309% due 25/04/34		45	0.01
	Rib Floater Trust Various States			284,504	3.255% due 25/08/35		257	0.07
625,000	1.340% due 15/08/22	584	0.15		Structured Asset Investment Loan Trust			
	Sabine Pass Liquefaction LLC			264,684	1.171% due 25/04/36		233	0.06
160,000	5.625% due 01/03/25	162	0.04		Structured Asset Mortgage Investments II Trust			
100,000	5.875% due 30/06/26	103	0.03	286,207	1.202% due 25/05/36		230	0.06
126,000	4.200% due 15/03/28	117	0.03	248,069	1.102% due 25/08/36		201	0.05
	Santander Drive Auto Receivables Trust			37,891	1.172% due 25/07/46		29	0.01
109,947	1.760% due 15/01/19	103	0.03		Structured Asset Securities Corp Mortgage Loan Trust			
163,018	1.760% due 16/09/19	153	0.04					
500,000	3.780% due 15/10/19	475	0.12	304,254	1.152% due 25/12/36		264	0.07
200,000	1.490% due 18/02/20	187	0.05		Tender Option Bond Trust Receipts/Certificates			
240,000	2.650% due 17/08/20	226	0.06	300,000	0.690% due 01/08/49		280	0.07
500,000	2.600% due 16/11/20	470	0.12	515,000	0.950% due 01/08/49		482	0.12
	Saxon Asset Securities Trust				Tenet Healthcare Corp			
68,606	1.771% due 25/05/35	40	0.01	175,000	4.500% due 01/04/21		164	0.04
1,185,158	1.171% due 25/05/37	805	0.21	40,000	4.375% due 01/10/21		38	0.01
	Securitized Asset Backed Receivables LLC Trust				Terwin Mortgage Trust			
46,813	1.121% due 25/05/37	34	0.01	507,079	1.672% due 25/07/35		466	0.12
	Sequoia Mortgage Trust			234,031	1.212% due 25/04/37		216	0.06
199,389	1.343% due 20/07/33	176	0.05		Tesoro Corp			
	SM Energy Co			396,000	5.125% due 15/12/26		390	0.10
25,000	6.750% due 15/09/26	24	0.01	18,018	2.994% due 25/06/47		15	0.00
	SMB Private Education Loan Trust				Toyota Auto Receivables 2014-A Owner Trust			
200,000	1.230% due 17/06/24	187	0.05	652,236	1.180% due 17/06/19		610	0.16
	Smithfield Foods Inc				Trinity Rail Leasing LLC			
88,000	4.250% due 01/02/27	83	0.02	255,150	5.194% due 16/10/40		245	0.06
	Sofi Professional Loan Program				U.S. Treasury Bonds			
200,000	1.830% due 25/05/40	187	0.05	400,000	1.000% due 15/10/19		370	0.10
	Soundview Home Loan Trust			1,030,000	5.375% due 15/02/31		1,287	0.33
610,000	1.452% due 25/03/36	520	0.13	110,000	5.000% due 15/05/37		138	0.04
				610,000	4.250% due 15/05/39		697	0.18

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %	Principal Amount		Fair Value EUR '000	Fund %
200,000	4.375% due 15/05/40	232	0.06		Regents		
200,000	3.000% due 15/05/42	187	0.05	200,000	1.521% due 25/01/57	187	0.05
300,000	2.750% due 15/08/42	267	0.07		Verizon Communications Inc		
60,000	2.875% due 15/05/43	55	0.01	760,000	1.918% due 17/06/19	716	0.18
75,000	2.500% due 15/02/45	63	0.02	35,000	3.000% due 01/11/21	33	0.01
215,000	2.500% due 15/05/46	180	0.05	42,000	2.946% due 15/03/22	39	0.01
240,000	2.250% due 15/08/46	190	0.05	25,000	4.400% due 01/11/34	22	0.01
180,000	2.875% due 15/11/46	163	0.04	75,000	4.272% due 15/01/36	65	0.02
	U.S. Treasury Inflation Indexed Bonds			80,000	5.250% due 16/03/37	78	0.02
921,217	1.125% due 15/01/21	907	0.23	45,000	3.850% due 01/11/42	35	0.01
	U.S. Treasury Notes				Verizon Owner Trust		
3,930,000	3.750% due 15/11/18	3,826	0.98	110,000	1.680% due 20/05/21	103	0.03
1,705,000	1.500% due 31/12/18** .	1,602	0.41		Viacom Inc		
3,730,000	1.625% due 31/08/19	3,510	0.90	90,000	5.875% due 28/02/57	86	0.02
555,000	1.625% due 30/11/20	517	0.13		VOLT XLII LLC		
90,000	1.125% due 28/02/21	82	0.02	143,761	4.250% due 26/03/46	136	0.03
1,315,000	1.125% due 30/06/21	1,194	0.31		Wachovia Bank Commercial Mortgage Trust		
145,000	1.750% due 30/11/21	135	0.03	550,000	6.179% due 15/02/51	516	0.13
335,000	1.750% due 30/09/22	309	0.08		Wachovia Mortgage Loan Trust LLC		
55,000	1.375% due 30/06/23	49	0.01	37,846	3.207% due 20/03/37	34	0.01
585,000	1.375% due 31/08/23	521	0.13		Waldorf Astoria Boca Raton Trust		
240,000	2.250% due 31/12/23	225	0.06	480,000	5.262% due 15/06/29	450	0.12
2,355,000	1.500% due 15/08/26	2,038	0.52		Walgreens Boots Alliance Inc		
	United Airlines Pass Through Trust			70,000	2.600% due 01/06/21	66	0.02
65,566	5.375% due 15/08/21	64	0.02		WaMu Asset-Backed Certificates		
	United States Small Business Administration			452,417	1.232% due 25/04/37	205	0.05
68,993	6.290% due 01/01/21	68	0.02		WaMu Mortgage Pass-Through Certificates		
	U.S. Treasury Inflation Indexed Bonds			278,432	1.702% due 25/11/34	250	0.06
1,492,963	0.125% due 15/04/20	1,417	0.36	423,659	2.880% due 25/09/36	373	0.10
538,520	0.625% due 15/07/21	523	0.13	446,899	2.705% due 25/12/36	387	0.10
1,404,756	0.625% due 15/01/24	1,346	0.35	379,080	3.060% due 25/03/37	347	0.09
409,008	0.125% due 15/07/24	379	0.10	USD 75,840	2.743% due 25/04/37	62	0.02
768,810	0.250% due 15/01/25	713	0.18	458,489	1.312% due 25/01/45	414	0.11
307,149	0.375% due 15/07/25	288	0.07	794,867	1.212% due 25/04/45	706	0.18
4,776,480	0.625% due 15/01/26	4,550	1.17	420,614	1.302% due 25/08/45	381	0.10
1,245,867	0.125% due 15/07/26	1,137	0.29	269,675	1.252% due 25/12/45	241	0.06
240,790	2.375% due 15/01/27	266	0.07		Washington Mutual Mortgage Pass-Through Certificates		
231,788	1.750% due 15/01/28	245	0.06	182,077	5.750% due 25/01/36	149	0.04
559	2.500% due 15/01/29	1	0.00	347,780	1.082% due 25/06/37	261	0.07
147,691	3.875% due 15/04/29	191	0.05	58,916	1.602% due 25/07/46	37	0.01
1,086,516	2.125% due 15/02/41	1,290	0.33		Wells Fargo & Co		
1,737,047	1.375% due 15/02/44	1,793	0.46	750,000	2.440% due 04/03/21	719	0.18
201,343	0.750% due 15/02/45	180	0.05	200,000	2.269% due 31/10/23	191	0.05
409,876	1.000% due 15/02/46	389	0.10				
	US Bancorp						
180,000	1.556% due 25/04/19	169	0.04				
	US Bank NA						
800,000	1.473% due 24/01/20	749	0.19				
	Utah State Board of						

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount		Fair Value EUR '000	Fund %	
		Wells Fargo Mortgage Backed Securities Trust							Brazil (0.29%)
	164,042	3.051% due 25/09/34	156	0.04					Brazil Letras do Tesouro Nacional
	223,908	3.117% due 25/03/35	211	0.05	BRL	2,500,000			Zero Coupon due 01/10/17
	169,657	3.092% due 25/06/35	162	0.04		1,600,000		701	0.18
	57,525	3.137% due 25/10/35	54	0.01					Zero Coupon due 01/04/18
	187,957	3.101% due 25/05/36	168	0.04				430	0.11
	94,241	3.101% due 25/05/36	84	0.02				1,131	0.29
		Western Gas Partners LP							Denmark (1.44%)
	100,000	5.450% due 01/04/44	96	0.02	DKK	7,100,000			BRFkredit A/S
		Westlake Automobile Receivables Trust				4,600,000		966	0.25
	200,000	1.780% due 15/04/20	187	0.05				639	0.16
	225,000	5.750% due 15/03/21	209	0.05		4,800,000		658	0.17
		Wisconsin Power & Light Co				3,600,000		493	0.13
	100,000	4.100% due 15/10/44	93	0.02					Nordea Kredit Realkreditaktieselskab
	185,000	4.500% due 01/04/27	175	0.05		8,700,000			Nykredit Realkredit A/S
		Zimmer Biomet Holdings Inc				3,600,000			2.000% due 01/01/18
						1,300,000			Realkredit Danmark A/S
						7,500,000			Zero Coupon due 01/04/17
								177	0.05
								1,027	0.26
								5,614	1.44
EUR	155,000	2.425% due 13/12/26	162	0.04					France (0.10%)
			149,643	38.48					BPCE SA
		Total Long Term Bonds and Notes	314,317	80.82	EUR	400,000		401	0.10
									Zero Coupon due 05/02/18
		Short Term Investments (7.74%) (2016: 5.50%)							Greece (0.05%)
		Argentina (0.05%)							Hellenic Republic Government International Bond
		Argentina Treasury Bill			JPY	24,000,000		194	0.05
		Zero Coupon due 26/05/17	93	0.03					
USD	100,000	Zero Coupon due 15/09/17	92	0.02					Mexico (0.45%)
		Argentina Treasury Bill							Mexican Bonos
		Zero Coupon due 15/12/17	90	0.02	MXN	1,600,000		80	0.02
USD	100,000		275	0.07		12,980,000		649	0.17
		Australia (0.44%)				28,000,000		138	0.04
		Australia Government Bond				15,000,000		74	0.02
AUD	1,680,000	5.500% due 21/01/18	1,236	0.32		42,000,000		203	0.05
		Queensland Treasury Corp				44,000,000		205	0.05
NZD	640,000	7.125% due 18/09/17	428	0.11					Petroleos Mexicanos
		Telstra Corp Ltd			USD	400,000		386	0.10
AUD	80,000	4.000% due 15/11/17	58	0.01				1,735	0.45
			1,722	0.44					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount			Fair Value EUR '000	Fund %	Principal Amount			Fair Value EUR '000	Fund %
EUR	517,000	Morocco (0.14%)							
		Morocco Government International Bond			500,000	6.000% due 27/11/17	481	0.12	
		5.375% due 27/06/17			100,000	5.250% due 15/03/18	96	0.02	
USD	760,000	Netherlands (0.68%)			675,000	1.526% due 14/08/17	632	0.16	
		Cooperatieve Rabobank UA			1,160,000	1.239% due 28/07/17	1,085	0.28	
		Zero Coupon due 07/04/17							
		Zero Coupon due 15/01/18			1,400,000	12/04/17	1,308	0.34	
EUR	400,000	EDP Finance BV			300,000	Zero Coupon due 17/04/17	280	0.07	
		6.000% due 02/02/18							
		ING Bank NV			800,000	Zero Coupon due 21/04/17	748	0.19	
		0.172% due 19/02/18			500,000	Zero Coupon due 26/04/17	467	0.12	
USD	715,000	Shell International Finance BV							
		1.354% due 10/05/17			530,000	Federal National Mortgage Association 0.875% due 08/02/18	495	0.13	
		Vonovia Finance BV							
	300,000	3.200% due 02/10/17							
				2,648					
				0.68	AUD	600,000	3.730% due 29/11/17	431	0.11
					EUR	500,000	0.371% due 18/12/17	502	0.13
NZD	2,170,000	New Zealand (0.38%)							
		New Zealand Government Bond							
		6.000% due 15/12/17			500,000	1.004% due 15/10/17	467	0.12	
					NZD	500,000	6.000% due 15/12/17	335	0.08
AUD	600,000	Sweden (0.11%)							
		Stadshypotek AB			USD	250,000	2.056% due 25/01/18	235	0.06
		4.250% due 10/10/17							
					325,000	1.750% due 17/05/17	304	0.08	
USD	400,000	United Kingdom (0.48%)							
		Experian Finance Plc			400,000	Zero Coupon due 25/05/10	24	0.01	
		2.375% due 15/06/17			500,000	6.200% due 26/09/14	30	0.01	
		Lloyds Bank Plc							
EUR	1,000,000	0.211% due 21/08/17			400,000	Pfizer Inc 1.189% due 15/05/17	374	0.10	
		Santander UK Plc			300,000	2.504% due 24/11/17	282	0.07	
		0.222% due 12/02/18							
					83,632	0.760% due 15/03/18	78	0.02	
USD	250,000								
		American Express Credit Corp							
		1.125% due 05/06/17							
		1.456% due 22/09/17							
	500,000				250,000	Toyota Motor Credit Corp 1.350% due 05/12/17	234	0.06	
		AT&T Inc							
		1.700% due 01/06/17			500,000	1.506% due 09/06/17	468	0.12	
		Bank of America Corp							
	600,000	6.400% due 28/08/17							
		2.000% due 11/01/18							
		2.226% due 22/03/18							
		BMW US Capital LLC			300,000	1.600% due 20/11/17	280	0.07	
	400,000	1.404% due 02/06/17							
				12,080					
				3.11					

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %	Principal Amount		Fair Value EUR '000	Fund %
	Total Short Term Investments	30,095	7.74		Sumitomo Mitsui Banking Corp		
	Total Transferable Securities	344,412	88.56	1,050,000	1.399% due 10/08/17	983	0.25
						1,460	0.37
	Money Market Instruments (1.76%) (2016: 1.70%)				Sweden (0.35%)		
	United States (0.16%)			750,000	Nordea Bank AB		
	U.S. Treasury Bill				1.437% due 21/02/19	701	0.18
645,000	Zero Coupon due			700,000	Svenska Handelsbanken AB		
	15/06/17	602	0.16		1.524% due 18/05/17	654	0.17
						1,355	0.35
	Japan (1.60%)				Switzerland (0.12%)		
JPY	Japan Treasury Discount Bill			500,000	Credit Suisse Group AG		
	Zero Coupon due				1.920% due 12/09/17	467	0.12
150,000,000	06/04/17	1,259	0.32		United Kingdom (0.17%)		
140,000,000	Zero Coupon due				Barclays Bank Plc		
	24/04/17	1,175	0.30	700,000	1.804% due 06/11/17	654	0.17
280,000,000	Zero Coupon due				United States (0.24%)		
	08/05/17	2,351	0.61		State Street Bank & Trust Co		
10,000,000	Zero Coupon due				Zero Coupon due		
	15/05/17	84	0.02	250,000	13/04/17	234	0.06
120,000,000	Zero Coupon due				Wells Fargo Bank NA		
	22/05/17	1,007	0.26	760,000	1.580% due 05/10/17	711	0.18
40,000,000	Zero Coupon due					945	0.24
	19/06/17	336	0.09		Total Certificates of Deposit		
		6,212	1.60		Deposit	8,531	2.19
	Total Money Market Instruments	6,814	1.76		Commercial Paper (3.95%) (2016: 0.60%)		
	Certificates of Deposit (2.19%) (2016: 0.22%)				Australia (0.29%)		
	Canada (0.68%)				Commonwealth Bank of Australia		
1,375,000	Bank of Montreal				Zero Coupon due		
	1.367% due 16/08/18	1,285	0.33	760,000	17/05/17	711	0.18
350,000	Bank of Nova Scotia				Zero Coupon due		
	1.881% due 28/03/18	327	0.08	450,000	12/01/18	421	0.11
400,000	National Bank of Canada					1,132	0.29
	1.454% due 24/05/17	374	0.10		Canada (0.18%)		
700,000	Toronto-Dominion Bank				Bank of Nova Scotia		
	1.352% due 20/11/17	654	0.17	760,000	Zero Coupon due		
		2,640	0.68		07/11/17	711	0.18
	Finland (0.04%)				Denmark (0.17%)		
150,000	Nordea Bank Finland Plc				Danske Corp		
	1.502% due 07/06/17	140	0.04	720,000	Zero Coupon due		
	Germany (0.22%)				16/02/18	664	0.17
930,000	DZ Bank AG				France (0.51%)		
	1.427% due 16/08/18	870	0.22		Antalis SA		
	Japan (0.37%)				Zero Coupon due		
510,000	Mizuho Bank Ltd			500,000	07/04/17	467	0.12
	Zero Coupon due			500,000	Zero Coupon due	467	0.12
	13/04/17	477	0.12				

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Principal Amount		Fair Value EUR '000	Fund %	Principal Amount		Fair Value EUR '000	Fund %
	07/04/17				Korea Development Bank		
	Societe Generale SA			400,000	1.280% due 01/08/17	372	0.09
	Zero Coupon due				ONEOK Partners LP		
1,100,000	10/08/17	1,023	0.27	400,000	1.550% due 24/04/17	374	0.10
		1,957	0.51		Plains All American		
					Pipeline		
	Ireland (0.12%)			400,000	1.950% due 21/04/17	373	0.10
	Matchpoint Finance				Sheffield Receivable Corp		
	Plc				Zero Coupon due		
500,000	18/04/17	467	0.12	400,000	29/06/17	373	0.10
					Sumitomo Mitsui Banking		
	United Kingdom (0.32%)				Corp		
	Vodafone Group Plc				Zero Coupon due		
	Zero Coupon due			500,000	18/04/17	467	0.12
600,000	05/09/17	552	0.14		Toyota Motor Credit Corp		
	Zero Coupon due				Zero Coupon due		
760,000	28/09/17	705	0.18	600,000	03/07/17	561	0.14
		1,257	0.32		Viacom Inc		
				400,000	1.550% due 27/04/17	374	0.10
	United States (2.36%)				Victory Receivables Corp		
	Anheuser-Busch InBev			1,000,000	Zero Coupon due		
	Worldwide Inc				21/04/17	934	0.24
	Zero Coupon due					9,172	2.36
1,740,000	10/01/18	1,606	0.41		Total Commercial Paper		
	Atlantic Asset				15,360	3.95
	Securitization				Investment Funds (4.08%) (2016: 6.87%)		
	Zero Coupon due				Ireland (3.56%)		
300,000	03/04/17	280	0.07		Russell Investment		
	Atlantic Asset				Company III Plc Russell		
	Securitization LLC				Investments Euro		
	Zero Coupon due				Liquidity Fund - Class R		
250,000	11/04/17	234	0.06	7,730	Roll-Up Shares	7,716	1.98
	AutoNation Inc				Russell Investment		
400,000	1.400% due 06/04/17	374	0.10		Company III Plc The		
	Bell Canada			105	Sterling Liquidity Fund -		
300,000	1.220% due 17/04/17	280	0.07		Class R Roll-Up Shares ...	123	0.03
	Crown Point Capital Co				Russell Investment		
	Zero Coupon due				Company III Plc The U.S.		
500,000	08/05/17	467	0.12	6,396	Dollar Cash Fund II -		
	Ford Motor Credit Co				Class R Roll-Up Shares ...	6,023	1.55
	LLC					13,862	3.56
100,000	1.500% due 10/07/17	93	0.02		Luxembourg (0.52%)		
	General Mills Inc				Natixis International		
	Zero Coupon due			13,942	Funds LUX I Debt and		
250,000	04/04/17	234	0.06		Currencies Fund	2,007	0.52
	Gotham Funding Corp				Total Investment Funds	15,869	4.08
	Zero Coupon due				Total Investments		
500,000	18/04/17	467	0.12		excluding Financial		
	HSBC USA Inc				Derivative Instruments	390,986	100.54
	Zero Coupon due						
250,000	18/01/18	234	0.06				
	Kells Fundind LLC						
	Zero Coupon due						
1,150,000	05/05/17	1,075	0.28				

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Financial Derivative Instruments (0.54%) (2016: 1.06%)

Open Futures Contracts (0.25%)

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
		5 of 10 Year U.S. Treasury Note Futures Long Futures Contracts		
583	116.51	Expiring June 2017	-	0.00
		7 of Canada 10 Years Bond Futures Long Futures Contracts		
670	95.65	Expiring June 2017	4	0.00
		9 of Euro BTP Futures Long Futures Contracts		
1,157	128.56	Expiring June 2017	19	0.00
		2 of Japan 10 Years Bond Futures Long Futures Contracts		
2,520	1.26	Expiring June 2017	2	0.00
		5 of U.S. 2 Year Note Futures Long Futures Contracts		
1,009	100.87	Expiring June 2017	3	0.00
419	139.52	3 of U.S. Long Bond Futures Long Futures Contracts		
		Expiring June 2017	5	0.00
1,482	148.15	10 of U.S. Ultra Bond Futures Long Futures Contracts		
		Expiring June 2017	20	0.01
2,695	168.43	24 of Euro Schatz Futures Long Futures Contracts		
		Expiring June 2017	(1)	0.00
1,913	147.14	13 of Euro OAT Futures Long Futures Contracts		
		Expiring June 2017	(1)	0.00
9,098	131.86	69 of Euro Bobl Futures Long Futures Contracts		
		Expiring June 2017	(4)	0.00
3,399	1.26	27 of 10 Year Mini JGB Futures Long Futures Contracts		
		Expiring June 2017	4	0.00
287	95.64	3 of Canada 10 Years Bond Futures Long Futures Contracts		
		Expiring June 2017	2	0.00
14,282	109.82	130 of 5 Year U.S. Treasury Note Futures Long Futures Contracts		
		Expiring June 2017	28	0.01
6,772	147.39	46 of Long Gilt Bond Futures Long Futures Contracts		
		Expiring June 2017	90	0.02
1,820	130.03	14 of Euro BTP Futures Long Futures Contracts		
		Expiring June 2017	9	0.00
21,412	1.26	17 of Japan 10 Years Bond Futures Long Futures Contracts		
		Expiring June 2017	24	0.01
7,092	131.43	54 of Euro Bobl Futures Long Futures Contracts		
		Expiring June 2017	25	0.01

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
15,918	160.80	99 of Euro Bund Futures Long Futures Contracts Expiring June 2017	63	0.02
10,918	101.10	54 of U.S. 2 Year Note Futures Long Futures Contracts Expiring June 2017	10	0.00
39,444	115.93	339 of 14 Year U.S. Treasury Note Futures Long Futures Contracts Expiring June 2017	36	0.01
13,040	140.08	93 of U.S. Long Bond Futures Long Futures Contracts Expiring June 2017	76	0.02
16,657	67.71	247 of Australia 10 Years Bond Futures Long Futures Contracts Expiring June 2017	481	0.13
9,131	69.70	131 of Australia 3 Years Bond Futures Long Futures Contracts Expiring June 2017	30	0.01
1,857	132.64	14 of Euro Bobl Futures Long Futures Contracts Expiring June 2017	(12)	0.00
1,319	109.89	12 of 5 Year U.S. Treasury Note Futures Long Futures Contracts Expiring June 2017	2	0.00
1,259	1.26	1 of Japan 10 Years Bond Futures Long Futures Contracts Expiring June 2017	2	0.00
2,388	132.66	18 of Euro Bobl Futures Long Futures Contracts Expiring June 2017	(15)	0.00
13,260	91.45	58 of 90 Days Euro Futures Long Futures Contracts Expiring March 2019	14	0.00
6,396	91.37	28 of 90 Days Euro Futures Long Futures Contracts Expiring June 2019	8	0.00
9,777	100.28	39 of Euro Euribor 3 Months Futures Long Futures Contracts Expiring September 2017.....	1	0.00
17,692	109.89	161 of 5 Year U.S. Treasury Note Futures Long Futures Contracts Expiring June 2017	30	0.01
15,887	160.48	99 of Euro Bund Futures Long Futures Contracts Expiring June 2017	93	0.02
17,990	116.06	155 of 10 Year U.S. Treasury Note Futures Long Futures Contracts Expiring June 2017	62	0.02
135	67.63	2 of Australia 10 Years Bond Futures Long Futures Contracts Expiring June 2017	3	0.00
46,895	1.00	377 of Euro FX Currency Futures Long Futures Contracts Expiring June 2017	348	0.09

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
(5,835)	(112.21)	52 of Euro Schatz Futures Short Futures Contracts Expiring June 2017	(2)	0.00
(6,768)	(100.26)	27 of Euro Euribor 3 Months Futures Short Futures Contracts Expiring December 2017	-	0.00
(1,092)	(109.23)	10 of 5 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	(8)	0.00
(2,200)	(146.70)	15 of Long Gilt Bond Futures Short Futures Contracts Expiring June 2017	(37)	(0.01)
(168)	(167.90)	1 of 30 Year Euro Buxl Bond Futures Short Futures Contracts Expiring June 2017	(1)	0.00
(59,818)	(91.67)	261 of 90 Days Euro Futures Short Futures Contracts Expiring December 2018	37	0.01
(1,618)	(147.05)	11 of Euro OAT Futures Short Futures Contracts Expiring June 2017	-	0.00
(396)	(131.86)	3 of Euro Bobl Futures Short Futures Contracts Expiring June 2017	-	0.00
(7,573)	(109.75)	69 of 5 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	(22)	(0.01)
(16,468)	(147.04)	112 of Long Gilt Bond Futures Short Futures Contracts Expiring June 2017	(239)	(0.07)
(23,821)	(161.02)	148 of Euro Bund Futures Short Futures Contracts Expiring June 2017	(70)	(0.03)
(1,045)	(116.14)	9 of 10 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	(3)	0.00
(2,178)	(167.52)	13 of 30 Year Euro Buxl Bond Futures Short Futures Contracts Expiring June 2017	(14)	0.00
(1,120)	(124.40)	9 of 10 Year U.S. Ultra Bond Futures Short Futures Contracts Expiring June 2017	(7)	0.00
(1,191)	(148.91)	8 of U.S. Ultra Bond Futures Short Futures Contracts Expiring June 2017	(10)	0.00
(2,544)	(115.62)	22 of 10 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	(18)	(0.01)
(976)	(162.70)	6 of Euro Bund Futures Short Futures Contracts Expiring June 2017	8	0.00
(1,814)	(95.48)	19 of Canada 10 Years Bond Futures Short Futures Contracts Expiring June 2017	(15)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Notional Amount EUR '000	Average Cost Price EUR		Unrealised Gain (Loss) EUR '000	Fund %
(584)	(146.11)	4 of Long Gilt Bond Futures Short Futures Contracts Expiring June 2017	(12)	0.00
(1,044)	(130.55)	8 of Euro BTP Futures Short Futures Contracts Expiring June 2017	(1)	0.00
(1,261)	(1.26)	1 of Japan 10 Years Bond Futures Short Futures Contracts Expiring June 2017	-	0.00
(6,560)	(145.77)	45 of Euro OAT Futures Short Futures Contracts Expiring June 2017	(57)	(0.02)
(2,385)	(140.32)	17 of U.S. Long Bond Futures Short Futures Contracts Expiring June 2017	(12)	0.00
(3,688)	(92.21)	16 of 90 Days Euro Futures Short Futures Contracts Expiring September 2017.....	2	0.00
(3,453)	(92.08)	15 of 90 Days Euro Futures Short Futures Contracts Expiring December 2017	1	0.00
(1,619)	(101.17)	8 of U.S. 2 Year Note Futures Short Futures Contracts Expiring June 2017	-	0.00
(551)	(110.15)	5 of 5 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	-	0.00
(2,563)	(116.51)	22 of 10 Year U.S. Treasury Note Futures Short Futures Contracts Expiring June 2017	1	0.00
Unrealised gain on open futures contracts			1,543	0.40
Unrealised loss on open futures contracts			(561)	(0.15)
Net unrealised gain (loss) on open futures contracts			982	0.25

Open Forward Foreign Currency Exchange Contracts (0.16%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
07/04/2017	AUD 46	EUR 32	1	0.00
08/06/2017	AUD 2	EUR 1	-	0.00
04/04/2017	AUD 1,857	USD 1,420	(3)	0.00
07/04/2017	AUD 6,003	USD 4,589	(9)	0.00
04/04/2017	BRL 529	USD 169	(2)	0.00
04/04/2017	BRL 626	USD 200	(3)	0.00
04/04/2017	BRL 275	USD 88	(1)	0.00
04/04/2017	BRL 1,813	USD 577	(6)	0.00
08/06/2017	CAD 232	EUR 163	(1)	0.00
04/04/2017	CAD 259	USD 194	-	0.00
04/04/2017	CAD 186	USD 139	1	0.00
04/04/2017	CAD 3,766	USD 2,813	10	0.00
19/04/2017	CAD 2,358	USD 1,756	12	0.00

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Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
04/04/2017	CHF	702	USD	707	(6)	0.00
04/04/2017	CHF	1,435	USD	1,440	(6)	0.00
02/05/2017	CHF	2,137	USD	2,155	(15)	0.00
20/04/2017	CLP	1,480,944	USD	2,289	(51)	(0.01)
20/04/2017	CLP	67,047	USD	100	1	0.00
19/04/2017	COP	6,544,584	USD	2,257	(1)	0.00
19/04/2017	COP	492,450	USD	164	6	0.00
06/06/2017	CZK	4,040	EUR	150	-	0.00
03/04/2017	DKK	2,751	USD	397	(1)	0.00
02/01/2018	DKK	694	USD	102	-	0.00
02/01/2018	DKK	21	USD	3	-	0.00
07/04/2017	EUR	42	CAD	60	-	0.00
07/04/2017	EUR	720	CAD	1,010	12	0.00
08/06/2017	EUR	233	CAD	331	1	0.00
07/04/2017	EUR	330	CHF	354	(1)	0.00
07/04/2017	EUR	52	CZK	1,410	-	0.00
07/04/2017	EUR	212	DKK	1,575	-	0.00
21/06/2017	EUR	511	DKK	3,800	-	0.00
07/04/2017	EUR	1,961	GBP	1,698	(24)	(0.01)
07/04/2017	EUR	2,668	GBP	2,324	(49)	(0.01)
07/04/2017	EUR	251	GBP	217	(2)	0.00
07/04/2017	EUR	246	GBP	210	1	0.00
08/06/2017	EUR	1,425	GBP	1,238	(20)	(0.01)
21/06/2017	EUR	409	GBP	355	(5)	0.00
08/06/2017	EUR	2	HUF	700	-	0.00
21/06/2017	EUR	327	HUF	101,100	-	0.00
21/06/2017	EUR	218	HUF	67,395	-	0.00
07/04/2017	EUR	84	ILS	342	(4)	0.00
07/04/2017	EUR	798	JPY	98,000	(25)	(0.01)
07/04/2017	EUR	4,013	JPY	492,920	(123)	(0.04)
07/04/2017	EUR	68	JPY	8,303	(1)	0.00
08/06/2017	EUR	4,512	JPY	544,084	(51)	(0.01)
21/06/2017	EUR	15,784	JPY	1,903,160	(174)	(0.05)
21/06/2017	EUR	813	JPY	98,000	(8)	0.00
07/04/2017	EUR	972	MXN	22,385	(138)	(0.05)
08/06/2017	EUR	617	MXN	12,959	(18)	0.00
08/06/2017	EUR	521	MXN	10,958	(16)	0.00
07/04/2017	EUR	3,731	NOK	33,976	33	0.01
16/05/2017	EUR	3,842	NOK	33,976	149	0.04
21/06/2017	EUR	636	NOK	5,700	17	0.00
07/04/2017	EUR	69	NZD	105	-	0.00
08/06/2017	EUR	407	NZD	620	4	0.00
08/06/2017	EUR	389	NZD	598	-	0.00
08/06/2017	EUR	94	NZD	145	-	0.00
07/04/2017	EUR	520	PLN	2,284	(19)	0.00
21/06/2017	EUR	266	PLN	1,150	(4)	0.00
07/04/2017	EUR	156	SEK	1,486	-	0.00
07/04/2017	EUR	500	SEK	4,723	5	0.00
07/04/2017	EUR	75	SGD	115	(2)	0.00
07/04/2017	EUR	359	THB	13,577	(11)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
04/04/2017	EUR	24,920	USD	26,432	207	0.06
04/04/2017	EUR	21,561	USD	22,913	138	0.04
04/04/2017	EUR	37	USD	40	-	0.00
04/04/2017	EUR	2,277	USD	2,422	13	0.00
04/04/2017	EUR	12,916	USD	13,712	96	0.02
07/04/2017	EUR	11,154	USD	11,760	160	0.04
07/04/2017	EUR	1,213	USD	1,300	(2)	0.00
07/04/2017	EUR	11,155	USD	11,760	161	0.04
07/04/2017	EUR	44	USD	48	(1)	0.00
07/04/2017	EUR	955	USD	1,006	15	0.00
07/04/2017	EUR	1,184	USD	1,280	(12)	0.00
07/04/2017	EUR	1,523	USD	1,624	5	0.00
07/04/2017	EUR	196	USD	207	3	0.00
07/04/2017	EUR	11,177	USD	11,760	184	0.06
07/04/2017	EUR	4,363	USD	4,612	51	0.01
07/04/2017	EUR	189	USD	203	(1)	0.00
07/04/2017	EUR	11,173	USD	11,852	93	0.02
07/04/2017	EUR	11,166	USD	11,760	172	0.05
07/04/2017	EUR	528	USD	561	4	0.00
07/04/2017	EUR	11,148	USD	11,760	154	0.04
19/04/2017	EUR	1,112	USD	1,196	(6)	0.00
19/04/2017	EUR	61,069	USD	64,614	697	0.19
28/04/2017	EUR	813	USD	881	(9)	0.00
02/05/2017	EUR	14,957	USD	16,077	(55)	(0.01)
02/05/2017	EUR	22,334	USD	24,117	(188)	(0.06)
02/05/2017	EUR	22,521	USD	24,207	(83)	(0.03)
08/06/2017	EUR	404	USD	440	(6)	0.00
08/06/2017	EUR	11,409	USD	12,119	111	0.03
08/06/2017	EUR	93	USD	100	(1)	0.00
21/06/2017	EUR	820	USD	890	(9)	0.00
21/06/2017	EUR	25,873	USD	27,495	261	0.08
07/04/2017	EUR	206	ZAR	3,034	(6)	0.00
21/06/2017	EUR	749	ZAR	10,600	22	0.01
07/04/2017	GBP	655	EUR	746	20	0.01
07/04/2017	GBP	19,956	EUR	23,381	(51)	(0.01)
07/04/2017	GBP	19,956	EUR	23,381	(51)	(0.01)
07/04/2017	GBP	19,965	EUR	23,381	(41)	(0.01)
07/04/2017	GBP	353	EUR	404	9	0.00
07/04/2017	GBP	1,710	EUR	2,001	(2)	0.00
07/04/2017	GBP	19,954	EUR	23,381	(54)	(0.01)
08/06/2017	GBP	100	EUR	115	1	0.00
04/04/2017	GBP	3,532	USD	4,389	26	0.01
07/04/2017	GBP	400	USD	502	(2)	0.00
07/04/2017	GBP	3,691	USD	4,549	62	0.02
19/04/2017	GBP	4,726	USD	5,754	147	0.04
28/04/2017	GBP	236	USD	296	(1)	0.00
16/05/2017	IDR	237,745	USD	17	1	0.00
22/05/2017	IDR	1,859,340	USD	133	5	0.00
28/04/2017	ILS	1,104	USD	304	1	0.00
28/04/2017	INR	11,500	USD	177	-	0.00

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Russell Investment Company II plc
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Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
28/04/2017	INR	12,000	USD	184	-	0.00
21/06/2017	JPY	236,391	AUD	2,750	31	0.01
21/06/2017	JPY	69,015	KRW	700,000	(5)	0.00
04/04/2017	JPY	55,400	USD	484	13	0.00
07/04/2017	JPY	518,030	USD	4,557	86	0.02
21/06/2017	JPY	961,000	USD	8,411	223	0.07
08/06/2017	MXN	748	EUR	36	1	0.00
17/04/2017	MXN	1,344	USD	65	6	0.00
19/04/2017	MXN	3,022	USD	154	6	0.00
19/05/2017	MXN	3,000	USD	151	7	0.00
19/05/2017	MXN	3,000	USD	152	6	0.00
19/05/2017	MYR	1,330	USD	298	2	0.00
07/04/2017	NOK	2,974	EUR	322	1	0.00
07/04/2017	NOK	33,976	EUR	3,848	(150)	(0.05)
16/05/2017	NOK	2,629	EUR	287	(1)	0.00
16/05/2017	NOK	2,631	EUR	286	-	0.00
16/05/2017	NOK	2,629	EUR	287	(1)	0.00
19/05/2017	NOK	5,379	EUR	600	(15)	0.00
21/06/2017	NOK	5,005	EUR	546	(3)	0.00
21/06/2017	NOK	2,722	SEK	2,900	(8)	0.00
19/04/2017	NOK	24,159	USD	2,852	(36)	(0.01)
08/06/2017	NZD	619	EUR	403	(1)	0.00
07/04/2017	NZD	6,402	USD	4,556	(75)	(0.03)
19/04/2017	PLN	480	USD	118	3	0.00
28/04/2017	RUB	9,000	USD	156	2	0.00
07/04/2017	SEK	10,587	EUR	1,109	(1)	0.00
19/04/2017	SEK	26,987	USD	3,001	22	0.01
07/04/2017	TRY	275	USD	75	1	0.00
07/04/2017	TRY	1,175	USD	300	21	0.01
28/04/2017	TRY	546	USD	151	(1)	0.00
28/04/2017	TRY	547	USD	150	(1)	0.00
28/04/2017	TRY	220	USD	60	-	0.00
04/04/2017	USD	102	AUD	132	1	0.00
04/04/2017	USD	1,328	AUD	1,725	12	0.00
07/04/2017	USD	4,589	AUD	6,003	9	0.00
19/04/2017	USD	9,977	AUD	13,208	(89)	(0.03)
28/04/2017	USD	769	AUD	1,009	-	0.00
28/04/2017	USD	92	AUD	120	-	0.00
02/05/2017	USD	1,419	AUD	1,857	3	0.00
21/06/2017	USD	378	AUD	500	(3)	0.00
04/04/2017	USD	41	BRL	129	-	0.00
04/04/2017	USD	110	BRL	344	2	0.00
04/04/2017	USD	383	BRL	1,300	(25)	(0.01)
04/04/2017	USD	100	BRL	314	1	0.00
04/04/2017	USD	300	BRL	938	4	0.00
04/04/2017	USD	57	BRL	200	(6)	0.00
19/04/2017	USD	4,558	BRL	14,269	74	0.02
21/06/2017	USD	564	BRL	1,800	7	0.00
21/06/2017	USD	125	BRL	400	1	0.00
03/10/2017	USD	368	BRL	1,300	(24)	(0.01)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
03/10/2017	USD	326	BRL	1,200	(34)	(0.01)
03/04/2018	USD	474	BRL	1,600	5	0.00
04/04/2017	USD	3,216	CAD	4,211	54	0.01
19/04/2017	USD	145	CAD	194	(1)	0.00
02/05/2017	USD	2,814	CAD	3,766	(10)	0.00
21/06/2017	USD	1,450	CAD	1,957	(18)	0.00
04/04/2017	USD	2,151	CHF	2,137	15	0.00
07/04/2017	USD	6,455	CHF	6,498	(36)	(0.01)
19/04/2017	USD	3,938	CHF	3,980	(38)	(0.01)
21/06/2017	USD	239	CHF	240	(2)	0.00
19/05/2017	USD	648	CNH	4,478	(1)	0.00
19/04/2017	USD	65	COP	189,453	-	0.00
03/04/2017	USD	683	DKK	4,500	34	0.01
03/04/2017	USD	1,203	DKK	7,959	54	0.01
03/07/2017	USD	77	DKK	529	1	0.00
02/01/2018	USD	1,205	DKK	8,300	(7)	0.00
02/01/2018	USD	342	DKK	2,333	1	0.00
02/01/2018	USD	453	DKK	3,073	4	0.00
02/01/2018	USD	715	DKK	4,868	4	0.00
02/01/2018	USD	58	DKK	406	(1)	0.00
02/01/2018	USD	845	DKK	5,718	9	0.00
02/01/2018	USD	728	DKK	4,917	9	0.00
03/04/2018	USD	794	DKK	5,387	3	0.00
03/04/2018	USD	183	DKK	1,255	(1)	0.00
03/04/2018	USD	747	DKK	5,016	9	0.00
04/04/2017	USD	16,057	EUR	14,957	55	0.01
04/04/2017	USD	24,087	EUR	22,334	187	0.06
04/04/2017	USD	135	EUR	126	-	0.00
04/04/2017	USD	702	EUR	653	3	0.00
04/04/2017	USD	470	EUR	438	2	0.00
04/04/2017	USD	24,177	EUR	22,521	83	0.02
04/04/2017	USD	737	EUR	682	7	0.00
07/04/2017	USD	56	EUR	52	-	0.00
07/04/2017	USD	174	EUR	162	1	0.00
07/04/2017	USD	15,402	EUR	14,520	(121)	(0.04)
07/04/2017	USD	586	EUR	546	2	0.00
07/04/2017	USD	1,316	EUR	1,235	(4)	0.00
07/04/2017	USD	15,396	EUR	14,520	(127)	(0.04)
07/04/2017	USD	159	EUR	147	1	0.00
07/04/2017	USD	191	EUR	178	-	0.00
07/04/2017	USD	15,408	EUR	14,520	(116)	(0.04)
07/04/2017	USD	15,416	EUR	14,520	(108)	(0.04)
07/04/2017	USD	4,631	EUR	4,363	(34)	(0.01)
07/04/2017	USD	126	EUR	119	(1)	0.00
07/04/2017	USD	359	EUR	335	1	0.00
07/04/2017	USD	208	EUR	192	2	0.00
07/04/2017	USD	1,697	EUR	1,594	(8)	0.00
19/04/2017	USD	152	EUR	142	-	0.00
28/04/2017	USD	400	EUR	374	-	0.00
08/06/2017	USD	325	EUR	300	3	0.00

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Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
08/06/2017	USD	2,810	EUR	2,639	(19)	0.00
21/06/2017	USD	485	EUR	453	(1)	0.00
04/04/2017	USD	99	GBP	80	(1)	0.00
04/04/2017	USD	4,330	GBP	3,452	12	0.00
07/04/2017	USD	486	GBP	400	(13)	0.00
07/04/2017	USD	426	GBP	350	(11)	0.00
07/04/2017	USD	2,730	GBP	2,215	(37)	(0.01)
02/05/2017	USD	4,392	GBP	3,532	(26)	(0.01)
21/06/2017	USD	2,887	GBP	2,368	(74)	(0.03)
19/04/2017	USD	2,214	HUF	649,677	(35)	(0.01)
19/04/2017	USD	3,188	IDR	42,753,465	(15)	0.00
20/04/2017	USD	30	INR	2,031	(2)	0.00
04/04/2017	USD	994	JPY	111,600	(7)	0.00
06/04/2017	USD	342	JPY	40,000	(16)	0.00
06/04/2017	USD	683	JPY	80,000	(33)	(0.01)
06/04/2017	USD	256	JPY	30,000	(13)	0.00
07/04/2017	USD	2,734	JPY	310,818	(52)	(0.01)
19/04/2017	USD	4,196	JPY	477,978	(90)	(0.03)
19/04/2017	USD	129	JPY	14,288	1	0.00
24/04/2017	USD	885	JPY	100,000	(12)	0.00
24/04/2017	USD	350	JPY	40,000	(9)	0.00
28/04/2017	USD	421	JPY	46,714	1	0.00
28/04/2017	USD	400	JPY	44,766	(2)	0.00
08/05/2017	USD	266	JPY	30,000	(3)	0.00
08/05/2017	USD	2,219	JPY	250,000	(26)	(0.01)
15/05/2017	USD	88	JPY	10,000	(1)	0.00
22/05/2017	USD	265	JPY	30,000	(4)	0.00
22/05/2017	USD	795	JPY	90,000	(13)	0.00
19/06/2017	USD	262	JPY	30,000	(7)	0.00
19/06/2017	USD	87	JPY	10,000	(2)	0.00
23/06/2017	USD	1,219	KRW	1,400,245	(32)	(0.01)
23/06/2017	USD	120	KRW	138,109	(3)	0.00
23/06/2017	USD	366	KRW	419,453	(9)	0.00
19/04/2017	USD	2,611	MXN	51,484	(109)	(0.04)
25/05/2017	USD	138	MXN	2,800	(9)	0.00
01/06/2017	USD	74	MXN	1,500	(4)	0.00
21/06/2017	USD	538	MXN	10,800	(27)	(0.01)
17/08/2017	USD	204	MXN	4,200	(13)	0.00
01/03/2018	USD	210	MXN	4,400	(11)	0.00
07/04/2017	USD	4,577	NOK	38,463	92	0.02
19/04/2017	USD	113	NOK	970	1	0.00
19/04/2017	USD	13,830	NZD	19,940	(97)	(0.03)
19/04/2017	USD	2,400	PEN	7,846	(10)	0.00
19/04/2017	USD	2,193	PHP	110,820	(13)	0.00
19/04/2017	USD	376	PLN	1,533	(11)	0.00
19/05/2017	USD	90	RUB	5,423	(5)	0.00
19/05/2017	USD	168	RUB	10,100	(9)	0.00
19/05/2017	USD	42	RUB	2,539	(2)	0.00
17/05/2017	USD	773	SAR	2,900	-	0.00
07/04/2017	USD	1,842	SEK	16,616	(18)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
19/04/2017	USD	5,293	SGD	7,489	(62)	(0.02)
23/06/2017	USD	1,464	SGD	2,066	(15)	0.00
19/04/2017	USD	3,127	THB	109,131	(45)	(0.01)
23/06/2017	USD	610	TWD	18,886	(13)	0.00
23/06/2017	USD	1,937	TWD	59,765	(37)	(0.01)
07/04/2017	USD	300	ZAR	4,091	(5)	0.00
19/04/2017	USD	255	ZAR	3,360	5	0.00
05/05/2017	USD	229	ZAR	3,155	(5)	0.00
21/06/2017	USD	263	ZAR	3,500	5	0.00
07/04/2017	ZAR	297	USD	23	(1)	0.00
07/04/2017	ZAR	550	USD	44	(2)	0.00
07/04/2017	ZAR	3,245	USD	256	(14)	0.00
19/04/2017	ZAR	29,088	USD	2,217	(50)	(0.01)
Unrealised gain on open forward foreign currency exchange contracts					4,283	1.10
Unrealised loss on open forward foreign currency exchange contracts					(3,649)	(0.94)
Net unrealised gain (loss) on open forward foreign currency exchange contracts ...					634	0.16

Currency Options Purchased (0.00%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
United States (0.00%)			
600	Call at 0.76 USD AUD Expiring April 2017	2	0.00
600	Call at 114.00 USD JPY Expiring April 2017	-	0.00
300	Call at 115.00 USD JPY Expiring April 2017	-	0.00
600	Call at 115.50 USD JPY Expiring April 2017	-	0.00
71	Call at 3.45 USD TRY Expiring July 2017	6	0.00
600	Put at 111.00 USD JPY Expiring April 2017	2	0.00
600	Put at 112.00 USD JPY Expiring April 2017	4	0.00
Total currency options purchased at fair value (Premium paid EUR 32,410)		14	0.00

Currency Options Written ((0.01)%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
United States ((0.01)%)			
(600)	Call at 0.74 USD AUD Expiring April 2017	-	(0.00)
(600)	Call at 116.00 USD JPY Expiring April 2017	-	(0.00)
(600)	Call at 117.50 USD JPY Expiring April 2017	-	(0.00)
(300)	Call at 119.00 USD JPY Expiring April 2017	-	(0.00)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
(600)	Call at 13.10 USD ZAR Expiring April 2017	(7)	(0.00)
(100)	Call at 13.58 USD ZAR Expiring June 2017	(2)	(0.00)
(700)	Call at 14.00 USD ZAR Expiring June 2017	(8)	(0.00)
(100)	Call at 3.25 USD BRL Expiring April 2017	-	(0.00)
(600)	Call at 3.25 USD BRL Expiring April 2017	(2)	(0.00)
(400)	Call at 3.31 USD BRL Expiring June 2017	(3)	(0.00)
(500)	Call at 3.38 USD BRL Expiring June 2017	(5)	(0.00)
(800)	Call at 3.51 USD BRL Expiring September 2017.....	(12)	(0.01)
(300)	Put at 105.00 USD JPY Expiring April 2017	-	(0.00)
(600)	Put at 111.00 USD JPY Expiring April 2017	(2)	(0.00)
(600)	Put at 112.00 USD JPY Expiring April 2017	(6)	(0.00)
Total currency options written at fair value (Premium received EUR (50,791))		(47)	(0.01)

Futures Options Purchased (0.00%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
United States (0.00%)			
238	Put at 98.50 on Euro Future Option Expiring June 2017	1	0.00
Total futures options purchased at fair value (Premium received EUR 2,373)		1	0.00

Equity Options Written ((0.00)%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
United States ((0.00)%)			
(1,000)	Put at 101.20 on Fannie Mae Pool TBA Expiring May 2017	(2)	(0.00)
Total equity options written at fair value (Premium received EUR (3,786)).....		(2)	(0.00)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Swaptions Purchased (0.00%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
	Germany (0.00%)		
3,100	Call at 72.50 on 5 Year iTraxx Series 27 Expiring June 2017	5	0.00
	United States (0.01%)		
200	Put at 2.94 on 30 Year IRO Expiring August 2018	9	0.00
Total swaptions purchased at fair value (Premium paid EUR 21,858)		14	0.00

Swaptions Written ((0.00)%)

Notional Amount EUR '000	Description	Fair Value EUR '000	Fund %
	Germany ((0.00)%)		
(3,100)	Put at 90.00 on 5 Year iTraxx Series 27 Expiring June 2017	(5)	(0.00)
	United States ((0.00)%)		
(700)	Put at 2.80 on 5 Year IRO Expiring August 2018	(6)	(0.00)
Swaptions written at value (Premium received EUR (18,553))		(11)	(0.00)

Interest Rate Swaps (0.16%)

Ccy	Notional Amount '000	Fund Pays	Fund Receives	Termination Date	Fair Value EUR '000	Fund %
KRW	1,302,421	1.73%	KRW 3 Month KSDA	15/02/2022	-	0.00
EUR	262	1.49%	EUR 6 Month LIBOR	27/04/2047	(9)	(0.00)
USD	2,300	2.06%	USD 12 Month LIBOR	23/05/2027	5	0.00
HUF	181,590	1.67%	HUF 6 Month BUBOR	09/06/2022	(8)	(0.00)
GBP	240	1.35%	GBP 6 Month LIBOR	15/03/2067	(8)	(0.00)
CAD	300	2.30%	CAD 3 Month CDOR	15/12/2025	(10)	(0.00)
USD	6,500	2.00%	USD 3 Month LIBOR	16/12/2020	(52)	(0.02)
USD	2,500	2.25%	USD 3 Month LIBOR	16/12/2022	(26)	(0.01)
USD	2,700	2.25%	USD 3 Month LIBOR	15/06/2026	15	0.00
USD	4,800	2.00%	USD 3 Month LIBOR	15/06/2021	(30)	(0.01)
JPY	45,000	0.30%	JPY 6 Month LIBOR	18/03/2026	(3)	(0.00)
USD	42,200	1.50%	USD 3 Month LIBOR	15/06/2019	196	0.06
USD	2,600	1.45%	USD 3 Month LIBOR	28/06/2021	42	0.01

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Ccy	Notional Amount '000	Fund Pays	Fund Receives	Termination Date	Fair Value EUR '000	Fund %
GBP	300	1.00%	GBP 6 Month LIBOR	20/09/2022	(1)	(0.00)
GBP	1,600	1.50%	GBP 6 Month LIBOR	20/09/2027	(45)	(0.01)
GBP	700	1.75%	GBP 6 Month LIBOR	21/03/2048	(62)	(0.02)
KRW	1,700,000	KRW 3 Month KWDC	1.85%	30/07/2020	10	0.00
CAD	400	CAD 3 Month CDOR	5.80%	19/12/2023	53	0.01
JPY	329,000	JPY 6 Month LIBOR	1.50%	19/06/2033	433	0.12
JPY	100,000	JPY 6 Month LIBOR	0.50%	17/09/2021	16	0.00
JPY	420,000	JPY 6 Month LIBOR	0.25%	20/12/2019	21	0.01
JPY	56,000	JPY 6 Month LIBOR	1.25%	17/06/2035	57	0.01
JPY	160,000	JPY 6 Month LIBOR	0.50%	20/12/2021	28	0.01
JPY	120,000	JPY 6 Month LIBOR	0.00%	20/09/2019	(1)	(0.00)
GBP	400	GBP 12 Month UKRPI	3.40%	15/06/2030	7	0.00
GBP	540	GBP Less than Month UKRPI	3.14%	14/01/2030	(11)	(0.00)
Interest rate swaps at positive fair value					883	0.23
Interest rate swaps at negative fair value					(266)	(0.07)
Interest rate swaps at fair value					617	0.16

Credit Default Swaps ((0.02)%)

Ccy	Notional Amount '000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value EUR '000	Fund %
USD	2,600	Republic of Italy Government International Bond	#	1.00%	20/09/2020	(32)	(0.01)
EUR	24	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00
EUR	24	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00
EUR	59	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00
EUR	23	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	-	0.00
EUR	23	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	-	0.00
EUR	23	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	-	0.00
EUR	49	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00
EUR	25	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Ccy	Notional Amount ‘000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value EUR ‘000	Fund %
EUR	20	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	-	0.00
EUR	41	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	1	0.00
EUR	3	Anheuser-Busch InBev NV	#	1.00%	20/12/2020	-	0.00
USD	195	Stora Enso Oyj Republic of	1.00%	#	20/12/2020	(4)	(0.00)
USD	313	Korea Republic of	1.00%	#	20/12/2020	(7)	(0.00)
USD	147	Korea	1.00%	#	20/12/2020	(3)	(0.00)
EUR	228	Fortum OYJ	1.00%	#	20/06/2022	(3)	(0.00)
EUR	62	Fortum OYJ Mexico Government International	1.00%	#	20/06/2022	(1)	(0.00)
USD	182	Bond	1.00%	#	20/12/2021	1	0.00
USD	780	Mexico Government International Bond	1.00%	#	20/12/2021	5	(0.00)
USD	75	Argentina Republic Government International Bond	5.00%	#	20/06/2022	(4)	(0.00)
USD	199	Argentina Republic Government International Bond	5.00%	#	20/06/2022	(12)	(0.00)
USD	26	Argentina Republic Government International Bond	5.00%	#	20/06/2022	(2)	(0.00)
USD	887	CDX.NA.IG.28	1.00%	#	20/06/2022	(14)	(0.00)
USD	763	CDX.NA.IG.28	1.00%	#	20/06/2022	(12)	(0.00)
EUR	2,500	iTraxx Europe 27	1.00%	#	20/06/2022	(34)	(0.02)
EUR	600	Volkswagen AG Imperial Tobacco Group Plc	#	1.00%	20/09/2018	6	0.00
EUR	250	Imperial Tobacco Group Plc	#	1.00%	20/12/2020	5	0.00
EUR	150	Imperial Tobacco Group Plc	#	1.00%	20/12/2020	3	0.00
EUR	100	Imperial Tobacco Group Plc	#	1.00%	20/12/2020	2	0.00
EUR	50	Imperial Tobacco Group Plc	#	1.00%	20/12/2020	1	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Ccy	Notional Amount ‘000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value EUR ‘000	Fund %
EUR	100	LVMH Moet Hennessy Louis Vuitton SE	1.00%	#	20/12/2020	(3)	(0.00)
USD	149	Omnicom Group Inc	1.00%	#	20/12/2020	(4)	(0.00)
USD	112	Omnicom Group Inc	1.00%	#	20/12/2020	(3)	(0.00)
USD	75	Omnicom Group Inc	1.00%	#	20/12/2020	(2)	(0.00)
EUR	600	HSBC Bank Plc	1.00%	#	20/12/2020	(12)	(0.00)
EUR	100	LVMH Moet Hennessy Louis Vuitton SE	1.00%	#	20/12/2020	(3)	(0.00)
EUR	50	LVMH Moet Hennessy Louis Vuitton SE	1.00%	#	20/12/2020	(1)	(0.00)
EUR	100	LVMH Moet Hennessy Louis Vuitton SE	1.00%	#	20/12/2020	(3)	(0.00)
EUR	300	Standard Chartered Bank	1.00%	#	20/12/2021	6	0.00
EUR	200	Bayerische Landesbank	1.00%	#	20/12/2021	(4)	(0.00)
EUR	450	Bayerische Landesbank	1.00%	#	20/12/2021	(9)	(0.00)
EUR	200	Bayerische Landesbank	1.00%	#	20/12/2021	(4)	(0.00)
EUR	150	Carrefour SA	1.00%	#	20/06/2022	(2)	(0.00)
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	AXA SA	1.00%	#	20/06/2022	(3)	(0.00)
EUR	150	Accor SA	1.00%	#	20/12/2021	(1)	(0.00)
EUR	150	Electricite de France SA	1.00%	#	20/12/2021	(1)	(0.00)
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	Vivendi SA	1.00%	#	20/12/2021	(2)	(0.00)
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	iTraxx Europe 26	#	1.00%	20/12/2021	2	0.00
EUR	150	Bouygues SA	1.00%	#	20/12/2021	(3)	(0.00)
EUR	340	iTraxx Europe 26	#	1.00%	20/12/2021	5	0.00
EUR	290	iTraxx Europe 26	#	1.00%	20/12/2021	5	0.00
EUR	340	Banco Santander SA	1.00%	#	20/12/2021	(1)	(0.00)
EUR	420	iTraxx Europe 26	#	1.00%	20/12/2021	7	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Ccy	Notional Amount '000	Security Name	Fund Pays	Fund Receives	Termination Date	Fair Value EUR '000	Fund %
EUR	150	Banco Bilbao Vizcaya Argentaria SA	1.00%	#	20/12/2021	-	0.00
EUR	140	Banco Bilbao Vizcaya Argentaria SA	1.00%	#	20/12/2021	-	0.00
EUR	420	Iberdrola SA	1.00%	#	20/12/2021	(6)	(0.00)
USD	750	CDX.NA.HY.28	#	5.00%	20/06/2022	53	0.02
USD	3,750	CDX.NA.IG.28	1.00%	#	20/06/2022	(58)	(0.02)
EUR	1,126	iTraxx Europe Senior Financials	#	1.00%	20/06/2022	7	0.00
EUR	700	iTraxx Europe Senior Financials	#	1.00%	20/06/2022	4	0.00
USD	1,700	CDX.NA.HY.27	#	5.00%	20/12/2021	127	0.04
USD	2,300	CDX.NA.HY.28	5.00%	#	20/06/2022	(158)	(0.05)
USD	2,000	CDX.NA.IG.28	#	1.00%	20/06/2022	31	0.01
USD	400	Citigroup Inc	#	1.00%	20/12/2020	7	0.00
USD	600	MetLife Inc	#	1.00%	20/12/2021	7	0.00
USD	2,000	CDX.NA.IG.27	#	1.00%	20/12/2021	35	0.02
EUR	600	Tesco Plc	#	1.00%	20/06/2022	(27)	(0.01)
USD	1,000	PPG Industries Inc	0.82%	#	20/03/2018	(7)	(0.00)
Credit default swaps at positive fair value						335	0.09
Credit default swaps at negative fair value						(445)	(0.11)
Credit default swaps at fair value						(110)	(0.02)
Total Financial Derivative Instruments						2,092	0.54
						Fair Value EUR '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (102.36%)						398,059	102.36
Total Financial Liabilities at Fair Value through Profit or Loss ((1.28)%)						(4,981)	(1.28)
Net Financial Assets at Fair Value through Profit or Loss (101.08%)						393,078	101.08
Other Net Liabilities ((1.08)%)						(4,196)	(1.08)
Net Assets						388,882	100.00

In the event of bankruptcy or modified restructuring, the Fund will pay/receive the notional amount to/from the counterparty.

* Perpetual bonds.

** Partly held as collateral by the brokers and counterparties in connection with the margin requirements for futures held by the Fund.

Analysis of gross assets	% of gross assets
Transferable securities admitted to an official stock exchange listing	44.27
Transferable securities dealt in on a regulated market	28.54
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	7.85
Certificates of deposits	1.96
Commercial papers	3.53
Investment funds (UCITS)	3.64
Exchange traded financial derivative instruments	0.35
Over the counter financial derivative instruments	1.27

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

<u>Analysis of gross assets</u>	<u>% of gross assets</u>
Other assets	8.59
	100.00

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

<u>Broker/counterparty</u>	<u>Open Futures Contracts EUR'000</u>		<u>Open Forwards Foreign Currency Exchange Contracts EUR'000</u>		<u>Currency Options Purchased EUR'000</u>	
	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>
Bank of America Merrill Lynch	215	(113)	512	(150)	2	-
Credit Suisse	90	(49)	77	(41)	-	-
Goldman Sachs	877	(369)	118	(104)	-	-
State Street Bank	-	-	1,408	(875)	-	-
UBS AG	348	-	385	(321)	-	-
Other*	13	(30)	1,783	(2,158)	12	-
Total financial derivative assets	1,543	(561)	4,283	(3,649)	14	-

<u>Broker/counterparty</u>	<u>Currency Options Written EUR'000</u>		<u>Futures Options Purchased EUR'000</u>		<u>Equity Options Written EUR'000</u>	
	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>
Bank of America Merrill Lynch	-	(2)	-	-	-	-
Credit Suisse	-	(5)	-	-	-	(2)
Goldman Sachs	-	-	-	-	-	-
State Street Bank	-	-	-	-	-	-
UBS AG	-	-	-	-	-	-
Other*	-	(40)	1	-	-	-
Total financial derivative assets	-	(47)	1	-	-	(2)

<u>Broker/counterparty</u>	<u>Swaptions Purchased EUR'000</u>		<u>Swaptions Written EUR'000</u>		<u>Interest Rate Swaps EUR'000</u>	
	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>
Bank of America Merrill Lynch	-	-	-	-	-	-
Credit Suisse	-	-	-	-	866	(229)
Goldman Sachs	9	-	-	(6)	7	(11)
State Street Bank	-	-	-	-	-	-
UBS AG	-	-	-	-	-	-
Other*	5	-	-	(5)	10	(26)
Total financial derivative assets	14	-	-	(11)	883	(266)

<u>Broker/counterparty</u>	<u>Credit Default Swaps EUR'000</u>		<u>Total EUR'000</u>	
	<u>Gains</u>	<u>Losses</u>	<u>Gains</u>	<u>Losses</u>
Bank of America Merrill Lynch	-	-	729	(265)
Credit Suisse	55	(75)	1,088	(401)
Goldman Sachs	165	(163)	1,176	(653)
State Street Bank	-	-	1,408	(875)
UBS AG	-	-	733	(321)
Other*	115	(207)	1,939	(2,466)
Total financial derivative assets	335	(445)	7,073	(4,981)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

As at 31 March 2016

Broker/counterparty	Open Futures Contracts EUR'000		Open Forwards Foreign Currency Exchange Contracts EUR'000		Currency Options Written EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	118	(112)	1,444	(769)	-	(14)
Credit Suisse	52	(106)	56	(300)	-	(15)
Royal Bank of Canada	-	-	648	(1,144)	-	-
State Street Bank	-	-	6,005	(4,197)	-	-
UBS AG	-	-	1,437	(589)	-	(10)
Other**	1,759	(179)	4,218	(3,944)	-	(62)
Total financial derivative assets	1,929	(397)	13,808	(10,943)	-	(101)

Broker/counterparty	Futures Options Purchased EUR'000		Futures Options Written EUR'000		Swaptions Purchased EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	-	-	(14)	-	-
Credit Suisse	34	-	-	-	-	-
Royal Bank of Canada	-	-	-	-	-	-
State Street Bank	-	-	-	-	-	-
UBS AG	-	-	-	-	-	-
Other**	-	-	-	-	24	-
Total financial derivative assets	34	-	-	(14)	24	-

Broker/counterparty	Swaptions Written EUR'000		Interest Rate Swaps EUR'000		Credit Default Swaps EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	(8)	-	-	-	(114)
Credit Suisse	-	-	764	(834)	40	(13)
Royal Bank of Canada	-	-	-	-	-	-
State Street Bank	-	-	-	-	-	-
UBS AG	-	-	11	(3)	-	-
Other**	-	(9)	220	-	228	(303)
Total financial derivative assets	-	(17)	995	(837)	268	(430)

Broker/counterparty	Total EUR'000	
	Gains	Losses
Bank of America Merrill Lynch	1,562	(1,031)
Credit Suisse	946	(1,268)
Goldman Sachs	648	(1,144)
State Street Bank	6,005	(4,197)
UBS AG	1,448	(602)
Other*	6,449	(4,497)
Total financial derivative assets	17,058	(12,739)

* The brokers/counterparties included here are JP Morgan for futures contracts, Bank of Montreal, Barclays Bank, BNP Paribas, Brown Brothers Harriman, Citibank, Citigroup, Commonwealth Bank of Australia, Deutsche Bank, HSBC, JP Morgan, Morgan Stanley, National Australia Bank, Nomura, Royal Bank of Canada, Royal Bank of Scotland, Skandinaviska Enskilda Banken, Société Générale, Standard Chartered Bank, Toronto Dominion Bank and Westpac Banking Corporation for open forward foreign currency exchange contracts, Barclays Bank, Citibank, Citigroup, Deutsche Bank, HSBC and JP Morgan for currency options purchased, Commonwealth Bank of Australia for futures options purchased, Citigroup for swaptions purchased, Citigroup, JP Morgan for interest rate swaps, Barclays Bank, BNP Paribas, Citibank, Citigroup and JP Morgan for credit default swaps.

** The brokers/counterparties included here are Goldman Sachs, JP Morgan, RBC Capital Markets for futures contracts, Barclays Bank, BNP Paribas, Citibank, Citigroup, Commonwealth Bank of Australia, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Morgan Stanley, Nomura Global Financial Products, Royal Bank of Scotland, Société Générale, Standard Chartered Bank and Toronto Dominion Bank for open forward foreign currency exchange contracts, Barclays Bank, Citibank, Goldman Sachs, HSBC, JP Morgan and Morgan Stanley for currency options purchased, BNP Paribas, Citibank and Goldman Sachs for swaptions purchased, Barclays Bank, Citibank, Goldman Sachs, JP Morgan and Société Générale for interest rate swaps, Barclays Bank, BNP Capital Markets, BNP Paribas, Citibank, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan and Morgan Stanley for credit default swaps.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i))

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	342,433	1,979	344,412
Money market instruments	-	6,814	-	6,814
Certificate of deposits	-	8,531	-	8,531
Commercial paper	-	15,360	-	15,360
Investment funds	-	15,869	-	15,869
Unrealised gain on open futures contracts	1,543	-	-	1,543
Unrealised gain on open forward foreign currency exchange contracts	-	4,283	-	4,283
Currency options purchased at fair value	-	14	-	14
Options purchased at fair value	1	-	-	1
Swaptions purchased at fair value	-	14	-	14
Credit default swaps at fair value	-	335	-	335
Interest rate swaps at fair value	-	883	-	883
Total assets	1,544	394,536	1,979	398,059
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(561)	-	-	(561)
Unrealised loss on open forward foreign currency exchange contracts	-	(3,649)	-	(3,649)
Currency options written at fair value	-	(47)	-	(47)
Equity options written at fair value	-	(2)	-	(2)
Swaptions written at fair value	-	(11)	-	(11)
Credit default swaps at fair value	-	(445)	-	(445)
Interest rate swaps at fair value	-	(266)	-	(266)
Total liabilities	(561)	(4,420)	-	(4,981)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Schedule of Investments - continued

31 March 2017

As at 31 March 2016

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	-	378,929	175	379,104
Money market instruments	-	6,959	-	6,959
Certificate of deposits	-	903	-	903
Commercial Paper	-	2,454	-	2,454
Investment funds	-	28,202	-	28,202
Unrealised gain on open futures contracts	1,929	-	-	1,929
Unrealised gain on open forward foreign currency exchange contracts	-	13,808	-	13,808
Futures options purchased at fair value	34	-	-	34
Swaptions purchased at fair value	-	24	-	24
Credit default swaps at fair value	-	268	-	268
Interest rate swaps at fair value	-	995	-	995
Total assets	1,963	432,542	175	434,680
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(397)	-	-	(397)
Unrealised loss on open forward foreign currency exchange contracts	-	(10,943)	-	(10,943)
Currency options written at fair value	-	(101)	-	(101)
Futures options written at fair value	(14)	-	-	(14)
Swaptions written at fair value	-	(17)	-	(17)
Credit default swaps at fair value	-	(430)	-	(430)
Interest rate swaps at fair value	-	(837)	-	(837)
Total liabilities	(411)	(12,328)	-	(12,739)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Bond (Euro Hedged) Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost EUR '000	Portfolio Securities	Disposal Proceeds EUR '000
Russell Investment Company III plc		Russell Investment Company III plc	
Russell Investment U.S. Dollar Cash		Russell Investment U.S. Dollar Cash	
Fund II -		Fund II -	
Class R Roll-Up Shares	166,740	Class R Roll-Up Shares	(169,658)
Russell Investment Company plc		Russell Investment Company plc	
Russell Investment Euro Liquidity Fund		Russell Investment Euro Liquidity Fund -	
Class R Roll-Up Shares	135,654	Class R Roll-Up Shares	(129,173)
Russell Investment Company III plc		Russell Investment Company III plc	
Russell Investment Euro Liquidity Fund		Russell Investment Euro Liquidity Fund -	
Class R Roll-Up Shares	62,649	Class R Roll-Up Shares	(79,028)
Fannie Mae Pool		Fannie Mae Pool	
3.500% due 15/02/46	28,443	3.500% due 15/02/46	(28,217)
3.500% due 15/12/46	22,847	3.500% due 15/12/46	(22,852)
3.000% due 15/02/46	20,322	U.S. Treasury Inflation Indexed Bonds	
3.000% due 15/01/46	19,631	2.500% due 15/01/2029	(21,892)
U.S. Treasury Inflation Indexed Bonds		Fannie Mae Pool	
2.500% due 15/01/2029	19,559	3.000% due 15/02/46	(20,163)
Fannie Mae Pool		3.000% due 15/01/46	(19,671)
3.000% due 15/03/46	18,914	3.000% due 15/03/46	(19,027)
3.000% due 15/12/46	17,187	3.000% due 15/12/46	(17,328)
3.500% due 15/03/46	16,951	3.500% due 15/03/46	(16,978)
3.500% due 15/10/46	15,215	3.500% due 15/01/46	(15,307)
3.500% due 15/01/46	15,005	3.500% due 15/10/46	(15,259)
3.000% due 15/10/46	14,409	U.S. Treasury Inflation Indexed Bonds	
U.S. Treasury Inflation Indexed Bonds		0.630% due 15/01/2026	(14,599)
0.630% due 15/01/2026	14,209	Fannie Mae Pool	
Fannie Mae Pool		3.000% due 15/10/46	(14,400)
3.500% due 15/11/46	13,927	U.S. Treasury Inflation Indexed Bonds	
U.S. Treasury Inflation Indexed Bonds		2.380% due 15/01/2025	(14,191)
2.380% due 15/01/2025	13,528	Fannie Mae Pool	
Fannie Mae Pool		3.500% due 15/11/46	(14,060)
3.000% due 15/11/46	12,565	3.000% due 15/11/46	(12,646)
3.500% due 15/05/46	11,724	3.500% due 15/09/46	(11,026)
3.500% due 15/09/46	11,099	3.500% due 15/07/46	(9,443)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments Global Defensive Equity Fund

Manager's Report

Money Managers as at 31 March 2017

Intech Investment Management, LLC
Perkins Investment Management, LLC
Russell Investments Limited
Russell Investment Management, LLC

Investment Objective

Russell Investments Global Defensive Equity Fund (the "Fund") seeks to achieve long term capital appreciation with absolute volatility that is low relative to other global equity funds.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class A) returned 11.1 per cent on a gross-of-fee basis (9.9 per cent on a net-of-fee basis), while the benchmark* returned 10.9 per cent.

Market Comment

Global equities, as measured by the benchmark, rose 1.9 per cent over June 2016 in U.S. dollar terms ("USD"). Global markets gained over the second quarter despite the startling result of the UK's referendum on European Union ("EU") membership. UK's decision to leave the EU threw worldwide markets into turmoil in the last days of June. However, equities were bolstered during the period by stronger oil prices, a cautious U.S. Federal Reserve (Fed), and additional easing from the European Central Bank ("ECB"). In the U.S. (2.5 per cent), the final first quarter gross domestic product ("GDP") growth rate was revised upwards to 1.1 per cent quarter-on-quarter ("QoQ"), beating estimates of 1.0 per cent. However, a poor jobs report in May, with non-farm payrolls only advancing by 38,000 versus the 164,000 expected, seriously dented hopes for a June Fed rate hike. Market attention became increasingly fixated upon the UK (-4.0 per cent) as the quarter progressed, with June 23rd's referendum result meaning that the UK will leave the EU, severing a 43-year membership. Additionally, David Cameron announced that he would step down as Prime Minister but would stay in office for the next few months to "steady the ship". The pound sterling also plunged to a 31-year low (against the U.S. dollar), setting a record intraday swing of more than 10 per cent between its highs and lows. In response, the Bank of England ("BoE") pledged \$345 billion of new stimulus and BoE Governor Carney stated the he had further measures in place to deal with the "period of uncertainty and adjustment".

Global equities, as measured by the benchmark, increased 2.7 per cent over the third quarter of 2016 in USD terms. The period shook off the general risk-off market sentiment that characterised much of the second quarter. This was achieved by accommodative stances of G4 central banks, encouraging economic data and slowly stabilising oil prices. The BoE cut its benchmark rate and unleashed a new round of easing, whilst the Bank of Japan ("BoJ") also introduced its own new form of policy easing. The ECB remained cautious, whilst the Fed ended months of deliberation on whether to raise rates, with a hawkish hold. Strengthening oil prices, after hopes that oil producers might agree to limit output, also gave impetus to risk appetite. Emerging markets gained 8.7 per cent on aggregate. China, which, like Hong Kong, was boosted by news of the upcoming Shenzhen-Hong Kong Stock link, was the best performer in the quarter, rising 13.4 per cent. Higher than expected GDP growth in the second quarter also boosted market sentiment. Brazil (11.8 per cent) extended its recent a strong run of healthy returns, as the country was buoyed by both rebounding commodities and the ascendance of Michel Temer to the presidency after the official impeachment of Dilma Rousseff.

Global equities, as measured by the benchmark, declined 0.5 per cent over the 2016 fourth quarter in USD terms. Donald Trump's U.S. presidential election victory heightened expectations for further inflation on the back of his fiscal plans. After months of deliberations, the Fed increased its benchmark interest rate by 25 basis points ("bps") to 0.75 per cent in December on the back of encouraging economic data. Meanwhile in Europe, concerns about a 'hard Brexit' diminished over the period, whilst the ECB maintained its easing policy and the Italians rejected constitutional reform. Over the quarter, oil prices also strengthened as members of the Organization of Petroleum Exporting Countries ("OPEC") agreed on cutting production. Emerging markets had a negative quarter in aggregate, slipping by 4.2 per cent. However, a few countries managed to perform well, most notably Russia (16.9 per cent). The country was on the receiving end of positive sentiment stemming from oil-production-cut talks with OPEC and saw increasing health in domestic economic data. Greece was similarly buoyant, returning 13.4 per cent in a quarter that saw the announcement of falling unemployment and rising GDP growth. Turkey (-13.15 per cent) faced significant headwinds as political discourse and terror attacks drove both investors and tourists away from the country. Mexico (-10.4 per cent) also struggled as Donald Trump's policies are expected to impair trade relations between the U.S. and its southern neighbour.

Russell Investment Company II plc

Russell Investments Global Defensive Equity Fund

Manager's Report - continued

Global equities, as measured by the Index, increased 1.1 per cent over the first quarter of 2017 in USD terms. The Fed raised its benchmark rate by another 25 bps as expected and on the back of positive economic data, with two more hikes very likely in 2017. However, the March interest rate rise was accompanied by a dovish statement. Additionally, the post-Trump risk rally lost some steam in the latter stages of the period, after President Trump lost support from his own Republican party for his health care bill. Across the pond, UK Prime Minister Theresa May triggered Article 50, whilst investors held caution over electoral developments in the Netherlands, France and Germany. Over the period, oil prices trended lower whilst a weaker U.S. dollar lifted emerging market currencies. Emerging markets had a strong quarter, climbing 11.7 per cent on aggregate. India (19.3 per cent) advanced most significantly, as Prime Minister Narendra Modi's Bharatiya Janata Party won a landslide victory in the Uttar Pradesh state - India's most populous - with the biggest majority there since 1980. Concerns over Modi's decision to put the 500 and 1000 rupee banknotes out of circulation also moderated. China (12.4 per cent) also performed well and reported annualised GDP growth that exceeded expectations.

General Comment on Money Managers/Performance

The Fund outperformed the benchmark in the 2016 second quarter, in an environment which suited a defensive stance. In factor performance, holdings within the higher dividend yield spectrum generated alpha for the Fund. In sectors, stock selection within the technology (selling Apple), health care (Johnson & Johnson) and consumer staples (KT & G) sectors were positive over the period. However, further outperformance was hindered by names within the consumer discretionary and telecoms sectors.

The Fund finished behind the benchmark in the 2016 third quarter. Defensive styles faced headwinds in a market environment which favoured risk. In sectors, stock selection within financials (i.e. Moody's) and underweight allocation towards telecoms and energy, drove performance. However, underweight allocation towards the strong performing technology and materials sectors, including respective stock selection within those sectors, detracted strongly from performance.

In the fourth quarter of 2016, the Fund finished behind the benchmark in an environment which did not favour defensive styles. In factor performance, a general tilt away from value metrics was punished. In sectors, an underweight allocation to the interest rate sensitive real estate sector was positive. Holdings within health care and utilities also generated gains. However, these gains were offset by holdings within the financials and industrials sectors. An overweight allocation to consumer staples was also negative.

The Fund outperformed the benchmark in the first quarter of 2017. In factor performance, selection across the market cap spectrum managed to generate alpha over the period. In sectors, holdings within financials, telecoms, health care and industrials generated meaningful gains. From a regional perspective, stock picks in the U.S., Japan, Europe and Emerging Markets were positive, whilst those in the UK and Asia Pacific were slightly negative.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell Global Defensive Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 USD '000	31 March 2016 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	99,860	132,985
Cash at bank (Note 3)	461	1,295
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	767	511
Debtors:		
Receivable for investments sold	167	178
Receivable on fund shares issued	186	13
Dividends receivable	304	426
	101,745	135,408
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(218)	(1,066)
Creditors – amounts falling due within one financial year:		
Payable for investments purchased	(89)	(258)
Payable on fund shares redeemed	(14)	-
Distributions payable on income share classes	(71)	(85)
Management fees payable	(101)	(118)
Depositary fees payable	(2)	(2)
Sub-custodian fees payable	(12)	(12)
Administration and transfer agency fees payable	(3)	(6)
Audit fees payable	(24)	(20)
Other fees payable	(1)	(5)
	(535)	(1,572)
Net asset value attributable to redeemable participating shareholders	101,210	133,836

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Income		
Dividends	3,504	3,957
Net gain (loss) on investment activities (Note 4)	9,141	(5,177)
Total investment income (expense)	12,645	(1,220)
Expenses		
Management fees (Note 5)	(1,402)	(1,575)
Depository fees (Note 6)	(17)	(13)
Sub-custodian fees (Note 6)	(75)	(88)
Administration and transfer agency fees (Note 6)	(73)	(82)
Audit fees (Note 6)	(26)	(20)
Professional fees	(15)	(48)
Other fees	-	(22)
Total operating expenses	(1,608)	(1,848)
Net income (expense)	11,037	(3,068)
Finance costs		
Distributions (Note 8)	(1,280)	(1,315)
Profit (loss) for the financial year before taxation	9,757	(4,383)
Taxation (Note 9)		
Capital gains tax	(56)	-
Withholding tax.....	(639)	(772)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	9,062	(5,155)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	9,062	(5,155)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	976	1,195
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(42,664)</u>	<u>(12,859)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(32,626)	(16,819)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>133,836</u>	<u>150,655</u>
End of financial year	<u><u>101,210</u></u>	<u><u>133,836</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments

31 March 2017

Number of Shares		Fair Value USD '000	Fund %
	Transferable Securities (94.67%) (2016: 94.95%)		
	Common Stock (94.67%) (2016: 94.95%)		
	Australia (1.43%)		
	Banks		
22,573	Australia & New Zealand Banking Group Ltd	548	0.54
7,937	Bendigo & Adelaide Bank Ltd	74	0.07
1,820	Commonwealth Bank of Australia	119	0.12
	Commercial Services and Supplies		
7,048	Brambles Ltd	50	0.05
	Containers and Packaging		
5,231	Amcor Ltd	60	0.06
	Diversified Financials		
895	ASX Ltd	34	0.03
	Electric Utilities		
2,342	AGL Energy Ltd	47	0.05
	Entertainment		
7,210	Tatts Group Ltd	24	0.02
	Food Products		
3,676	Wesfarmers Ltd	126	0.13
5,631	Woolworths Ltd	114	0.11
	Health Care Providers and Services		
1,395	Sonic Healthcare Ltd	24	0.02
	Holding Companies - Diversified Operations		
584	Washington H Soul Pattinson & Co Ltd	8	0.01
	Hotels, Restaurants and Leisure		
623	Flight Centre Travel Group Ltd	14	0.01
	Insurance		
9,860	Medibank Pvt Ltd	21	0.02
	Oil and Gas		
2,652	Woodside Petroleum Ltd	65	0.06
	Real Estate Investment Trust		
6,425	GPT Group	25	0.03
8,455	Stockland	30	0.03
	Telecommunications		
19,285	Telstra Corp Ltd	69	0.07
		1,452	1.43
	Austria (0.01%)		
	Transport		
199	Oesterreichische Post AG	8	0.01
	Belgium (0.06%)		
	Other Finance		
344	Groupe Bruxelles Lambert SA	31	0.03
	Telecommunications		
836	Proximus SADP	26	0.03
		57	0.06

Number of Shares		Fair Value USD '000	Fund %
	Bermuda (0.98%)		
	Food Products		
10,700	Dairy Farm International Holdings Ltd	97	0.10
	Holding Companies - Diversified Operations		
3,000	Jardine Strategic Holdings Ltd	126	0.13
	Insurance		
800	Arch Capital Group Ltd	76	0.08
498	Axis Capital Holdings Ltd ..	33	0.03
148	Everest Re Group Ltd	35	0.03
900	RenaissanceRe Holdings Ltd	130	0.13
1,400	Validus Holdings Ltd	79	0.08
	White Mountains Insurance		
200	Group Ltd	176	0.17
1,155	XL Group Ltd	46	0.05
67	XL Group Ltd (German listed)	4	0.00
	Telecommunications		
9,244	VTech Holdings Ltd	111	0.11
	Textile and Apparel		
19,000	Yue Yuen Industrial Holdings Ltd	75	0.07
		988	0.98
	Brazil (0.03%)		
	Diversified Financials		
5,067	BM&FBovespa SA - Bolsa de Valores Mercadorias e Futuros	31	0.03
	Canada (1.65%)		
	Aerospace and Defence		
4,200	CAE Inc	64	0.06
	Banks		
1,054	Canadian Imperial Bank of Commerce	91	0.09
1,504	Royal Bank of Canada	109	0.11
2,235	Toronto-Dominion Bank	112	0.11
	Diversified Financials		
1,230	CI Financial Corp	24	0.02
	Insurance		
447	Genworth MI Canada Inc ...	12	0.01
1,412	Great-West Lifeco Inc	39	0.04
	Industrial Alliance Insurance		
1,700	& Financial Services Inc	73	0.07
581	Intact Financial Corp	41	0.04
2,156	Sun Life Financial Inc	79	0.08
	Media		
1,562	Thomson Reuters Corp	68	0.07
	Oil and Gas		
1,693	ARC Resources Ltd	24	0.02
4,873	Canadian Natural Resources Ltd	159	0.16

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
9,473	Cenovus Energy Inc	107	0.11		Media		
	Pipelines			751	Metropole Television SA	17	0.02
771	Keyera Corp	23	0.03		Pharmaceuticals		
1,800	TransCanada Corp	83	0.08	11,140	Sanofi	1,008	1.00
	Telecommunications					2,188	2.16
1,603	BCE Inc	71	0.07		Germany (0.44%)		
	Rogers Communications				Insurance		
11,049	Inc	487	0.48	278	Hannover Rueck SE	32	0.03
		1,666	1.65		Muenchener		
	Cayman Islands (0.88%)				Rueckversicherungs-		
	Health Care Equipment and Supplies				Gesellschaft AG in		
	Hengan International Group			637	Muenchen	125	0.13
41,735	Co Ltd	310	0.31		Textile and Apparel		
	Holding Companies - Diversified Operations			1,512	adidas AG	288	0.28
19,500	CK Hutchison Holdings Ltd	240	0.24			445	0.44
	Internet Software and Services				Hong Kong (0.65%)		
4,700	Tencent Holdings Ltd	135	0.13		Banks		
	Real Estate			3,137	Hang Seng Bank Ltd	64	0.06
	Cheung Kong Property				Electric Utilities		
20,000	Holdings Ltd	135	0.13	5,244	CLP Holdings Ltd	55	0.05
	Textile and Apparel				Real Estate		
11,000	Shenzhou International				New World Development Co		
	Group Holdings Ltd	69	0.07	71,000	Ltd	87	0.09
		889	0.88		Real Estate Investment Trust		
	Chile (0.27%)			44,373	Link REIT	311	0.31
	Banks				Transport		
	Banco de Credito e			24,608	MTR Corp Ltd	138	0.14
1,529	Inversiones	84	0.08			655	0.65
1,390,975	Banco Santander Chile	87	0.09		India (0.86%)		
	Food Products				Banks		
34,659	Cencosud SA	106	0.10	11,627	HDFC Bank Ltd ADR	875	0.86
		277	0.27		Indonesia (0.26%)		
	Denmark (0.25%)				Banks		
	Agriculture				Bank Central Asia Tbk		
13,470	Scandinavian Tobacco			57,200	PT	71	0.07
	Group A/S	236	0.23		Telecommunications		
	Insurance				Telekomunikasi Indonesia		
1,083	Tryg A/S	20	0.02	627,800	Persero Tbk PT	195	0.19
		256	0.25			266	0.26
	Finland (0.16%)				Ireland (0.19%)		
	Chemicals				Building Products		
7,781	Tikkurila OYJ	158	0.16		James Hardie Industries		
	France (2.16%)			2,078	Plc	33	0.03
	Commercial Services and Supplies				Computers and Peripherals		
11,247	Bureau Veritas SA	238	0.23	1,329	Accenture Plc	159	0.16
	Electric Utilities					192	0.19
31,235	Engie SA	444	0.44		Japan (7.16%)		
	Food Products				Agriculture		
6,846	Danone SA	467	0.46	3,200	Japan Tobacco Inc	104	0.10
	Insurance				Automobiles		
157	Euler Hermes Group	14	0.01	18,000	Honda Motor Co Ltd	541	0.54

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Chemicals			Korea, Republic of (1.47%)		
20,700 Nippon Fine Chemical Co Ltd	176	0.17	Agriculture		
Nissan Chemical Industries			5,420 KT&G Corp	473	0.47
3,100 Ltd	90	0.09	Automobiles		
21,562 Nitto FC Co Ltd	190	0.19	5,049 Hyundai Motor Co	711	0.70
Commercial Services and Supplies			Diversified Financials		
1,900 Recruit Holdings Co Ltd	97	0.09	2,087 KB Financial Group Inc	91	0.09
2,100 Secom Co Ltd	150	0.15	Lodging		
5,200 Secom Joshinetsu Co Ltd	160	0.16	10,737 Grand Korea Leisure Co Ltd	210	0.21
18,500 Shingakukai Co Ltd	97	0.10		1,485	1.47
Electrical Equipment			Mexico (1.20%)		
21,818 Cosel Co Ltd	296	0.29	Media		
6,000 Icom Inc	138	0.14	19,924 Grupo Televisa SAB ADR ..	517	0.51
4,300 Keyence Corp	1,720	1.70	Telecommunications		
Environmental Control			982,481 America Movil SAB de CV	693	0.69
9,000 Daiseki Co Ltd	183	0.18		1,210	1.20
Health Care Equipment and Supplies			Netherlands (1.78%)		
3,200 As One Corp	138	0.13	Food Products		
2,000 Nakanishi Inc	78	0.08	Koninklijke Ahold Delhaize		
3,400 Terumo Corp	118	0.12	4,864 NV	104	0.10
Home Builders			Personal Products		
3,400 Sekisui Chemical Co Ltd	57	0.06	34,061 Unilever NV	1,697	1.68
Home Furnishings				1,801	1.78
1,300 Hoshizaki Corp	102	0.10	New Zealand (0.45%)		
Insurance			Building Products		
9,400 Sompo Holdings Inc	344	0.34	36,305 Fletcher Building Ltd	211	0.21
Machinery			Construction and Engineering		
9,500 Ebara Corp	310	0.31	Auckland International		
3,900 FANUC Corp	799	0.79	5,946 Airport Ltd	28	0.03
4,700 Komatsu Ltd	122	0.12	Electric Utilities		
Metals and Mining			4,296 Contact Energy Ltd	15	0.01
12,290 Kitagawa Industries Co Ltd .	125	0.12	Telecommunications		
Office Electronics			83,210 Spark New Zealand Ltd	204	0.20
3,700 Canon Inc	115	0.11		458	0.45
Pharmaceuticals			Norway (0.41%)		
Mitsubishi Tanabe Pharma			Food Products		
7,100 Corp	148	0.15	4,456 Marine Harvest ASA	68	0.06
Real Estate			18,949 Orkla ASA	170	0.17
Daito Trust Construction Co			Telecommunications		
1,500 Ltd	206	0.20	10,884 Telenor ASA	181	0.18
Real Estate Investment Trust				419	0.41
Advance Residence			Russia (0.39%)		
47 Investment Corp	128	0.13	Oil and Gas		
42 Orix JREIT Inc	66	0.06	2,272 Lukoil PJSC ADR	120	0.12
Retail Trade			34,837 Rosneft Oil Co PJSC GDR .	198	0.19
FamilyMart UNY Holdings			2,143 Tatneft PJSC ADR	79	0.08
1,100 Co Ltd	66	0.07		397	0.39
McDonald's Holdings Co			Singapore (0.30%)		
2,500 Japan Ltd	73	0.07	Airlines		
1,400 Nitori Holdings Co Ltd	177	0.17	3,300 Singapore Airlines Ltd	24	0.02
Telecommunications					
5,600 NTT DOCOMO Inc	130	0.13			
	7,244	7.16			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Construction and Engineering			Transport		
35,700 SATS Ltd	125	0.12	Kuehne & Nagel		
Diversified Financials			222 International AG	31	0.03
3,600 Singapore Exchange Ltd	20	0.02		8,100	8.00
Media			Taiwan (1.04%)		
Singapore Press Holdings			Chemicals		
7,600 Ltd	19	0.02	Formosa Chemicals & Fibre		
Telecommunications			21,000 Corp	65	0.06
Singapore			Computers and Peripherals		
Telecommunications			80,000 Lite-On Technology Corp ...	138	0.14
32,700 Ltd	92	0.09	Semiconductor Equipment and Products		
3,700 StarHub Ltd	8	0.01	Taiwan Semiconductor		
Transport			25,894 Manufacturing Co Ltd ADR	850	0.84
ComfortDelGro Corp				1,053	1.04
10,700 Ltd	20	0.02	Thailand (0.31%)		
	308	0.30	Beverages		
South Africa (0.07%)			226,800 Thai Beverage PCL	153	0.15
Food Products			Retail Trade		
5,747 Bidvest Group Ltd	66	0.07	93,200 CP ALL PCL	160	0.16
Sweden (1.64%)				313	0.31
Agriculture			United Arab Emirates (0.07%)		
20,720 Swedish Match AB	676	0.67	Telecommunications		
Banks			Emirates		
Svenska Handelsbanken			Telecommunications Group		
62,717 AB	863	0.85	14,223 Co PJSC	70	0.07
3,591 Swedbank AB	83	0.08	United Kingdom (7.52%)		
Construction and Engineering			Aerospace and Defence		
1,526 Skanska AB	36	0.04	63,390 Meggitt Plc	353	0.35
	1,658	1.64	Agriculture		
Switzerland (8.00%)			British American Tobacco		
Building Products			2,433 Plc	161	0.16
1,773 Geberit AG	765	0.76	Banks		
Commercial Services and Supplies			Lloyds Banking Group		
20 SGS SA	43	0.04	620,682 Plc	515	0.51
Diversified Financials			Royal Bank of Scotland		
1,063 GAM Holding AG	13	0.01	61,771 Group Plc	187	0.18
Partners Group Holding			Beverages		
178 AG	96	0.10	46,546 Diageo Plc	1,329	1.31
Food Products			117,569 Stock Spirits Group Plc	275	0.27
21,888 Nestle SA	1,680	1.66	Commercial Services and Supplies		
Hand and Machine Tools			53,074 G4S Plc	202	0.20
5,135 Schindler Holding AG	994	0.98	18,997 Intertek Group Plc	935	0.92
Insurance			Construction and Engineering		
1,125 Chubb Ltd	153	0.15	41,500 BBA Aviation Plc	158	0.16
Pharmaceuticals			Electrical Equipment		
21,157 Novartis AG	1,572	1.55	72,832 Rotork Plc	222	0.22
5,803 Roche Holding AG	1,483	1.47	Home Builders		
Retail Trade			1,322 Persimmon Plc	35	0.04
Cie Financiere Richemont			13,037 Taylor Wimpey Plc	31	0.03
15,476 SA	1,225	1.21	Lodging		
Telecommunications			InterContinental Hotels		
97 Swisscom AG	45	0.04	18,638 Group Plc	911	0.90

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Machinery					
8,157 Spirax-Sarco Engineering Plc	486	0.48	1,000 MarketAxess Holdings Inc .	187	0.19
Oil and Gas			14,283 Moody's Corp	1,600	1.58
11,784 BP Plc ADR	407	0.40	Computers and Peripherals		
8,287 Royal Dutch Shell Plc	217	0.22	Dell Technologies Inc Class		
Pharmaceuticals			1,700 V	109	0.11
1,908 AstraZeneca Plc	117	0.11	International Business		
19,393 GlaxoSmithKline Plc	402	0.40	875 Machines Corp	152	0.15
Real Estate			2,300 Leidos Holdings Inc	118	0.11
87,142 Foxtons Group Plc	105	0.10	Distributors		
34,669 LSL Property Services Plc ..	91	0.09	1,200 Toro Co	75	0.07
Retail Trade			Diversified Financials		
654 Next Plc	35	0.03	25,269 Ally Financial Inc	514	0.51
Telecommunications			249 BlackRock Inc	95	0.09
169,773 Vodafone Group Plc	442	0.44	2,100 CBOE Holdings Inc	170	0.17
	7,616	7.52	11,780 CIT Group Inc	506	0.50
United States (52.58%)			1,953 CME Group Inc	232	0.23
Advertising			11,047 Mastercard Inc	1,242	1.23
802 Omnicom Group Inc	69	0.07	1,100 Nasdaq Inc	76	0.08
Aerospace and Defence			TD Ameritrade Holding		
977 Boeing Co	173	0.17	885 Corp	34	0.03
400 General Dynamics Corp	75	0.07	Electric Utilities		
1,200 HEICO Corp	90	0.09	809 Alliant Energy Corp	32	0.03
1,748 Lockheed Martin Corp	468	0.46	3,000 Consolidated Edison Inc	233	0.23
500 Northrop Grumman Corp	119	0.12	1,007 Edison International	80	0.08
2,301 Raytheon Co	351	0.35	17,262 Exelon Corp	621	0.61
8,808 United Technologies Corp ...	988	0.98	758 NextEra Energy Inc	97	0.10
Agriculture			539 Pinnacle West Capital Corp	45	0.04
4,900 Altria Group Inc	350	0.35	15,401 PPL Corp	576	0.57
Philip Morris International			Public Service Enterprise		
1,653 Inc	187	0.18	731 Group Inc	32	0.03
3,196 Reynolds American Inc	201	0.20	1,500 SCANA Corp	98	0.10
Banks			5,100 Southern Co	254	0.25
2,100 BB&T Corp	94	0.09	2,698 WEC Energy Group Inc	164	0.16
PNC Financial Services			4,603 Westar Energy Inc	250	0.25
500 Group Inc	60	0.06	Electrical Equipment		
20,112 US Bancorp	1,036	1.02	1,100 Amphenol Corp	78	0.08
27,541 Wells Fargo & Co	1,533	1.52	1,911 Emerson Electric Co	114	0.11
Beverages			195 Hubbell Inc	23	0.02
29,727 Coca-Cola Co	1,262	1.25	Mettler-Toledo International		
Dr Pepper Snapple Group			1,618 Inc	775	0.77
859 Inc	84	0.08	Environmental Control		
19,205 PepsiCo Inc	2,148	2.12	3,400 Republic Services Inc	214	0.21
Chemicals			2,649 Waste Management Inc	193	0.19
EI du Pont de Nemours &			Food Products		
529 Co	42	0.04	10,797 General Mills Inc	637	0.63
6,475 Mosaic Co	189	0.18	415 JM Smucker Co	54	0.05
746 Praxair Inc	88	0.09	869 Kellogg Co	63	0.06
3,196 Sherwin-Williams Co	991	0.98	1,695 Sysco Corp	88	0.09
Commercial Services and Supplies			1,700 Tyson Foods Inc	105	0.11
Automatic Data Processing			Gas Utilities		
1,385 Inc	142	0.14	2,300 UGI Corp	114	0.11
			Health Care Equipment and Supplies		
			2,150 Abbott Laboratories	95	0.09

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Becton Dickinson and 8,167 Co	1,498	1.48	Oil and Gas		
700 IDEXX Laboratories Inc	108	0.11	1,397 Chevron Corp	150	0.15
300 Intuitive Surgical Inc	230	0.23	8,568 Exxon Mobil Corp	703	0.69
2,500 ResMed Inc	180	0.18	447 Helmerich & Payne Inc	30	0.03
2,350 Stryker Corp	309	0.30	1,608 Occidental Petroleum Corp .	102	0.10
700 Teleflex Inc	136	0.13	Personal Products		
Varian Medical Systems 6,761 Inc	616	0.61	13,024 Colgate-Palmolive Co	953	0.94
West Pharmaceutical 1,600 Services Inc	131	0.13	17,927 Procter & Gamble Co	1,611	1.59
Health Care Providers and Services			Pharmaceuticals		
700 Aetna Inc	89	0.09	3,017 Eli Lilly & Co	254	0.25
900 Quest Diagnostics Inc	88	0.09	26,332 Johnson & Johnson	3,280	3.24
1,200 UnitedHealth Group Inc	197	0.19	2,579 Merck & Co Inc	164	0.16
Home Builders			45,728 Pfizer Inc	1,564	1.55
700 Thor Industries Inc	67	0.07	Real Estate Investment Trust		
Home Furnishings			9,645 AGNC Investment Corp	192	0.19
471 Leggett & Platt Inc	24	0.02	American Campus 1,800 Communities Inc	86	0.09
Hotels, Restaurants and Leisure			Federal Realty Investment 251 Trust	34	0.03
213 Polaris Industries Inc	18	0.02	607 Public Storage	133	0.13
Household Products			366 Regency Centers Corp	24	0.02
518 Clorox Co	70	0.07	3,700 Starwood Property Trust Inc Two Harbors Investment	84	0.08
1,050 Kimberly-Clark Corp	138	0.14	46,178 Corp	443	0.44
Insurance			Retail Trade		
1,809 Aflac Inc	131	0.13	1,247 AutoZone Inc	902	0.89
American Financial Group 1,035 Inc	99	0.10	993 Coach Inc	41	0.04
624 Arthur J Gallagher & Co	35	0.03	1,500 Copart Inc	93	0.09
1,600 Brown & Brown Inc	67	0.06	400 Domino's Pizza Inc	74	0.07
1,662 Cincinnati Financial Corp ...	120	0.12	508 Genuine Parts Co	47	0.05
896 Erie Indemnity Co	110	0.11	1,347 Home Depot Inc	198	0.20
100 Markel Corp	98	0.10	1,358 McDonald's Corp	176	0.17
315 Mercury General Corp	19	0.02	389 Tiffany & Co	37	0.04
2,479 ProAssurance Corp	149	0.15	13,457 TJX Cos Inc	1,064	1.05
2,600 Progressive Corp	102	0.10	10,377 Tractor Supply Co	716	0.71
Reinsurance Group of 900 America Inc	114	0.11	Ultra Salon Cosmetics & 600 Fragrance Inc	171	0.17
1,400 Torchmark Corp	108	0.11	1,906 Wal-Mart Stores Inc	137	0.13
1,153 Travelers Cos Inc	139	0.14	Semiconductor Equipment and Products		
Internet Software and Services			1,561 Analog Devices Inc	128	0.13
1,521 Alphabet Inc	1,290	1.28	22,262 Intel Corp	803	0.79
2,956 Symantec Corp	91	0.09	Maxim Integrated Products 978 Inc	44	0.04
Machinery			796 Microchip Technology Inc ..	59	0.06
5,971 BWX Technologies Inc	284	0.28	5,539 Qualcomm Inc	318	0.32
745 Cummins Inc	113	0.11	3,017 Texas Instruments Inc	243	0.24
8,852 Graco Inc	833	0.82	2,083 Xilinx Inc	121	0.12
5,188 Middleby Corp	708	0.70	Software		
453 Rockwell Automation Inc ...	71	0.07	1,263 CA Inc	40	0.04
2,700 Xylem Inc	136	0.14	17,528 Microsoft Corp	1,154	1.14
Miscellaneous Manufacturers			10,443 MSCI Inc	1,015	1.00
6,584 3M Co	1,260	1.25	57,256 Oracle Corp	2,554	2.52
1,600 AO Smith Corp	82	0.08	1,500 Synopsys Inc	108	0.11

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
	Telecommunications				Total Common Stock	95,813	94.67
2,430	Cisco Systems Inc	82	0.08		Total Transferable		
	Textile and Apparel				Securities	95,813	94.67
15,148	NIKE Inc	844	0.83				
2,221	UniFirst Corp	314	0.31		Investment Funds (3.62%) (2016: 4.29%)		
	Transport				Ireland (3.62%)		
1,806	CH Robinson Worldwide Inc	140	0.14		Russell Investment Company		
2,600	CSX Corp	121	0.12		III Plc Russell Investment		
1,400	Landstar System Inc	120	0.12		U.S. Dollar Cash Fund II -		
	Old Dominion Freight Line			3,643	Class R Roll-Up Shares	3,669	3.62
800	Inc	68	0.07		Total Investment Funds	3,669	3.62
1,764	Union Pacific Corp	187	0.18		Total Investments		
1,242	United Parcel Service Inc	133	0.13		excluding Financial		
	Water Utilities				Derivative Instruments	99,482	98.29
	American Water Works Co						
2,700	Inc	210	0.21				
		<u>53,212</u>	<u>52.58</u>				

Financial Derivative Instruments (0.16%) (2016: (0.67)%)

Open Futures Contracts (0.23%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
3,453	3,560.01	97 of Euro Stoxx 50 Index Futures Long Futures Contracts Expiring June 2017	101	0.10
696	1,739.53	8 of Mini MSCI Eafe Long Futures Contracts Expiring June 2017	17	0.02
2,592	925.85	56 of Mini MSCI Emerging Markets Long Futures Contracts Expiring June 2017	100	0.10
1,185	2,370.44	10 of S&P 500 E Mini Index Futures Long Futures Contracts Expiring June 2017	(6)	(0.01)
(5,667)	(2,361.10)	48 of S&P 500 E Mini Index Futures Short Futures Contracts Expiring June 2017	5	0.00
(555)	(13.88)	4 of Topix Index Futures Short Futures Contracts Expiring June 2017	12	0.02
		Unrealised gain on open futures contracts	235	0.24
		Unrealised loss on open futures contracts	(6)	(0.01)
		Net unrealised gain (loss) on open futures contracts	229	0.23

Open Forward Foreign Currency Exchange Contracts ((0.07)%)

Settlement Date	Amount Bought '000		Amount Sold '000		Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	BRL	281	USD	90	(2)	0.00
07/04/2017	BRL	736	USD	236	(4)	0.00
21/06/2017	CAD	433	USD	325	-	0.00
21/06/2017	CAD	433	USD	325	-	0.00
21/06/2017	CAD	433	USD	324	1	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
21/06/2017	CHF	100	USD	102	(2)	0.00
20/04/2017	EUR	22	USD	24	-	0.00
21/06/2017	EUR	1,627	USD	1,721	26	0.02
21/06/2017	EUR	1,627	USD	1,722	24	0.02
21/06/2017	EUR	1,627	USD	1,718	30	0.03
21/06/2017	JPY	3,667	USD	32	1	0.00
21/06/2017	JPY	3,667	USD	32	1	0.00
21/06/2017	JPY	3,667	USD	32	1	0.00
07/04/2017	KRW	308,946	USD	278	(1)	0.00
07/04/2017	KRW	6,522	USD	6	-	0.00
07/04/2017	KRW	809,246	USD	727	(4)	0.00
07/04/2017	KRW	15,035	USD	13	-	0.00
07/04/2017	TWD	9,054	USD	300	(1)	0.00
07/04/2017	TWD	23,714	USD	785	(3)	0.00
07/04/2017	USD	11	AUD	15	-	0.00
07/04/2017	USD	549	AUD	716	3	0.00
07/04/2017	USD	549	AUD	716	3	0.00
07/04/2017	USD	429	AUD	560	2	0.00
07/04/2017	USD	26	AUD	34	-	0.00
07/04/2017	USD	90	BRL	281	1	0.00
07/04/2017	USD	235	BRL	736	3	0.00
15/05/2017	USD	89	BRL	281	2	0.00
15/05/2017	USD	234	BRL	736	4	0.00
07/04/2017	USD	14	CAD	19	-	0.00
07/04/2017	USD	709	CAD	936	7	0.01
07/04/2017	USD	708	CAD	936	6	0.01
07/04/2017	USD	553	CAD	729	6	0.01
07/04/2017	USD	28	CAD	37	-	0.00
07/04/2017	USD	17	CHF	18	-	0.00
07/04/2017	USD	868	CHF	871	(2)	0.00
07/04/2017	USD	869	CHF	871	(2)	0.00
07/04/2017	USD	665	CHF	666	(1)	0.00
07/04/2017	USD	22	CHF	22	-	0.00
07/04/2017	USD	63	CHF	63	-	0.00
21/06/2017	USD	664	CHF	667	(5)	0.00
21/06/2017	USD	664	CHF	667	(5)	0.00
21/06/2017	USD	662	CHF	667	(7)	(0.01)
07/04/2017	USD	39	EUR	37	-	0.00
07/04/2017	USD	1,949	EUR	1,837	(16)	(0.02)
07/04/2017	USD	1,949	EUR	1,837	(16)	(0.02)
07/04/2017	USD	1,547	EUR	1,457	(12)	(0.01)
07/04/2017	USD	151	EUR	142	(1)	0.00
20/04/2017	USD	271	EUR	255	(2)	0.00
20/04/2017	USD	1,049	EUR	987	(8)	(0.01)
21/06/2017	USD	109	EUR	100	1	0.00
21/06/2017	USD	109	EUR	100	1	0.00
07/04/2017	USD	25	GBP	21	(1)	0.00
07/04/2017	USD	1,253	GBP	1,009	(8)	(0.01)
07/04/2017	USD	1,254	GBP	1,009	(7)	(0.01)
07/04/2017	USD	995	GBP	800	(6)	(0.01)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	USD 98	GBP 79	-	0.00
07/04/2017	USD 8	HKD 64	-	0.00
07/04/2017	USD 411	HKD 3,192	1	0.00
07/04/2017	USD 411	HKD 3,192	1	0.00
07/04/2017	USD 327	HKD 2,534	1	0.00
07/04/2017	USD 33	HKD 256	-	0.00
07/04/2017	USD 18	JPY 2,038	-	0.00
07/04/2017	USD 915	JPY 102,483	(5)	0.00
07/04/2017	USD 916	JPY 102,483	(4)	0.00
07/04/2017	USD 701	JPY 78,519	(3)	0.00
07/04/2017	USD 6	JPY 706	-	0.00
20/04/2017	USD 144	JPY 16,073	(1)	0.00
20/04/2017	USD 1,621	JPY 181,440	(8)	(0.01)
21/06/2017	USD 646	JPY 73,333	(14)	(0.01)
21/06/2017	USD 646	JPY 73,333	(14)	(0.01)
21/06/2017	USD 644	JPY 73,333	(16)	(0.02)
07/04/2017	USD 279	KRW 315,468	(3)	0.00
07/04/2017	USD 728	KRW 824,281	(9)	(0.01)
15/05/2017	USD 278	KRW 308,946	1	0.00
15/05/2017	USD 727	KRW 809,246	3	0.00
07/04/2017	USD 6	SEK 50	-	0.00
07/04/2017	USD 277	SEK 2,500	(3)	0.00
07/04/2017	USD 277	SEK 2,500	(3)	0.00
07/04/2017	USD 219	SEK 1,969	(2)	0.00
07/04/2017	USD 18	SEK 158	-	0.00
07/04/2017	USD 6	SGD 9	-	0.00
07/04/2017	USD 317	SGD 444	(1)	0.00
07/04/2017	USD 318	SGD 444	-	0.00
07/04/2017	USD 244	SGD 341	-	0.00
07/04/2017	USD 4	SGD 5	-	0.00
07/04/2017	USD 296	TWD 9,054	(3)	0.00
07/04/2017	USD 775	TWD 23,714	(7)	(0.01)
15/05/2017	USD 300	TWD 9,054	1	0.00
15/05/2017	USD 786	TWD 23,714	3	0.00
07/04/2017	USD 3	ZAR 38	-	0.00
07/04/2017	USD 144	ZAR 1,888	3	0.00
07/04/2017	USD 144	ZAR 1,888	3	0.00
07/04/2017	USD 112	ZAR 1,474	3	0.00
07/04/2017	USD 7	ZAR 87	-	0.00
Unrealised gain on open forward foreign currency exchange contracts			143	0.10
Unrealised loss on open forward foreign currency exchange contracts			(212)	(0.17)
Net unrealised gain (loss) on open forward foreign currency exchange contracts			(69)	(0.07)
Total Financial Derivative Instruments			160	0.16

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

	Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (98.63%)	99,860	98.63
Total Financial Liabilities at Fair Value through Profit or Loss ((0.18)%)	(218)	(0.18)
Net Financial Assets at Fair Value through Profit or Loss (98.45%)	99,642	98.45
Other Net Assets (1.55%)	1,568	1.55
Net Assets	101,210	100.00

Abbreviation used:

ADR - American Depositary Receipt

GDR – Global Depositary Receipt

Analysis of gross assets

	% of gross assets
Transferable securities admitted to an official stock exchange listing.....	94.17
Investment funds (UCITS)	3.61
Exchange traded financial derivative instruments	0.23
Over the counter financial derivative instruments	0.14
Other assets	1.85
	100.00

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts USD*000		Open Forwards Foreign Currency Exchange Contracts USD*000		Total USD*000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	235	(6)	19	(42)	254	(48)
Bank of Montreal	-	-	26	(20)	26	(20)
Commonwealth Bank of Australia	-	-	39	(53)	39	(53)
National Australia Bank Limited	-	-	13	(32)	13	(32)
Royal Bank of Canada	-	-	32	(39)	32	(39)
Other*	-	-	14	(26)	14	(26)
Total financial derivative assets	235	(6)	143	(212)	378	(218)

As at 31 March 2016

Broker/counterparty	Open Futures Contracts USD*000		Open Forwards Foreign Currency Exchange Contracts USD*000		Total USD*000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	20	(77)	33	(153)	53	(230)
HSBC	-	-	2	(287)	2	(287)
Royal Bank of Canada	-	-	1	(73)	1	(73)
Standard Chartered Bank	-	-	-	(286)	-	(286)
State Street Bank and Trust Company	-	-	107	(190)	107	(190)
Total financial derivative assets	20	(77)	143	(989)	163	(1,066)

* The brokers/counterparties included here are State Street Bank and Trust Company for open forward foreign currency exchange contracts.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	95,813	-	-	95,813
Investment funds	-	3,669	-	3,669
Unrealised gain on open futures contracts	235	-	-	235
Unrealised gain on open forward foreign currency exchange contracts	-	143	-	143
Total assets	96,048	3,812	-	99,860
	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(6)	-	-	(6)
Unrealised loss on open forward foreign currency exchange contracts	-	(212)	-	(212)
Total liabilities	(6)	(212)	-	(218)

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	127,079	-	-	127,079
Investment funds	-	5,743	-	5,743
Unrealised gain on open futures contracts	20	-	-	20
Unrealised gain on open forward foreign currency exchange contracts	-	143	-	143
Total assets	127,099	5,886	-	132,985
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(77)	-	-	(77)
Unrealised loss on open forward foreign currency exchange contracts	-	(989)	-	(989)
Total liabilities	(77)	(989)	-	(1,066)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Global Defensive Equity Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and cumulative investment sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company III		Russell Investment Company III	
Russell Investments U.S. Dollar Cash		Russell Investments U.S. Dollar Cash	
Fund II		Fund II	
Class R Roll-Up Shares	68,747,000	Class R Roll-Up Shares	(70,824,860)
PepsiCo Inc	1,452,782	Wells Fargo & Co	(2,310,533)
Sanofi	1,163,480	Johnson & Johnson	(1,916,726)
Keyence Corp	960,791	Oracle Corp	(1,408,836)
Lloyds Banking Group PLC	947,141	Keyence Corp	(1,325,400)
Johnson & Johnson	941,618	Moody's Corp	(1,316,562)
Exxon Mobil Corp	899,409	Citizens Financial Group Inc	(1,216,088)
Cie Financiere Richemont SA	887,710	Linear Technology Corp	(1,204,521)
Wells Fargo & Co	794,306	PepsiCo Inc	(1,114,386)
Oracle Corp	707,544	Nestle SA	(1,054,646)
Roche Holding AG	645,154	AutoZone Inc	(1,037,596)
Intel Corp	628,110	US Bancorp	(989,019)
Unilever NV	623,914	Procter & Gamble Co	(932,215)
Tractor Supply Co	589,443	Novartis AG	(921,999)
Nestle SA	492,342	Cie Financiere Richemont SA	(883,727)
Engie SA	491,275	Microsoft Corp	(873,181)
Terumo Corp	474,333	Becton Dickinson and Co	(871,720)
AutoZone Inc	472,964	Pfizer Inc	(871,160)
General Mills Inc	472,679	Air Liquide SA	(857,134)
Moody's Corp	449,488	Unilever NV	(839,930)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments Pan European Equity Fund

Manager's Report

Money Managers as at 31 March 2017

Hermes Sourcecap Limited
Numeric Investors, L.P.
Pyramis Global Advisor
Pzena Investment Management
Russell Investments Limited
S.W. Mitchell Capital, LLP

Investment Objective

Russell Investments Pan European Equity Fund (the "Fund") seeks to achieve capital appreciation by investing principally in equity securities listed on regulated markets in Europe. The Fund may also invest in new issues for which application for listing on a regulated market in Europe will be sought. The Fund may hold such securities listed or traded on regulated markets worldwide of companies that are not incorporated, listed or traded in Europe but which receive the majority of their total revenue from European countries. The Fund will not be concentrating on any specific industry sector but will pursue a policy of active stock selection and active country allocation on the regulated markets in which it invests.

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class B) returned 17.0 per cent on a gross of fee basis (15.7 per cent on a net of fee basis), while the benchmark*returned 16.7 per cent.

Market Comment

The benchmark edged 0.6 per cent lower in the second quarter of 2016. The market slumped in June, erasing its early-quarter rise, in a month dominated by the UK's European Union ("EU") membership referendum. The market decreased as the country unexpectedly voted to leave the EU on June 23rd, leading to UK Prime Minister Cameron's resignation. This led to concerns about the potential impact politically and economically on the euro zone. Speculation regarding potential domestic government intervention in the Italian banking sector, and its legality within EU law, weighed on sentiment towards the wider financial sector. Meanwhile, in Spain, confirmation that Prime Minister Rajoy won his second general election in six months failed to boost sentiment in peripheral Europe. However, the benchmark staged a partial rebound towards the very end of the period. Earlier in the quarter, the market had tracked higher. Global growth anxiety eased as the price of oil increased. Additionally, Greece and its creditors agreed on a new bailout package. The International Monetary Fund and European Central Bank ("ECB") were among numerous institutions that suggested Britain's departure from the EU, and the surrounding uncertainty, would weigh on future growth in euro zone countries. Prior to the Brexit vote, the European Commission had already cut its euro zone growth forecasts to 1.8 per cent from 1.9 per cent for 2016. The 2017 outlook was also reduced to 1.9 per cent from 2 per cent. In economic data, euro zone inflation was confirmed at -0.2 per cent year-on-year ("YoY") in April, having read 0.4 per cent YoY in January. Unemployment ticked marginally lower.

The benchmark finished the 2016 third quarter 4.6 per cent higher. This was the strongest quarter in three years, as the benchmark recorded three consecutive months of gains. Markets overcame the UK's decision to leave the EU as an element of political certainty was provided by the installation of Theresa May as the new Prime Minister. Domestically, concerns surrounding the health of the Italian banking sector subsided over the quarter. Positively, the latest European bank stress test results were a strong improvement on 2014. However, uncertainty about the health of Deutsche Bank weighed on the sector towards the end of September. Meanwhile, the ECB maintained its accommodative monetary policy. This dampened sentiment towards the end of the quarter, with some investors disappointed that policymakers had not discussed any extension of asset purchases beyond March 2017. Economic data was broadly positive. The second quarter euro zone gross domestic product ("GDP") growth rate expanded 0.3 per cent quarter-on-quarter ("QoQ"), led by Germany whose economy (0.4 per cent QoQ) beat growth estimates of 0.2 per cent QoQ. Inflation in the euro area strengthened over the period, up to 0.4 per cent YoY in August from 0.1 per cent YoY in June. The Centre for European Economic Research ("ZEW") sentiment measures also improved over the period. Meanwhile, euro zone Purchasing Managers Index ("PMIs") were relatively flat, remaining above 50.

The benchmark surged 5.8 per cent in the 2016 fourth quarter. The benchmark climbed 3.6 per cent for 2016. The majority of the quarter's performance came in December. Italians rejected a referendum on constitutional reform, resulting in the resignation of Prime Minister Matteo Renzi. After the referendum, Moody's cut Italy's sovereign rating outlook to negative from stable. Nevertheless, local markets were buoyed by the ECB's decision to extend its quantitative easing program until the end of 2017. However, the ECB added that it would purchase €80 billion worth of bonds per month until March and then lower the rate to €60 billion thereon. Market optimism was also supported by the oil price surge as members of the Organization of the Petroleum Exporting Countries agreed on cutting production. In economic data, preliminary December readings showed the euro zone manufacturing PMI increased to 54.9, the highest since January 2014. The composite reading was flat with November's, while the services PMI slipped as expected to 53.1. Meanwhile, euro zone GDP growth was confirmed at 0.3 per cent QoQ (1.7 per cent YoY). Inflation remained flat at 0.6 per cent YoY for November.

Russell Investment Company II plc

Russell Investments Pan European Equity Fund

Manager's Report - continued

The benchmark surged 6.1 per cent in the first quarter. The disparity between the accommodative ECB and more hawkish US Federal Reserve ("Fed") underpinned sentiment, in a period where the Fed increased its interest rate by 25 basis points. The ECB also upgraded its growth and inflation expectations. Political risk softened over the period as market-friendly Emmanuel Macron overtook nationalist Marine Le Pen in French Presidential election polling. Additionally, Netherlands Prime Minister Rutte's party won the most votes in the general election, as voters rejected the anti-EU rhetoric from the Party for Freedom. Meanwhile, UK Prime Minister Theresa May triggered Article 50 on March 29th as expected, which officially began the UK's withdrawal from the European Union. Away from political developments, corporate earnings continued to show improvement as revenues and profits maintained their upward trend. Economic data remained healthy. Euro zone inflation unexpectedly slipped to 1.5 per cent YoY from 2.0 per cent YoY in the preliminary March reading due to lower food and energy prices. Healthy euro zone PMI data strengthened estimates for euro zone GDP growth in 2017. All three-euro zone PMIs strengthened in preliminary March figures to their highest since April 2011, as the composite, manufacturing and services PMIs all increased ahead of estimates.

General Comment on Money Managers/Performance

The Fund underperformed the benchmark in a volatile 2016 second quarter. Early-period outperformance was returned as the UK referendum result drove investors into more defensive areas of the market, while domestically-oriented small and mid-cap stocks sold off significantly. This environment did not suit our broader Fund positioning, as the small cap bias coupled with an overweight to more cyclical sectors detracted. S.W. Mitchell's UK exposure considerably weighed on performance. However, we actively took measures to de-risk the portfolio to reduce relative losses. Our positioning strategy was also a key contributor.

The Fund outperformed the benchmark in a positive 2016 third quarter for European equities. The Fund's cyclical positioning was beneficial as the market recorded a post-Brexit recovery. The small-mid cap tilt and positive exposure to volatility suited the market environment. Effective stock selection, particularly within higher beta stocks, underpinned outperformance. Managers that lagged in the second quarter rebounded over the period, including S.W. Mitchell and Taube Hodson Stonex ("THS"). We maintain a somewhat pro-cyclical stance, but are conscious about not adding too much risk in an environment with heightened political uncertainty.

The Fund outperformed the benchmark in a positive 2016 fourth quarter for European equities. Positive exposure to volatility continued to suit the market environment. More defensive "bond proxy" sectors sold off over the period, which notably benefited our underweight to the consumer staples sector. Effective stock selection underpinned positive excess returns. Pzena's deep value strategy comfortably outperformed, while SW Mitchell recovered some of its third quarter underperformance. We maintain a somewhat pro-cyclical stance, but are conscious about not adding too much risk in an environment with heightened political uncertainty.

The Fund finished in-line with the benchmark in a positive start to the year for European equities. The Fund's overweight to small and mid-cap stocks was rewarded this period as large cap stocks lagged behind. However, the tilt towards value did not suit the market environment. During the quarter, we removed GAM money manager from the Fund and adjusted the remaining manager weights. We slightly reduced our value tilt at the margin. Overall, we maintain a somewhat pro-cyclical stance, but are conscious about not adding too much risk in an environment with heightened political uncertainty.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell Developed Europe Large Cap Net Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 EUR '000	31 March 2016 EUR '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	553,141	513,395
Cash at bank (Note 3)	2,802	6,128
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	2,043	2,590
Debtors:		
Receivable for investments sold	1,124	1,114
Receivable on fund shares issued	88	76
Dividends receivable	1,887	1,600
Prepayments and other debtors	-	17
	561,085	524,920
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(134)	(481)
Creditors – amounts falling due within one financial year:		
Payable for investments purchased	(1,575)	(1,140)
Payable on fund shares redeemed	(35)	(310)
Management fees payable	(522)	(476)
Depositary fees payable	(11)	(7)
Sub-custodian fees payable	(30)	(31)
Administration and transfer agency fees payable	(19)	(21)
Audit fees payable	(16)	(16)
Other fees payable	-	(4)
	(2,342)	(2,486)
Net asset value attributable to redeemable participating shareholders	558,743	522,434

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Income		
Dividends	15,782	14,159
Net gain (loss) on investment activities (Note 4)	69,897	(74,926)
Total investment income (expense)	85,679	(60,767)
Expenses		
Management fees (Note 5)	(5,730)	(5,769)
Depositary fees (Note 6)	(69)	(45)
Sub-custodian fees (Note 6)	(209)	(216)
Administration and transfer agency fees (Note 6)	(209)	(219)
Audit fees (Note 6)	(16)	(16)
Professional fees	(22)	(44)
Other fees	(29)	(55)
Total operating expenses	(6,284)	(6,364)
Net income (expense)	79,395	(67,131)
Finance costs		
Distributions (Note 8)	(7,418)	(6,506)
Profit (loss) for the financial year before taxation	71,977	(73,637)
Taxation		
Withholding tax (Note 9)	(1,142)	(1,017)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	70,835	(74,654)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 EUR '000	2016 EUR '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	70,835	(74,654)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	7,418	6,506
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(41,944)</u>	<u>99,177</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	36,309	31,029
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>522,434</u>	<u>491,405</u>
End of financial year	<u><u>558,743</u></u>	<u><u>522,434</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %	Number of Shares	Fair Value EUR '000	Fund %
Transferable Securities (95.51%) (2016: 93.17%)			66,780 Valmet OYJ	973	0.17
Common Stock (94.49%) (2016: 91.99%)			Miscellaneous Manufacturers		
Belgium (1.92%)			18,937 Wartsila OYJ Abp	950	0.17
Banks			Paper and Forest Products		
39,744 KBC Group NV	2,472	0.44	39,597 UPM-Kymmene OYJ	872	0.16
Beverages			Pharmaceuticals		
Anheuser-Busch InBev			9,582 Orion OYJ	468	0.08
42,024 SA/NV	4,324	0.77	Telecommunications		
Distributors			14,021 Elisa OYJ	465	0.08
44,077 D'ieteren SA NV	1,935	0.35	429,967 Nokia OYJ	2,163	0.39
Pharmaceuticals				9,350	1.67
21,070 UCB SA	1,532	0.28	France (16.21%)		
Telecommunications			Advertising		
15,451 Proximus SADP	454	0.08	45,287 Publicis Groupe SA	2,967	0.53
	10,717	1.92	Aerospace and Defence		
Bermuda (0.55%)			1,910 Dassault Aviation SA	2,277	0.41
Transport			6,030 Safran SA	422	0.07
120,474 Avance Gas Holding Ltd	370	0.07	11,470 Thales SA	1,040	0.19
96,974 BW LPG Ltd	461	0.08	Auto Components		
315,935 Golden Ocean Group Ltd	2,244	0.40	33,952 Faurecia	1,514	0.27
	3,075	0.55	41,681 Valeo SA	2,602	0.47
Denmark (2.65%)			Automobiles		
Banks			39,000 Peugeot SA	736	0.13
118,535 Danske Bank A/S	3,786	0.68	33,692 Renault SA	2,744	0.49
Beverages			Banks		
16,900 Royal Unibrew A/S	667	0.12	42,699 BNP Paribas SA	2,666	0.48
Commercial Services and Supplies			143,344 Credit Agricole SA	1,820	0.32
14,240 ISS A/S	505	0.09	73,598 Societe Generale SA	3,500	0.63
Energy Equipment and Services			Building Products		
13,530 Vestas Wind Systems A/S ...	1,032	0.18	43,627 Cie de Saint-Gobain	2,100	0.38
Insurance			Chemicals		
12,800 Tryg A/S	218	0.04	1,060 Arkema SA	98	0.02
Pharmaceuticals			Commercial Services and Supplies		
99,518 Novo Nordisk A/S	3,205	0.57	53,792 Bureau Veritas SA	1,064	0.19
Retail Trade			59,092 Edenred	1,309	0.24
31,255 Pandora A/S	3,245	0.58	Computers and Peripherals		
Software			2,251 Atos SE	261	0.05
6,310 SimCorp A/S	356	0.06	10,729 Ingenico Group SA	949	0.17
Telecommunications			Construction and Engineering		
4,841 GN Store Nord A/S	106	0.02	97,213 Bouygues SA	3,709	0.66
Transport			38,192 SPIE SA	864	0.16
701 AP Moller - Maersk A/S	1,091	0.20	20,080 Vinci SA	1,492	0.27
12,004 Dfds A/S	619	0.11	Electric Utilities		
	14,830	2.65	19,150 Engie SA	254	0.05
Finland (1.67%)			Electrical Equipment		
Auto Components			84,543 Legrand SA	4,778	0.86
29,278 Nokian Renkaat OYJ	1,146	0.20	98,087 Schneider Electric SE	6,732	1.20
Iron and Steel			Food Products		
16,200 Outokumpu OYJ	148	0.03	18,760 Sodexo SA	2,068	0.37
Machinery					
52,597 Kone OYJ	2,165	0.39			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %	Number of Shares	Fair Value EUR '000	Fund %
Health Care Equipment and Supplies			Construction and Engineering		
25,658 Essilor International SA	2,922	0.52	552 Hochtief AG	86	0.02
Health Care Providers and Services			Containers and Packaging		
7,558 BioMerieux	1,199	0.21	2,503 Gerresheimer AG	186	0.03
22,834 Orpea	2,055	0.37	Diversified Financials		
Home Furnishings			46,130 Deutsche Boerse AG	3,963	0.71
16,417 SEB SA	2,149	0.39	Wuestenrot & 2,360 Wuerttembergische AG	44	0.01
Household Products			Electric Utilities		
11,587 Societe BIC SA	1,353	0.24	122,200 E.ON SE	911	0.16
Insurance			Electrical Equipment		
91,708 AXA SA	2,224	0.40	2,382 OSRAM Licht AG	140	0.02
Internet Software and Services			Food Products		
4,033 Iliad SA	846	0.15	57,920 METRO AG	1,736	0.31
Metals and Mining			Health Care Providers and Services		
654,829 Vallourec SA	4,076	0.73	65,270 Fresenius SE & Co KGaA ..	4,917	0.88
Oil and Gas			Insurance		
148,462 Total SA	7,039	1.26	14,364 Allianz SE	2,494	0.45
Personal Products			5,441 Hannover Rueck SE	588	0.10
17,179 L'Oreal SA	3,095	0.55	Muenchener Rueckversicherungs- Gesellschaft AG in		
Pharmaceuticals			27,018 Muenchen	4,955	0.89
44,537 Sanofi	3,769	0.67	30,645 Talanx AG	1,013	0.18
Real Estate			Iron and Steel		
15,102 Nexity SA	696	0.12	88,437 Salzgitter AG	3,001	0.54
Retail Trade			Machinery		
320 Kering	78	0.01	18,206 KION Group AG	1,115	0.20
Software			Media		
15,636 Dassault Systemes SE	1,269	0.23	39,095 Axel Springer SE	2,024	0.36
7,780 ESI Group	392	0.07	54,979 ProSiebenSat.1 Media SE ...	2,282	0.41
22,970 Ubisoft Entertainment SA ...	920	0.16	Metals and Mining		
32,934 Worldline SA	962	0.17	12,125 Aurubis AG	762	0.14
Telecommunications			Miscellaneous Manufacturers		
120,130 Orange SA	1,750	0.31	61,313 Siemens AG	7,873	1.41
Textile and Apparel			Personal Products		
8,986 Christian Dior SE	1,957	0.35	870 Beiersdorf AG	77	0.01
LVMH Moet Hennessy			Pharmaceuticals		
18,693 Louis Vuitton SE	3,848	0.69	91,528 Bayer AG	9,890	1.77
	90,565	16.21	11,474 Merck KGaA	1,225	0.22
Germany (14.60%)			Retail Trade		
Auto Components			660 Cewe Stiftung & Co KGaA	54	0.01
9,897 Continental AG	2,034	0.36	Semiconductor Equipment and Products		
Banks			Infineon Technologies		
213,591 Commerzbank AG	1,811	0.32	73,430 AG	1,406	0.25
Chemicals			12,974 Siltronic AG	810	0.15
28,838 BASF SE	2,680	0.48	Software		
32,537 Covestro AG	2,348	0.42	65,725 SAP SE	6,045	1.08
21,147 Evonik Industries AG	646	0.12	2,823 Software AG	105	0.02
17,340 Lanxess AG	1,091	0.20	Telecommunications		
872 Linde AG	136	0.02	275,485 Deutsche Telekom AG	4,525	0.81
19,955 Symrise AG	1,244	0.22	Telefonica Deutschland		
Commercial Services and Supplies			79,558 Holding AG	370	0.07
39,335 Wirecard AG	2,041	0.37			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %	Number of Shares	Fair Value EUR '000	Fund %
Textile and Apparel			Luxembourg (0.54%)		
27,626 Adidas AG	4,926	0.88	Health Care Providers and Services		
	81,554	14.60	3,507 Eurofins Scientific SE	1,430	0.25
Ireland (1.02%)			Iron and Steel		
Computers and Peripherals			649 APERAM SA	30	0.01
19,200 Seagate Technology Plc	825	0.15	Media		
Entertainment			4,310 RTL Group SA	325	0.06
7,602 Paddy Power Betfair Plc	764	0.14	Oil and Gas Services		
Insurance			43,360 Subsea 7 SA	627	0.11
15,732 Willis Towers Watson Plc ...	1,925	0.34	Telecommunications		
Retail Trade			28,830 SES SA	629	0.11
260,676 Grafton Group Plc	2,179	0.39		3,041	0.54
	5,693	1.02	Malta (0.02%)		
Italy (4.02%)			Entertainment		
Banks			9,800 Kindred Group Plc SDR	95	0.02
Banca Monte dei Paschi di			Netherlands (7.16%)		
4,423 Siena SpA	67	0.01	Aerospace and Defence		
1,368,741 Intesa Sanpaolo SpA	3,485	0.62	21,943 Airbus SE	1,565	0.28
90,790 UniCredit SpA	1,312	0.24	Automobiles		
Electric Utilities			Fiat Chrysler Automobiles		
1,434,175 Enel SpA	6,330	1.13	143,680 NV	1,473	0.26
Electrical Equipment			Banks		
3,580 Prysmian SpA	89	0.02	37,100 ABN AMRO Group NV	844	0.15
Insurance			601,885 ING Groep NV	8,529	1.53
Assicurazioni Generali			Chemicals		
70,721 SpA	1,054	0.19	12,070 Koninklijke DSM NV	765	0.14
Machinery			Commercial Services and Supplies		
Danieli & C Officine			9,040 Randstad Holding NV	489	0.09
23,413 Meccaniche SpA	514	0.09	44,870 RELX NV	779	0.14
Oil and Gas			Construction and Engineering		
358,018 Eni SpA	5,496	0.98	10,134 Boskalis Westminster	328	0.06
Telecommunications			Electrical Equipment		
Telecom Italia SpA (Non-			68,227 Koninklijke Philips NV	2,056	0.37
737,600 Voting Rights)	505	0.09	Food Products		
Telecom Italia SpA (Voting			Koninklijke Ahold Delhaize		
2,371,650 Rights)	1,999	0.36	97,316 NV	1,952	0.35
Textile and Apparel			Insurance		
77,310 Moncler SpA	1,587	0.29	217,957 Delta Lloyd NV	1,164	0.21
	22,438	4.02	93,493 NN Group NV	2,850	0.51
Jersey, Channel Islands (1.72%)			Media		
Advertising			15,960 Wolters Kluwer NV	622	0.11
246,891 WPP Plc	5,057	0.90	Personal Products		
Airlines			94,759 Unilever NV	4,413	0.79
10,860 Wizz Air Holdings Plc	208	0.04	Pharmaceuticals		
Distributors			49,876 Mylan NV	1,818	0.33
9,160 Wolseley Plc	538	0.10	Retail Trade		
Metals and Mining			39,565 GrandVision NV	908	0.16
443,888 Centamin Plc	896	0.16	Semiconductor Equipment and Products		
169,600 Glencore Plc	621	0.11	5,490 ASM International NV	289	0.05
Pharmaceuticals			28,681 ASML Holding NV	3,568	0.64
42,025 Shire Plc	2,290	0.41			
	9,610	1.72			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %	Number of Shares	Fair Value EUR '000	Fund %
BE Semiconductor Industries			Computers and Peripherals		
17,441 NV	667	0.12	85,792 Indra Sistemas SA	1,027	0.18
200,900 STMicroelectronics NV	2,879	0.51	Construction and Engineering		
Telecommunications			ACS Actividades de		
721,773 Koninklijke KPN NV	2,038	0.36	43,230 Construcción y Servicios SA	1,379	0.25
	39,996	7.16	12,316 Aena SA	1,826	0.33
Norway (1.81%)			34,699 Ferrovial SA	651	0.11
Banks			Electric Utilities		
144,834 DNB ASA	2,146	0.38	28,218 Endesa SA	622	0.11
Chemicals			188,539 Iberdrola SA	1,264	0.23
18,311 Yara International ASA	659	0.12	Electrical Equipment		
Food Products			Gamesa Corp Tecnologica		
61,291 Austevoll Seafood ASA	420	0.08	182,212 SA	4,041	0.72
58,600 Grieg Seafood ASA	411	0.07	Food Products		
4,930 Leroy Seafood Group ASA	202	0.04	Distribuidora Internacional		
61,742 Marine Harvest ASA	880	0.16	73,100 de Alimentación SA	396	0.07
742 Norway Royal Salmon ASA	12	0.00	Gas Utilities		
69,107 Orkla ASA	579	0.10	42,749 Gas Natural SDG SA	878	0.16
28,910 Salmar ASA	583	0.10	Insurance		
Media			127,338 Mapfre SA	409	0.07
7,796 Schibsted ASA	167	0.03	Machinery		
Metals and Mining			27,506 Zardoya Otis SA	238	0.04
79,400 Norsk Hydro ASA	431	0.08	Media		
Oil and Gas			Mediaset Espana		
116,189 Statoil ASA	1,855	0.33	74,779 Comunicacion SA	904	0.16
Oil and Gas Services			Oil and Gas		
19,886 Fred Olsen Energy ASA	61	0.01	132,750 Repsol SA	1,922	0.34
TGS Nopec Geophysical Co			Pharmaceuticals		
29,930 ASA	593	0.11	21,730 Grifols SA	500	0.09
Telecommunications			Retail Trade		
71,954 Telenor ASA	1,119	0.20	Industria de Diseño Textil		
	10,118	1.81	72,738 SA	2,403	0.43
Russia (0.59%)			67,533 Telepizza Group SA	322	0.06
Banks			Software		
Sberbank of Russia PJSC			99,561 Amadeus IT Group SA	4,735	0.85
2,787 ADR (UK Listed)	30	0.01	Telecommunications		
Sberbank of Russia PJSC			350,422 Telefonica SA	3,674	0.66
139,773 ADR (US Listed)	1,507	0.26		33,221	5.94
Oil and Gas			Sweden (2.33%)		
428,252 Gazprom PJSC ADR	1,790	0.32	Agriculture		
	3,327	0.59	16,661 Swedish Match AB	509	0.09
Spain (5.94%)			Banks		
Airlines			145,779 Nordea Bank AB	1,562	0.28
International Consolidated			136,729 Swedbank AB	2,972	0.53
88,900 Airlines Group SA	551	0.10	Electrical Equipment		
International Consolidated			95,783 Assa Abloy AB	1,849	0.33
256,697 Airlines Group SA	1,588	0.28	178,507 Gunnebo AB	837	0.15
Auto Components			Hand and Machine Tools		
11,910 CIE Automotive SA	220	0.04	11,450 Sandvik AB	161	0.03
Banks			Home Furnishings		
1,238,292 Banco Popular Espanol SA	1,127	0.20	34,003 Electrolux AB	887	0.16
162,512 Banco Santander SA	934	0.17	Machinery		
1,510,447 Bankia SA	1,610	0.29	16,760 Atlas Copco AB (A Shares)	555	0.10

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %
23,170 Atlas Copco AB (B Shares) .	691	0.12
6,180 Hexagon AB	233	0.04
9,900 Husqvarna AB	82	0.02
Metals and Mining		
9,480 Boliden AB	265	0.05
33,314 SKF AB	619	0.11
Miscellaneous Manufacturers		
12,280 Alfa Laval AB	217	0.04
Personal Products		
28,500 Svenska Cellulosa AB SCA	863	0.15
Telecommunications		
184,304 Telia Co AB	725	0.13
	13,027	2.33
Switzerland (9.31%)		
Auto Components		
595 Georg Fischer AG	506	0.09
Banks		
177,172 Credit Suisse Group AG	2,466	0.44
325,391 UBS Group AG	4,872	0.87
Beverages		
40,500 Coca-Cola HBC AG	976	0.18
Building Products		
21,925 LafargeHolcim Ltd	1,212	0.22
185 Sika AG	1,039	0.18
Chemicals		
446 Givaudan SA	752	0.13
14,931 Lonza Group AG	2,642	0.47
3,185 Syngenta AG	1,315	0.24
Commercial Services and Supplies		
1,020 Adecco Group AG	68	0.01
298 SGS SA	595	0.11
Construction and Engineering		
1,579 Flughafen Zuerich AG	315	0.06
Food Products		
121,291 Nestle SA	8,707	1.56
Insurance		
524 Helvetia Holding AG	272	0.05
7,851 Swiss Life Holding AG	2,370	0.42
9,040 Swiss Re AG	760	0.14
Machinery		
64,739 ABB Ltd	1,417	0.25
1,342 Bobst Group SA	116	0.02
Personal Products		
21,867 Oriflame Holding AG	821	0.15
Pharmaceuticals		
42,369 Novartis AG	2,942	0.53
59,598 Roche Holding AG	14,240	2.55
Retail Trade		
Cie Financiere Richemont		
14,827 SA	1,097	0.20
10,229 Dufry AG	1,458	0.26

Number of Shares		Fair Value EUR '000	Fund %
Telecommunications			
1,343	Swisscom AG	580	0.10
Transport			
3,540	Kuehne & Nagel International AG	468	0.08
		52,006	9.31
United Kingdom (22.43%)			
Aerospace and Defence			
79,176	Meggitt Plc	412	0.07
Agriculture			
98,711	British American Tobacco Plc	6,117	1.10
158,419	Imperial Brands Plc	7,162	1.28
Airlines			
2,723	Dart Group Plc	16	0.00
27,559	EasyJet Plc	331	0.06
Auto Components			
17,000	GKN Plc	72	0.01
Banks			
596,400	Barclays Plc	1,570	0.28
543,810	HSBC Holdings Plc	4,138	0.74
4,859,685	Lloyds Banking Group Plc . Royal Bank of Scotland Group Plc	3,768	0.67
468,946		1,327	0.24
185,157	Standard Chartered Plc	1,652	0.30
Beverages			
97,529	Diageo Plc	2,604	0.47
Biotechnology			
7,900	Abcam Plc	76	0.01
Commercial Services and Supplies			
129,079	Berendsen Plc	1,106	0.20
Construction and Engineering			
442,763	Balfour Beatty Plc	1,395	0.25
Distributors			
785,597	SIG Plc	1,022	0.18
Diversified Financials			
45,777	Schroders Plc	1,622	0.29
493,079	Worldpay Group Plc	1,703	0.31
Electric Utilities			
58,906	SSE Plc	1,017	0.18
Entertainment			
1,335,644	Ladbrokes Coral Group Plc	2,018	0.36
161,991	Merlin Entertainments Plc	908	0.17
101,490	William Hill Plc	345	0.06
Food Products			
82,962	Compass Group Plc	1,461	0.26
1,651,290	Tesco Plc	3,583	0.64
434,800	Wm Morrison Supermarkets Plc	1,220	0.22
Gas Utilities			
308,700	Centrica Plc	783	0.14

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value EUR '000	Fund %	Number of Shares	Fair Value EUR '000	Fund %
Health Care Equipment and Supplies			Retail Trade		
545,493 ConvaTec Group Plc	1,779	0.32	141,850 JD Sports Fashion Plc	639	0.11
71,877 Smith & Nephew Plc	1,022	0.18	85,200 Kingfisher Plc	325	0.06
Home Builders			137,971 Marks & Spencer Group Plc	544	0.10
27,550 Persimmon Plc	674	0.12	12,537 Next Plc	633	0.11
994,446 Taylor Wimpey Plc	2,245	0.40	160,172 Travis Perkins Plc	2,835	0.51
Household Products			Semiconductor Equipment and Products		
67,622 Reckitt Benckiser Group Plc	5,760	1.03	3,810 Dialog Semiconductor Plc ..	182	0.03
Insurance			Software		
21,184 Admiral Group Plc	493	0.09	30,778 AVEVA Group Plc	702	0.13
320,237 Aviva Plc	1,992	0.36	89,700 Sage Group Plc	661	0.12
139,072 RSA Insurance Group Plc ...	954	0.17	Telecommunications		
156,918 St James's Place Plc	1,948	0.35	580,903 BT Group Plc	2,161	0.39
Internet Software and Services			48,367 Inmarsat Plc	481	0.09
181,598 Auto Trader Group Plc	833	0.15	1,895,933 Vodafone Group Plc	4,613	0.82
Iron and Steel			Transport		
195,356 Evraz Plc	494	0.09	41,100 Royal Mail Plc	204	0.04
Media			Water Utilities		
69,698 Informa Plc	531	0.10	58,121 United Utilities Group Plc ..	670	0.12
382,213 ITV Plc	978	0.17		125,305	22.43
65,821 Pearson Plc	525	0.09	Total Common Stock		
72,185 Sky Plc	824	0.15		527,968	94.49
Metals and Mining			Preferred Stock (1.02%) (2016: 1.14%)		
25,200 Anglo American Plc	359	0.06	Germany (0.76%)		
251,518 Antofagasta Plc	2,454	0.44	Automobiles		
165,807 BHP Billiton Plc	2,392	0.43	31,204 Volkswagen AG	4,262	0.76
123,876 Rio Tinto Plc	4,648	0.83	Italy (0.26%)		
Miscellaneous Manufacturers			Machinery		
32,855 Smiths Group Plc	622	0.11	Danieli & C Officine		
Oil and Gas			93,992 Meccaniche SpA	1,460	0.26
367,788 BP Plc	1,967	0.35	Total Preferred Stock		
Royal Dutch Shell Plc (A				5,722	1.02
231,678 Shares)	5,703	1.02	Total Transferable		
Royal Dutch Shell Plc (B			Securities		
144,600 Shares)	3,693	0.66		533,690	95.51
172,208 Tullow Oil Plc	471	0.09	Investment Funds (3.44%) (2016: 5.08%)		
Oil and Gas Services			Ireland (3.44%)		
178,479 Amec Foster Wheeler Plc	1,109	0.20	Russell Investment Company		
16,801 Technip FMC Plc	514	0.09	III Plc Russell Investments		
Other Finance			Euro Liquidity Fund - Class		
359,700 3i Group Plc	3,152	0.57	18,899 R Roll-Up Shares	18,864	3.38
Paper and Forest Products			Russell Investment Company		
40,190 Mondi Plc	905	0.16	III Plc Russell Investments		
Personal Products			Sterling Liquidity Fund -		
1,600 Unilever Plc	74	0.01	283 Class R Roll-Up Shares	333	0.06
Pharmaceuticals			Total Investment Funds		
42,137 AstraZeneca Plc	2,420	0.43		19,197	3.44
494,701 GlaxoSmithKline Plc	9,598	1.72	Rights (Nil) (2016: 0.04%)		
254,100 Indivior Plc	957	0.17	Total Investments		
Real Estate Investment Trust			excluding Financial		
24,808 Hammerson Plc	166	0.03	Derivative Instruments		
78,460 Land Securities Group Plc ...	971	0.17		552,887	98.95

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Financial Derivative Instruments (0.03%) (2016: (0.07)%)

Open Futures Contracts (0.03%)

Notional Amount ‘000	Average Cost Price EUR		Unrealised Gain (Loss) EUR ‘000	Fund %
716	511.29	7 of Amsterdam Index Future Long Futures Contracts Expiring April 2017	5	0.00
2,170	5045.63	43 of CAC 40 Index Futures Long Futures Contracts Expiring April 2017	30	0.01
1,524	12190.74	5 of DAX Index Futures Long Futures Contracts Expiring June 2017	17	0.00
6,167	3388.25	182 of Euro Stoxx 50 Index Futures Long Futures Contracts Expiring June 2017	69	0.02
6,567	8528.45	77 of FTSE 100 Index Futures Long Futures Contracts Expiring June 2017	(17)	0.00
592	19725.03	6 of FTSE MIB Index Futures Long Futures Contracts Expiring June 2017	10	0.00
714	10204.53	7 of IBEX 35 Index Futures Long Futures Contracts Expiring April 2017	15	0.00
1,080	163.71	66 of OMX 30 Index Futures Long Futures Contracts Expiring April 2017	13	0.00
3,106	7964.79	39 of Swiss Market Index Future Long Futures Contracts Expiring June 2017	4	0.00
Unrealised gain on open futures contracts			163	0.03
Unrealised loss on open futures contracts			(17)	0.00
Net unrealised gain (loss) on open futures contracts			146	0.03

Open Forward Foreign Currency Exchange Contracts (0.00%)

Settlement Date	Amount Bought ‘000	Amount Sold ‘000	Unrealised Gain (Loss) EUR ‘000	Fund %
21/06/2017	CHF 250	EUR 234	-	0.00
21/06/2017	CHF 1,000	EUR 936	(1)	0.00
21/06/2017	CHF 1,113	EUR 1,047	(6)	0.00
21/06/2017	CHF 1,113	EUR 1,047	(7)	0.00
21/06/2017	CHF 1,113	EUR 1,047	(7)	0.00
21/06/2017	CHF 1,113	EUR 1,047	(7)	0.00
21/06/2017	CHF 1,700	EUR 1,587	2	0.00
21/06/2017	EUR 187	CHF 200	-	0.00
21/06/2017	EUR 280	CHF 300	-	0.00
21/06/2017	EUR 938	CHF 1,000	3	0.00
21/06/2017	EUR 2,525	CHF 2,700	1	0.00
21/06/2017	EUR 321	GBP 200	(3)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) EUR '000	Fund %
21/06/2017	EUR 577	GBP 500	(7)	0.00
21/06/2017	EUR 1,620	GBP 1,400	(13)	0.00
21/06/2017	EUR 5,248	GBP 4,550	(64)	(0.01)
21/06/2017	EUR 105	SEK 1,000	-	0.00
21/06/2017	EUR 105	SEK 1,000	-	0.00
21/06/2017	EUR 241	SEK 2,300	-	0.00
21/06/2017	EUR 787	SEK 7,500	2	0.00
21/06/2017	GBP 100	EUR 115	1	0.00
21/06/2017	GBP 300	EUR 346	4	0.00
21/06/2017	GBP 1,725	EUR 2,006	7	0.00
21/06/2017	GBP 1,725	EUR 2,007	6	0.00
21/06/2017	GBP 1,725	EUR 2,007	6	0.00
21/06/2017	GBP 1,725	EUR 2,010	3	0.00
21/06/2017	GBP 4,300	EUR 4,965	56	0.01
21/06/2017	SEK 200	EUR 21	-	0.00
21/06/2017	SEK 600	EUR 63	-	0.00
21/06/2017	SEK 3,000	EUR 315	-	0.00
21/06/2017	SEK 3,000	EUR 315	-	0.00
21/06/2017	SEK 3,000	EUR 315	(1)	0.00
21/06/2017	SEK 3,000	EUR 316	(1)	0.00
21/06/2017	SEK 8,000	EUR 838	-	0.00
Unrealised gain on open forward foreign currency exchange contracts			91	0.01
Unrealised loss on open forward foreign currency exchange contracts			(117)	(0.01)
Net unrealised gain (loss) on open forward foreign currency exchange contracts ..			(26)	0.00
Total Financial Derivative Instruments			120	0.03
			Fair Value EUR '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (98.99%)			553,141	98.99
Total Financial Liabilities at Fair Value through Profit or Loss ((0.01%))			(134)	(0.01)
Net Financial Assets at Fair Value through Profit or Loss (98.98%)			553,007	98.98
Other Net Assets (1.02%)			5,736	1.02
Net Assets			558,743	100.00
				% of gross assets
Analysis of gross assets				
Transferable securities admitted to an official stock exchange listing				95.11
Investment funds (UCITS)				3.42
Exchange traded financial derivative instruments				0.03
Over the counter financial derivative instruments				0.02
Other assets				1.42
				100.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts EUR'000		Open Forwards Foreign Currency Exchange Contracts EUR'000		Total EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch.....	-	-	59	(14)	59	(14)
Commonwealth Bank of Australia	-	-	7	(7)	7	(7)
Morgan Stanley	163	(17)	-	-	163	(17)
Standard Chartered Bank	-	-	7	(8)	7	(8)
UBS AG	-	-	7	(62)	7	(62)
Other*	-	-	11	(26)	11	(26)
Total financial derivative assets	163	(17)	91	(117)	254	(134)

As at 31 March 2016

Broker/counterparty	Open Futures Contracts EUR'000		Open Forwards Foreign Currency Exchange Contracts EUR'000		Total EUR'000	
	Gains	Losses	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch.....	-	-	7	(44)	7	(44)
BNP Paribas	-	-	12	(56)	12	(56)
HSBC	-	-	12	(56)	12	(56)
Morgan Stanley	70	(310)	-	-	70	(310)
State Street Bank And Trust Company	-	-	14	(15)	14	(15)
Other**	-	-	1	-	1	-
Total financial derivative assets	70	(310)	46	(171)	116	(481)

* The brokers/counterparties included here are Bank of Montreal, BNP Paribas, Brown Brothers Harriman, Royal Bank of Canada and State Street Bank And Trust Company for open forward foreign currency exchange contracts.

** The brokers/counterparties included here is Citibank for open forward foreign currency exchange contracts.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	533,623	-	67	533,690
Investment funds	-	19,197	-	19,197
Unrealised gain on open futures contracts	163	-	-	163
Unrealised gain on open forward foreign currency exchange contracts	-	91	-	91
Total assets	533,786	19,288	67	553,141
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(17)	-	-	(17)
Unrealised loss on open forward foreign currency exchange contracts	-	(117)	-	(117)
Total liabilities	(17)	(117)	-	(134)

As at 31 March 2016

	Level 1 EUR '000	Level 2 EUR '000	Level 3 EUR '000	Total EUR '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	486,760	-	1	486,761
Investment funds	-	26,518	-	26,518
Unrealised gain on open futures contracts	70	-	-	70
Unrealised gain on open forward foreign currency exchange contracts	-	46	-	46
Total assets	486,830	26,564	1	513,395
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(310)	-	-	(310)
Unrealised loss on open forward foreign currency exchange contracts	-	(171)	-	(171)
Total liabilities	(310)	(171)	-	(481)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments Pan European Equity Fund

Statement of Changes in the Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and cumulative investment sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost EUR '000	Portfolio Securities	Disposal Proceeds EUR '000
Russell Investment Company Plc		Russell Investment Company Plc	
Russell Investments Euro Liquidity Fund		Russell Investments Euro Liquidity Fund	
Class R Roll-Up Shares	104,953	Class R Roll-Up Shares	(119,651)
Russell Investment Company III Plc		Russell Investment Company III Plc	
Russell Investments Euro Liquidity Fund		Russell Investments Euro Liquidity Fund	
Class R Roll-Up Shares	66,479	Class R Roll-Up Shares	(59,202)
Roche Holding AG	6,097	Royal Dutch Shell Plc	(5,385)
Siemens AG	5,994	STMicroelectronics NV	(5,358)
Enel SpA	5,109	Nestle SA	(5,032)
Pandora A/S	5,006	BNP Paribas SA	(4,866)
Bayer AG	4,793	ING Groep NV	(4,522)
UBS Group AG	4,637	Actelion Ltd	(4,394)
GlaxoSmithKline Plc	4,624	Adidas AG	(4,231)
Muenchener Rueckversicherungs-		Vodafone Group Plc	(4,117)
Gesellschaft AG in Muenchen	4,397	UBS Group AG	(4,076)
Nestle SA	4,397	Koninklijke Philips NV	(3,767)
Reckitt Benckiser Group Plc	4,153	Total SA	(3,476)
Telefonica SA	3,801	Allianz SE	(3,397)
Eni SpA	3,576	GlaxoSmithKline Plc	(3,387)
WPP Plc	3,495	Renault SA	(3,340)
Tesco Plc	3,449	Muenchener Rueckversicherungs-	
Swiss Life Holding AG	3,312	Gesellschaft AG in Muenchen	(3,184)
Repsol SA	3,260	Roche Holding AG	(3,153)
Societe Generale SA	3,119	BASF SE	(3,153)
Koninklijke Philips NV	3,070	Statoil ASA	(3,098)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Manager's Report

Russell Investments U.K. Equity Plus Fund (the "Fund") ceased trading on 28 March 2017. There is no performance data of relevance to report.

Investment Objective

Prior to the Fund ceasing to trade, the Fund sought to provide total returns by investing in a portfolio of predominantly U.K. equities traded on U.K. stock exchanges, including convertibles, warrants, money market instruments, deposits and collective investment schemes. The Fund sought to achieve its investment objective by investing in derivative instruments that have as their underlying exposure the foregoing (e.g. swaps and contracts for differences) and may implement bought (long) and synthetic short (sold) positions through the use of derivatives.

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Balance Sheet

As at 31 March 2017

	31 March 2017* GBP '000	31 March 2016 GBP '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	-	90,289
Cash at bank (Note 3)	72	471
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	-	624
Debtors:		
Receivable for investments sold	4	-
Receivable on fund shares issued	-	32
Dividends receivable	-	497
	<u>76</u>	<u>91,913</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)		-
Creditors – amounts falling due within one financial year:		
Payable for investments purchased	(1)	(21)
Payable on fund shares redeemed	-	(20)
Distributions payable on income class shares	-	(252)
Management fees payable	(21)	(63)
Performance fees payable	-	(626)
Depository fees payable	(2)	(1)
Sub-custodian fees payable	(3)	(1)
Administration and transfer agency fees payable	(4)	(4)
Audit fees payable	(11)	(10)
Other fees payable	(34)	-
	<u>(76)</u>	<u>(998)</u>
Net asset value attributable to redeemable participating shareholders	<u>-</u>	<u>90,915</u>

* The Fund terminated on 28 March 2017.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017* GBP '000	2016 GBP '000
Income		
Dividends	1,895	3,279
Net gain (loss) on investment activities (Note 4)	4,792	(4,596)
Total investment income (expense)	6,687	(1,317)
Expenses		
Management fees (Note 5)	(559)	(810)
Performance fees (Note 5)	226	(351)
Depository fees (Note 6)	(9)	(8)
Sub-custodian fees (Note 6)	(41)	(12)
Administration and transfer agency fees (Note 6)	(48)	(49)
Audit fees (Note 6)	(10)	(10)
Professional fees	(16)	(19)
Other fees	(38)	(5)
Total operating expenses	(495)	(1,264)
Net income (expense)	6,192	(2,581)
Finance costs		
Distributions (Note 8)	(1,195)	(1,902)
Profit (loss) for the financial year before taxation	4,997	(4,483)
Taxation		
Withholding tax (Note 9)	(13)	(6)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	4,984	(4,489)

* The Fund terminated on 28 March 2017.

All amounts arose solely from terminating activities. There are no recognised gains and losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017* GBP '000	2016 GBP '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	4,984	(4,489)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	598	1,316
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(96,497)</u>	<u>(14,843)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(90,915)	(18,016)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>90,915</u>	<u>108,931</u>
End of financial year	<u><u>-</u></u>	<u><u>90,915</u></u>

* The Fund terminated on 28 March 2017.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Schedule of Investments

31 March 2017

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2016

Broker/counterparty	Open Futures Contracts GBP'000		Total GBP'000	
	Gains	Losses	Gains	Losses
UBS AG	15	-	15	-
Total financial derivative assets	15	-	15	-

Fair Value Hierarchy (Note 12 b) i))

There were no financial assets and liabilities (by investment type) measured at fair value at 31 March 2017.

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2016.

As at 31 March 2016

	Level 1 GBP '000	Level 2 GBP '000	Level 3 GBP '000	Total GBP '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	86,086	-	-	86,086
Investment funds	-	4,188	-	4,188
Unrealised gain on open futures contracts	15	-	-	15
Total assets	86,101	4,188	-	90,289

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.K. Equity Plus Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and cumulative investment sales in excess of 1% of total investment sales respectively during the period ended 28 March 2017.

Portfolio Securities	Acquisition Cost GBP '000	Portfolio Securities	Disposal Proceeds GBP '000
Russell Investment Company III Plc		Russell Investment Company III Plc	
Russell Investments Sterling Liquidity Fund		Russell Investments Sterling Liquidity Fund	
Class R Roll-Up Shares	43,412	Class R Roll-Up Shares	(47,054)
BP Plc	1,630	GlaxoSmithKline Plc	(3,318)
Aviva Plc	1,618	BP Plc	(3,161)
International Consolidated Airlines Group SA	1,501	HSBC Holdings Plc	(2,731)
HSBC Holdings Plc	1,487	AstraZeneca Plc	(2,728)
Imperial Brands Plc	1,483	BT Group Plc	(2,482)
Royal Bank of Scotland Group Plc	1,387	Imperial Brands Plc	(2,473)
Playtech Plc	1,356	Vodafone Group Plc	(2,471)
Bellway Plc	1,342	British American Tobacco Plc	(2,402)
Bovis Homes Group Plc	1,212	ITV Plc	(2,036)
Admiral Group Plc	1,083	Royal Dutch Shell Plc	(1,968)
Inchcape Plc	1,072	International Consolidated Airlines	
Land Securities Group Plc	1,052	Group SA	(1,922)
Hays Plc	1,046	Bellway Plc	(1,911)
TP ICAP Plc	1,037	Aviva Plc	(1,896)
Micro Focus International Plc	1,019	Shire Plc	(1,782)
Lloyds Banking Group Plc	995	Rio Tinto Plc	(1,641)
Standard Chartered Plc	962	Lloyds Banking Group Plc	(1,556)
Crest Nicholson Holdings Plc	838	Crest Nicholson Holdings Plc	(1,499)
GlaxoSmithKline Plc	792	Berendsen Plc	(1,465)
		RELX Plc	(1,456)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments U.S. Quant Fund

Manager's Report

Money Managers as at 31 March 2017

Aronson and Johnson and Ortiz, L.P.
Jacobs Levy Equity Management Inc.
Numeric Investors, L.P.
Russell Investments Management, LLC

Investment Objective

Russell Investments U.S. Quant Fund (the "Fund") seeks to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, American depositary receipts, global depositary receipts, convertibles and warrants listed, traded or dealt in on a regulated market in the U.S. The Fund will seek to achieve its investment objective by investing in derivative instruments that have as their underlying exposure the foregoing (e.g. swaps and contracts for differences) and may implement bought (long) and synthetic short (sold) positions through the use of derivatives.

Fund Performance

During the financial year ended 31st March 2017, the Fund (Class B) returned 17.4 per cent on a gross of fee basis (16.1 per cent on a net of fee basis), while the benchmark* returned 16.7 per cent.

Market Comment

The benchmark rose 2.4 per cent over the second quarter of 2016, despite the startling result of the UK's referendum on European Union membership. UK's decision to leave the EU threw worldwide markets into turmoil in the last days of June. However, equities were bolstered during the period by stronger oil prices and a more cautious U.S. Federal Reserve ("Fed"). The final first quarter gross domestic product ("GDP") growth rate was revised upwards to 1.1 per cent quarter-on-quarter ("QoQ"), beating estimates of 1.0 per cent. However, a poor jobs report in May, with non-farm payrolls only advancing by 38,000 versus the 164,000 expected, seriously dented hopes for a June Fed rate hike. Inflation also continued to remain below target at 1.0 per cent year-on-year ("YoY") in May, whilst retail sales (2.5 per cent YoY) did not match estimates for a 3.0 per cent growth over the same period. This mixed economic data, combined with market uncertainties, left the Fed in a position to be more cautious in raising interest rates for the rest of the year.

The benchmark returned 3.9 per cent during the third quarter of 2016, shaking off the general risk-off market sentiment that characterised much of the second quarter. The Fed ended months of deliberation on whether to raise rates, with a hawkish hold. Combined with strengthening oil prices, after hopes that oil producers might agree to limit output, risk appetite was buoyed. U.S. retail sales cooled off over the period, declining 0.3 per cent MoM in the latest reading in August. Inflation also remained under the Fed target of 2.0 per cent (1.1 per cent YoY). The final revision for second quarter GDP growth however, was increased to 1.4 per cent QoQ. The non-farm payrolls numbers also impressed markets, increasing by a robust 406,000 over July and August alone. This mixed bag of economic data informed upon the Federal Open Market Committee meeting, which left interest rates unchanged at 0.5 per cent, but strongly signalled that "the case for an increase in the federal funds rate has strengthened". While signalling that a rate hike is likely in the months ahead, Fed officials lowered their economic growth forecast and trimmed the number of rate hikes they foresee in 2017 from three to two.

The benchmark rose 3.7 per cent in the final quarter of 2016. Donald Trump's U.S. presidential election victory heightened expectations for further inflation on the back of his fiscal plans. After months of deliberations, the Fed increased its benchmark interest rate in December based on encouraging economic data. Over the quarter, oil prices also strengthened as members of the Organisation of the Petroleum Exporting Countries agreed on cutting production. The latest retail figures (3.8 per cent YoY) failed to meet estimates for a 4.2 per cent YoY rise. However, inflation ticked upwards to 1.7 per cent YoY, closing in on the symbolic 2.0 per cent Fed target. Moreover, housing and employment data remained robust with November's non-farm payrolls number increasing by 178,000 and the unemployment rate improving to 4.6 per cent (previous 4.9 per cent). Additionally, the final third quarter GDP growth rate figure was revised upwards to 3.5 per cent QoQ. This encouraging economic data enabled the Fed to raise the interest rate by 25 basis points (bps) to 0.75 per cent, with two to three further hikes expected in 2017.

The benchmark rose 5.9 per cent during the first quarter of 2017. The Fed raised its benchmark rate by another 25 basis points as expected and on the back of positive economic data, with two more hikes very likely in 2017. However, the March interest rate rise was accompanied by a dovish statement. Additionally, the post-Trump risk rally lost some steam in the latter stages of the period, after President Trump lost support from his own Republican party for his health care bill. Retail sales (5.7 per cent YoY) slowed down in February, however inflation ticked upward to 2.7 per cent YoY. In addition, the latest non-farm payrolls figure (235,000) beat expectations yet again and pushed the unemployment rate down to 4.7 per cent. The U.S. GDP growth rate was also revised slightly higher to 2.1 per cent for the fourth quarter 2016. This string of positive economic data enabled the Fed to raise its benchmark interest rate to 1.0 per cent - with two more hikes very likely in 2017. However, the March interest rate rise was broadly a dovish one, propelling stocks upwards.

Manager's Report - continued

General Comment on Money Managers/Performance

The Fund underperformed the benchmark during the second quarter of 2016. The Fund's value tilt did not suit the market environment. Negative stock selection was a key driver of underperformance, particularly within the energy sector. However, sector allocation was positive, and included overweights to the health care and telecommunication services sectors. Our active positioning strategy mitigated additional underperformance, through its tilt towards low beta stocks. The Fund continues to reflect our preferences for positive exposure to value and quality, while remaining underweight capitalization.

The Fund outperformed the benchmark over the third quarter of 2016. In contrast to the previous quarter, the Fund's value tilt suited the market environment. Positioning towards metrics such as high cash-flow-to-price, high book-to-price, and high earnings-to-price were positive. Effective stock selection continued to drive relative returns as outperforming holdings within the financials and technology sectors contributed. However, an overweight to the utilities sector hindered additional gains. The Fund continues to reflect our preferences for positive exposure to value and quality, while remaining underweight capitalization.

The Fund outperformed the benchmark in a positive 2016 fourth quarter for US equities. Similar to the third quarter, the tilt towards value suited the market environment. Positioning towards metrics such as low price-to-cash-flow, low price-to-book and low price-to-earnings were positive. Stock selection was another key driver of positive relative returns and was strongest within the technology and health care sectors. During the quarter, we terminated Panagora and increased the remaining underlying manager weights. The Fund continues to reflect our preferences for positive exposure to value and quality, while remaining underweight capitalization.

The Fund underperformed the benchmark during the first quarter of 2017. Stock selection was the primary detractor due to underperforming holdings within the health care and consumer staples sectors. A tilt towards cheaper companies with low price-to-earnings, price-to-book and price-to-cashflow metrics was also unrewarded. However, effective sector positioning, including an overweight to technology and underweight to energy, mitigated additional underperformance. The Fund continues to reflect our preferences for positive exposure to value and quality, while remaining underweight capitalization.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell 1000 Net 30 per cent Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 USD '000	31 March 2016 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	220,775	269,359
Cash at bank (Note 3)	592	2,515
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	214	1,055
Debtors:		
Receivable for investments sold	7,457	366
Receivable on fund shares issued	236	10
Dividends receivable	146	164
	229,420	273,469
Liabilities		
Financial liabilities at fair value through profit or loss	(19)	-
Creditors – amounts falling due within one financial year:		
Payable for investments purchased	(669)	(9,083)
Payable on fund shares redeemed	(5,434)	(64)
Management fees payable	(206)	(199)
Depository fees payable	(4)	(3)
Sub-custodian fees payable	(9)	(8)
Administration and transfer agency fees payable	(8)	(9)
Audit fees payable	(17)	(19)
	(6,366)	(9,385)
Net asset attributable to redeemable participating shareholders	223,054	264,084

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Income		
Dividends	4,660	4,635
Net gain (loss) on investment activities (Note 4)	34,535	(3,744)
Total investment income (expense)	39,195	891
Expenses		
Management fees (Note 5)	(2,457)	(2,329)
Depository fees (Note 6)	(32)	(20)
Sub-custodian fees (Note 6)	(74)	(90)
Administration and transfer agency fees (Note 6)	(108)	(102)
Audit fees (Note 6)	(18)	(19)
Professional fees	(15)	(31)
Other fees	(7)	-
Total operating expenses	(2,711)	(2,591)
Net income (expense)	36,484	(1,700)
Finance costs		
Distributions (Note 8)	(637)	(788)
Profit (loss) for the financial year before taxation	35,847	(2,488)
Taxation		
Withholding tax (Note 9)	(1,315)	(1,312)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	34,532	(3,800)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	34,532	(3,800)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	637	788
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(76,199)</u>	<u>54,558</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(41,030)	51,546
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>264,084</u>	<u>212,538</u>
End of financial year	<u><u>223,054</u></u>	<u><u>264,084</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Transferable Securities (96.47%) (2016: 92.39%)			Netherlands (1.04%)		
Common Stock (96.47%) (2016: 92.39%)			Automobiles		
Bermuda (1.54%)			Fiat Chrysler Automobiles		
Agriculture			65,373 NV	715	0.32
22,613 Bunge Ltd	1,792	0.80	Chemicals		
Computers and Peripherals			LyondellBasell Industries		
1,449 Genpact Ltd	36	0.02	14,300 NV	1,304	0.59
Insurance			Commercial Services and Supplies		
320 Arch Capital Group Ltd	30	0.01	6,279 AerCap Holdings NV	289	0.13
729 Aspen Insurance Holdings Ltd	38	0.02		2,308	1.04
1,281 Assured Guaranty Ltd	48	0.02	Panama (0.13%)		
881 Axis Capital Holdings Ltd ...	59	0.03	Airlines		
3,404 Everest Re Group Ltd	796	0.36	531 Copa Holdings SA	60	0.03
407 RenaissanceRe Holdings Ltd	59	0.03	Hotels, Restaurants and Leisure		
724 Validus Holdings Ltd	41	0.02	3,898 Carnival Corp	230	0.10
White Mountains Insurance				290	0.13
41 Group Ltd	36	0.01	Puerto Rico (0.01%)		
2,452 XL Group Ltd	98	0.04	Banks		
Semiconductor Equipment and Products			538 Popular Inc	22	0.01
Marvell Technology Group			Switzerland (0.18%)		
25,700 Ltd	392	0.18	Insurance		
	3,425	1.54	2,236 Chubb Ltd	305	0.14
Canada (0.17%)			Oil and Gas		
Auto Components			7,932 Transocean Ltd	99	0.04
2,392 Magna International Inc	103	0.05		404	0.18
Media			United Kingdom (0.52%)		
2,146 Thomson Reuters Corp	93	0.04	Oil and Gas		
Metals and Mining			11,705 Noble Corp Plc	72	0.03
8,227 Teck Resources Ltd	180	0.08	Oil and Gas Services		
	376	0.17	22,200 Technip FMC Plc	722	0.32
Curacao (0.05%)			Telecommunications		
Oil and Gas Services			13,900 ARRIS International Plc	368	0.17
1,545 Schlumberger Ltd	121	0.05		1,162	0.52
Guernsey, Channel Islands (0.02%)			United States (92.19%)		
Computers and Peripherals			Advertising		
851 Amdocs Ltd	52	0.02	1,388 Omnicom Group Inc	120	0.05
Ireland (0.28%)			Aerospace and Defence		
Computers and Peripherals			10,118 Boeing Co	1,789	0.80
1,084 Accenture Plc	130	0.06	1,344 General Dynamics Corp	252	0.11
2,800 Seagate Technology Plc	129	0.06	1,160 Harris Corp	129	0.06
Health Care Equipment and Supplies			300 L3 Technologies Inc	50	0.02
1,689 Medtronic Plc	136	0.06	1,420 Lockheed Martin Corp	380	0.17
Miscellaneous Manufacturers			Northrop Grumman		
3,099 Eaton Corp Plc	230	0.10	967 Corp	230	0.10
	625	0.28	2,310 Raytheon Co	352	0.16
Liberia (0.11%)			Spirit AeroSystems Holdings		
Hotels, Restaurants and Leisure			25,574 Inc	1,481	0.67
2,600 Royal Caribbean Cruises Ltd	255	0.11	2,500 Triumph Group Inc	64	0.03
			United Technologies		
			4,056 Corp	455	0.20

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Agriculture					
9,651 Altria Group Inc	689	0.31	5,220 Biogen Inc	1,427	0.64
11,240 Archer-Daniels-Midland Co Philip Morris International Inc	517	0.23	6,663 Celgene Corp	829	0.37
11,189 Inc	1,263	0.57	56,159 Gilead Sciences Inc	3,814	1.71
2,866 Reynolds American Inc	181	0.08	4,200 United Therapeutics Corp ...	569	0.26
			300 Vertex Pharmaceuticals Inc	33	0.01
Airlines			Building Products		
1,873 American Airlines Group Inc	79	0.03	253 Eagle Materials Inc	25	0.01
35,337 Delta Air Lines Inc	1,624	0.73	1,027 Lennox International Inc	172	0.08
1,459 JetBlue Airways Corp	30	0.01	13,109 Owens Corning	804	0.36
15,637 Southwest Airlines Co	841	0.38	Chemicals		
United Continental Holdings Inc	1,048	0.47	Air Products & Chemicals 1,113 Inc	151	0.07
Auto Components			5,589 Celanese Corp	502	0.23
10,103 Lear Corp	1,430	0.64	5,889 Dow Chemical Co	374	0.17
1,800 Visteon Corp	176	0.08	3,400 Eastman Chemical Co	275	0.12
Automobiles			291 Monsanto Co	33	0.01
194,212 Ford Motor Co	2,261	1.01	260 NewMarket Corp	118	0.05
55,569 General Motors Co	1,965	0.88	1,237 Praxair Inc	147	0.07
1,300 Navistar International Corp .	32	0.02	1,250 Sherwin-Williams Co	388	0.17
Banks			756 Valspar Corp	84	0.04
85,194 Bank of America Corp	2,010	0.90	Commercial Services and Supplies		
Bank of New York Mellon Corp	180	0.08	7,500 Aaron's Inc	223	0.10
5,219 BB&T Corp	233	0.11	Automatic Data Processing Inc	415	0.19
5,749 Capital One Financial Corp .	498	0.22	851 CoreLogic Inc	35	0.02
66,442 Citigroup Inc	3,975	1.78	2,058 Ecolab Inc	258	0.11
38,059 Citizens Financial Group Inc	1,315	0.59	1,951 LSC Communications Inc ...	49	0.02
3,200 Comerica Inc	219	0.10	7,538 ManpowerGroup Inc	773	0.35
5,863 East West Bancorp Inc	303	0.14	1,029 PayPal Holdings Inc	44	0.02
600 First Merchants Corp	24	0.01	14,619 Quanta Services Inc	543	0.24
11,075 Goldman Sachs Group Inc ..	2,544	1.14	600 Robert Half International Inc	29	0.01
31,342 JPMorgan Chase & Co	2,753	1.23	6,100 United Rentals Inc	763	0.34
4,800 Morgan Stanley	206	0.09	Computers and Peripherals		
7,000 Northern Trust Corp	606	0.27	62,004 Apple Inc	8,906	3.99
PNC Financial Services Group Inc	618	0.28	Cognizant Technology 615 Solutions Corp	37	0.02
20,200 Regions Financial Corp	294	0.13	1,940 Conduent Inc	33	0.02
1,200 State Street Corp	96	0.04	2,140 Fortinet Inc	82	0.04
8,635 SunTrust Banks Inc	478	0.22	Hewlett Packard Enterprise 29,064 Co	689	0.31
9,400 TCF Financial Corp	160	0.07	82,814 HP Inc	1,481	0.66
13,423 US Bancorp	691	0.31	International Business 2,746 Machines Corp	478	0.21
27,050 Wells Fargo & Co	1,506	0.68	20,000 NetApp Inc	837	0.38
Beverages			900 Western Digital Corp	74	0.03
3,500 Brown-Forman Corp	162	0.07	Construction and Engineering		
3,487 Coca-Cola Co	148	0.07	2,500 EMCOR Group Inc	157	0.07
500 Constellation Brands Inc	81	0.04	3,400 Fluor Corp	179	0.08
Dr Pepper Snapple Group Inc	483	0.22	Containers and Packaging		
26,026 PepsiCo Inc	2,911	1.30	908 Bemis Co Inc	44	0.02
Biotechnology			5,600 Owens-Illinois Inc	114	0.05
14,155 Amgen Inc	2,322	1.04	2,000 Silgan Holdings Inc	119	0.06
200 Bio-Rad Laboratories Inc	40	0.02	957 Sonoco Products Co	51	0.02

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Distributors			1,000 Synnex Corp	112	0.05
1,736 Fastenal Co	89	0.04	Environmental Control		
700 HD Supply Holdings Inc	29	0.01	1,420 Republic Services Inc	89	0.04
2,059 WESCO International Inc	143	0.07	1,357 Waste Management Inc	99	0.04
Diversified Financials			Food Products		
11,483 Ally Financial Inc	233	0.10	29,600 Conagra Brands Inc	1,194	0.53
10,188 Ameriprise Financial Inc	1,321	0.59	3,499 General Mills Inc	206	0.09
583 CBOE Holdings Inc	47	0.02	704 JM Smucker Co	92	0.04
699 Charles Schwab Corp	29	0.01	959 Kraft Heinz Co	87	0.04
8,759 E*Trade Financial Corp	306	0.14	21,061 Kroger Co	621	0.28
1,451 Franklin Resources Inc	61	0.03	733 Mondelez International Inc	32	0.01
Intercontinental Exchange			1,700 Performance Food Group Co	40	0.02
633 Inc	38	0.02	1,300 Safeway Casa Ley Inc	-	0.00
8,578 Mastercard Inc	965	0.43	1,300 Safeway Inc	-	0.00
Raymond James Financial			14,156 Sysco Corp	735	0.33
767 Inc	58	0.03	26,857 Tyson Foods Inc	1,657	0.74
8,800 Synchrony Financial	302	0.13	2,870 United Natural Foods Inc	124	0.06
2,643 Visa Inc	235	0.11	3,700 US Foods Holding Corp	104	0.05
Electric Utilities			Gas Utilities		
60,401 AES Corp	675	0.30	29,200 CenterPoint Energy Inc	805	0.36
972 Ameren Corp	53	0.02	8,000 NiSource Inc	190	0.09
American Electric Power Co			Hand and Machine Tools		
8,673 Inc	582	0.26	204 Snap-on Inc	34	0.01
1,407 Consolidated Edison Inc	109	0.05	1,100 Stanley Black & Decker Inc	146	0.07
6,195 DTE Energy Co	633	0.28	Health Care Equipment and Supplies		
6,300 Duke Energy Corp	517	0.23	22,843 Baxter International Inc	1,185	0.53
7,531 Edison International	600	0.27	1,081 Becton Dickinson and Co	198	0.09
922 Entergy Corp	70	0.03	5,100 Bruker Corp	119	0.05
1,089 Eversource Energy	64	0.03	2,170 CR Bard Inc	539	0.24
29,926 Exelon Corp	1,077	0.48	2,956 Danaher Corp	253	0.11
26,000 FirstEnergy Corp	827	0.37	2,143 Dentsply Sirona Inc	134	0.06
Hawaiian Electric Industries			Edwards Lifesciences		
1,036 Inc	35	0.02	3,900 Corp	367	0.17
1,980 NextEra Energy Inc	254	0.12	452 Henry Schein Inc	77	0.03
1,059 PG&E Corp	70	0.03	1,400 Hologic Inc	60	0.03
489 Pinnacle West Capital Corp	41	0.02	580 Intuitive Surgical Inc	445	0.20
Public Service Enterprise			800 Masimo Corp	75	0.03
5,010 Group Inc	222	0.10	660 ResMed Inc	48	0.02
482 SCANA Corp	31	0.02	190 Teleflex Inc	37	0.02
895 Southern Co	45	0.02	Thermo Fisher Scientific		
Electrical Equipment			2,124 Inc	326	0.15
Advanced Energy Industries			Health Care Providers and Services		
800 Inc	55	0.02	6,174 Anthem Inc	1,021	0.46
4,500 Agilent Technologies Inc	238	0.11	11,300 Centene Corp	805	0.36
1,763 Amphenol Corp	125	0.06	11,075 Cigna Corp	1,622	0.73
4,039 Arrow Electronics Inc	297	0.13	998 DaVita Inc	68	0.03
760 Avnet Inc	35	0.02	500 HCA Holdings Inc	44	0.02
5,635 Corning Inc	152	0.07	Laboratory Corp of America		
4,408 Emerson Electric Co	264	0.12	953 Holdings	137	0.06
3,884 Honeywell International Inc	485	0.22	882 Mednax Inc	61	0.03
1,100 Itron Inc	67	0.03	2,048 Quest Diagnostics Inc	201	0.09
10,200 Jabil Circuit Inc	295	0.13	7,666 UnitedHealth Group Inc	1,257	0.56
Mettler-Toledo International					
58 Inc	28	0.01			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Home Builders			263 Priceline Group Inc	468	0.21
2,000 DR Horton Inc	67	0.03	1,300 Shutterfly Inc	63	0.03
1,072 Lennar Corp	55	0.02	10,500 Twitter Inc	157	0.07
299 NVR Inc	630	0.28	8,896 VeriSign Inc	775	0.35
278 Thor Industries Inc	27	0.01	Iron and Steel		
916 Toll Brothers Inc	33	0.02	Reliance Steel & Aluminum		
Hotels, Restaurants and Leisure			3,207 Co	257	0.11
2,500 Brunswick Corp	153	0.07	10,700 Steel Dynamics Inc	372	0.17
2,586 Vista Outdoor Inc	53	0.02	Lodging		
Household Products			1,400 Wyndham Worldwide Corp	118	0.05
1,549 Church & Dwight Co Inc	77	0.04	Machinery		
1,821 Clorox Co	246	0.11	3,300 AGCO Corp	199	0.09
Insurance			7,400 BWX Technologies Inc	352	0.16
3,690 Aflac Inc	267	0.12	474 Cummins Inc	72	0.03
85 Alleghany Corp	52	0.02	402 IDEX Corp	38	0.02
41,913 Allstate Corp	3,414	1.53	1,670 Rockwell Automation Inc ...	260	0.11
American Financial Group			914 Roper Technologies Inc	189	0.08
305 Inc	29	0.01	3,300 Terex Corp	104	0.05
American International			Media		
15,401 Group Inc	961	0.43	2,500 AMC Networks Inc	147	0.07
American National Insurance			260 Cable One Inc	162	0.07
385 Co	45	0.02	39,759 Comcast Corp	1,495	0.67
900 Arthur J Gallagher & Co	51	0.02	995 Liberty Broadband Corp	86	0.04
1,900 Assurant Inc	182	0.08	Liberty Media Corp-Liberty		
3,735 Berkshire Hathaway Inc	623	0.28	1,766 SiriusXM	68	0.03
446 Cincinnati Financial Corp ...	32	0.02	2,251 News Corp	29	0.01
Hartford Financial Services			Scripps Networks Interactive		
4,855 Group Inc	233	0.11	488 Inc	38	0.02
15,319 Lincoln National Corp	1,003	0.45	14,300 Time Inc	277	0.12
638 Loews Corp	30	0.01	Twenty-First Century Fox		
44 Markel Corp	43	0.02	28,100 Inc	893	0.40
917 Marsh & McLennan Cos Inc	68	0.03	8,100 Viacom Inc	378	0.17
439 MetLife Inc	23	0.01	13,967 Walt Disney Co	1,584	0.71
Old Republic International			Miscellaneous Manufacturers		
1,432 Corp	29	0.01	2,465 3M Co	472	0.21
Principal Financial Group			597 AptarGroup Inc	46	0.02
440 Inc	28	0.01	577 Carlisle Cos Inc	61	0.03
2,416 Progressive Corp	95	0.04	11,063 General Electric Co	330	0.15
20,260 Prudential Financial Inc	2,161	0.97	448 Illinois Tool Works Inc	59	0.02
Reinsurance Group of			885 Trinity Industries Inc	23	0.01
615 America Inc	78	0.04	Office Electronics		
1,128 Torchmark Corp	87	0.04	39,301 Xerox Corp	288	0.13
12,106 Travelers Cos Inc	1,459	0.66	Oil and Gas		
39,592 Voya Financial Inc	1,503	0.67	8,782 Chevron Corp	943	0.42
Internet Software and Services			1,611 Cimarex Energy Co	192	0.09
2,385 Alphabet Inc (Class A)	2,022	0.91	10,887 ConocoPhillips	543	0.24
3,715 Alphabet Inc (Class C)	3,082	1.38	2,300 Energen Corp	125	0.06
2,506 Amazon.com Inc	2,222	1.00	5,960 EOG Resources Inc	581	0.26
47,156 eBay Inc	1,583	0.71	41,939 Exxon Mobil Corp	3,439	1.54
1,596 F5 Networks Inc	228	0.10	4,600 Marathon Oil Corp	73	0.03
13,034 Facebook Inc	1,851	0.83	8,029 Marathon Petroleum Corp ..	406	0.18
2,500 FireEye Inc	32	0.01	4,400 Newfield Exploration Co	162	0.07
769 Liberty Ventures	34	0.01	10,500 Noble Energy Inc	361	0.16
1,160 Palo Alto Networks Inc	131	0.06			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
2,790 Phillips 66	221	0.10	4,491 Costco Wholesale Corp	753	0.34
Pioneer Natural Resources			27,210 CVS Health Corp	2,136	0.96
1,190 Co	222	0.10	717 Dillard's Inc	37	0.02
12,032 Southwestern Energy Co	98	0.05	1,671 Dollar General Corp	117	0.05
1,967 Tesoro Corp	159	0.07	6,050 Domino's Pizza Inc	1,115	0.50
22,119 Valero Energy Corp	1,466	0.66	696 Foot Locker Inc	52	0.02
Oil and Gas Services			888 Genuine Parts Co	82	0.04
19,100 Baker Hughes Inc	1,143	0.51	7,256 Home Depot Inc	1,065	0.48
8,741 National Oilwell Varco Inc	350	0.16	7,400 Kohl's Corp	295	0.13
Paper and Forest Products			Liberty Interactive Corp		
1,213 Domtar Corp	44	0.02	4,279 QVC Group	86	0.04
Personal Products			18,300 Lowe's Cos Inc	1,504	0.67
6,300 Avon Products Inc	28	0.01	7,392 McDonald's Corp	958	0.43
2,300 Estee Lauder Cos Inc	195	0.09	127 O'Reilly Automotive Inc	34	0.02
4,731 Procter & Gamble Co	425	0.19	540 Panera Bread Co	141	0.06
Pharmaceuticals			688 Ross Stores Inc	45	0.02
265 AmerisourceBergen Corp	23	0.01	13,161 Staples Inc	115	0.05
1,056 Bristol-Myers Squibb Co	57	0.03	5,696 Starbucks Corp	333	0.15
8,218 Cardinal Health Inc	670	0.30	2,440 Target Corp	135	0.06
6,288 Eli Lilly & Co	529	0.24	5,750 TJX Cos Inc	455	0.20
25,631 Express Scripts Holding Co	1,689	0.76	Ultra Salon Cosmetics &		
29,403 Johnson & Johnson	3,662	1.64	155 Fragrance Inc	44	0.02
15,100 McKesson Corp	2,239	1.00	39,611 Wal-Mart Stores Inc	2,855	1.28
39,889 Merck & Co Inc	2,535	1.14	Walgreens Boots Alliance		
48,509 Pfizer Inc	1,659	0.74	1,571 Inc	130	0.06
Real Estate			4,195 World Fuel Services Corp ...	152	0.07
4,433 CBRE Group Inc	154	0.07	3,600 Yum! Brands Inc	230	0.10
Real Estate Investment Trust			Savings and Loans		
342 AvalonBay Communities Inc	63	0.03	New York Community		
1,318 Care Capital Properties Inc ..	35	0.02	2,496 Bancorp Inc	35	0.02
1,191 Columbia Property Trust Inc	26	0.01	People's United Financial		
11,100 DDR Corp	139	0.06	2,860 Inc	52	0.02
6,586 Equity Residential	410	0.18	Semiconductor Equipment and Products		
43,344 Host Hotels & Resorts Inc ...	809	0.36	332 Analog Devices Inc	27	0.01
7,765 Liberty Property Trust	299	0.13	52,717 Applied Materials Inc	2,051	0.92
6,787 MFA Financial Inc	55	0.03	800 Cirrus Logic Inc	49	0.02
Mid-America Apartment			82,593 Intel Corp	2,979	1.34
284 Communities Inc	29	0.01	1,852 Lam Research Corp	238	0.11
Piedmont Office Realty			2,289 Micron Technology Inc	66	0.03
1,394 Trust Inc	30	0.01	631 NVIDIA Corp	69	0.03
1,553 Public Storage	340	0.15	18,900 ON Semiconductor Corp	293	0.13
Retail Properties of America			19,510 Qualcomm Inc	1,119	0.50
2,287 Inc	33	0.02	1,600 Silicon Laboratories Inc	118	0.05
2,500 SBA Communications Corp	301	0.14	1,700 Synaptics Inc	84	0.04
10,340 Simon Property Group Inc ..	1,779	0.80	7,100 Teradyne Inc	221	0.10
1,080 Starwood Property Trust Inc	24	0.01	1,263 Texas Instruments Inc	102	0.05
555 Sun Communities Inc	45	0.02	Shipbuilding		
Two Harbors Investment			Huntington Ingalls Industries		
4,566 Corp	44	0.02	2,800 Inc	561	0.25
445 Welltower Inc	32	0.01	Software		
Retail Trade			2,331 Adobe Systems Inc	303	0.14
10,480 Bed Bath & Beyond Inc	414	0.19	847 Ansys Inc	91	0.04
17,795 Best Buy Co Inc	874	0.39	2,100 Aspen Technology Inc	124	0.06

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Broadridge Financial					
1,134 Solutions Inc	77	0.03			
884 Cadence Design Systems Inc	28	0.01			
1,096 Cerner Corp	64	0.03			
9,506 Citrix Systems Inc	793	0.36			
1,900 Electronic Arts Inc	170	0.08			
Fidelity National					
3,028 Information Services Inc	241	0.11			
3,700 First Data Corp	57	0.03			
1,009 Fiserv Inc	116	0.05			
11,939 Intuit Inc	1,385	0.62			
758 Jack Henry & Associates Inc	71	0.03			
68,513 Microsoft Corp	4,511	2.02			
4,600 Nuance Communications Inc	80	0.04			
65,654 Oracle Corp	2,929	1.31			
3,007 Paychex Inc	177	0.08			
1,400 ServiceNow Inc	122	0.05			
16,709 Synopsys Inc	1,205	0.54			
1,600 Tableau Software Inc	79	0.03			
481 VMware Inc	44	0.02			
98,300 Zynga Inc	280	0.13			
Telecommunications					
38,039 AT&T Inc	1,581	0.71			
4,700 CenturyLink Inc	111	0.05			
3,000 Ciena Corp	71	0.03			
54,245 Cisco Systems Inc	1,833	0.82			
600 InterDigital Inc	52	0.02			
10,000 Juniper Networks Inc	278	0.13			
United States Cellular					
1,000 Corp	37	0.02			
Verizon Communications					
50,255 Inc	2,450	1.10			
25,400 Viavi Solutions Inc	272	0.12			
Textile and Apparel					
9,761 NIKE Inc	544	0.25			
1,755 Skechers U.S.A. Inc	48	0.02			
Transport					
CH Robinson Worldwide					
821 Inc	63	0.03			
2,206 CSX Corp	103	0.05			
6,982 FedEx Corp	1,363	0.61			
485 Genesee & Wyoming Inc	33	0.01			
3,000 Hub Group Inc	139	0.06			
JB Hunt Transport Services					
666 Inc	61	0.03			
618 Kansas City Southern	53	0.02			
4,288 Landstar System Inc	367	0.16			
2,140 Norfolk Southern Corp	240	0.11			
Old Dominion Freight Line					
423 Inc	36	0.02			
8,037 Union Pacific Corp	851	0.38			
3,769 United Parcel Service Inc	404	0.18			
	<u>205,626</u>	<u>92.19</u>			
			Virgin Islands, British (0.23%)		
			Textile and Apparel		
			13,209 Michael Kors Holdings Ltd	503	0.23
			Total Common Stock	<u>215,169</u>	<u>96.47</u>
			Total Transferable		
			Securities	<u>215,169</u>	<u>96.47</u>
			Investment Funds (2.51%) (2016: 9.48%)		
			Ireland (2.51%)		
			Russell Investment Company		
			III Plc – Russell Investments		
			U.S. Dollar Cash Fund II -		
			5,566 Class R Roll-Up Shares	5,606	2.51
			Total Investment Funds	<u>5,606</u>	<u>2.51</u>
			Total Investments		
			excluding Financial		
			Derivative Instruments	<u>220,775</u>	<u>98.98</u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Financial Derivative Instruments ((0.01)%) (2016: 0.12%)

Open Futures Contracts ((0.01)%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
6,978	2,365.52	59 of S&P 500 E Mini Index Futures Long Futures Contracts Expiring June 2017	(19)	(0.01)
Net unrealised gain (loss) on open futures contracts			(19)	(0.01)
Total Financial Derivative Instruments			(19)	(0.01)
			Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (98.98%)			220,775	98.98
Total Financial Liabilities at Fair Value through Profit or Loss ((0.01)%)			(19)	(0.01)
Net Financial Assets at Fair Value through Profit or Loss (98.97%)			220,756	98.97
Other Net Assets (1.03%)			2,298	1.03
Net Assets			223,054	100.00

	% of gross assets
Analysis of gross assets	
Transferable securities admitted to an official stock exchange listing	93.80
Investment funds (UCITS)	2.44
Other assets	3.76
	100.00

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	-	(19)	-	(19)
Total financial derivative assets	-	(19)	-	(19)

As at 31 March 2016

Broker/counterparty	Open Futures Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses
Bank of America Merrill Lynch	332	-	332	-
Total financial derivative assets	332	-	332	-

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Schedule of Investments - continued

31 March 2017

Fair Value Hierarchy (Note 12 b) i))

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	215,169	-	-	215,169
Investment funds	-	5,606	-	5,606
Total assets	215,169	5,606	-	220,775
	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts.....	(19)	-	-	(19)
Total liabilities	(19)	-	-	(19)

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	243,992	-	1	243,993
Investment funds	-	25,034	-	25,034
Unrealised gain on open futures contracts	332	-	-	332
Total assets	244,324	25,034	1	269,359

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments U.S. Quant Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and cumulative investment sales during the financial year ended 31 March 2017.

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company III Plc		Russell Investment Company III Plc	
Russell Investments U.S. Dollar Cash		Russell Investments U.S. Dollar Cash	
Fund II		Fund II	
Class R Roll-Up Shares	115,895	Class R Roll-Up Shares	(135,372)
Apple Inc	3,534	Apple Inc	(8,766)
Gilead Sciences Inc	3,199	Johnson & Johnson	(5,406)
CVS Health Corp	3,121	Microsoft Corp	(4,125)
Exxon Mobil Corp	3,107	Altria Group Inc	(4,075)
McKesson Corp	2,727	Comcast Corp	(3,959)
Microsoft Corp	2,684	Verizon Communications Inc	(3,769)
Lowe's Cos Inc	2,468	Pfizer Inc	(3,313)
Facebook Inc	2,451	Home Depot Inc	(3,251)
Wal-Mart Stores Inc	2,344	UnitedHealth Group Inc	(3,187)
Ford Motor Co	2,191	Symantec Corp	(3,059)
Citigroup Inc	2,175	Facebook Inc	(2,925)
UnitedHealth Group Inc	2,158	PepsiCo Inc	(2,741)
Conagra Brands Inc	2,145	Northrop Grumman Corp	(2,735)
Verizon Communications Inc	2,124	Cisco Systems Inc	(2,641)
Express Scripts Holding Co	2,082	Wal-Mart Stores Inc	(2,584)
Qualcomm Inc	2,072	Exxon Mobil Corp	(2,435)
AT&T Inc	2,026	AT&T Inc	(2,399)
Biogen Inc	2,009	Amgen Inc	(2,369)
Applied Materials Inc	1,965	Valero Energy Corp	(2,309)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Russell Investment Company II plc

Russell Investments World Equity Fund

Manager's Report

Money Managers as at 31 March 2017

Axiom International Investors, LLC
Harris Associates, L.P.
MFS Investment Management
Numeric Investors, L.P.
Russell Investments Limited
Sustainable Growth Advisors, L.P.

Investment Objective

Russell Investments World Equity Fund (the "Fund") seeks to achieve capital appreciation by investing predominantly in equity securities, including common stock, convertibles and warrants, listed, traded or dealt in on any regulated market worldwide. The Fund may also invest in new issues for which application for listing on a regulated market will be sought. The Fund may hold not more than 20 per cent of its net assets in equity securities of companies whose securities are listed, traded or dealt in on any regulated market in the Emerging Markets (EM).

Fund Performance

During the financial year ended 31 March 2017, the Fund (Class B) returned 16.8 per cent on a gross-of-fee basis (15.7 per cent on a net-of-fee basis), while the benchmark* returned 14.7 per cent.

Market Comment

Global equities, as measured by the benchmark, rose by 0.9 per cent over the second quarter of 2016 in U.S. dollar terms ("USD"). Global markets gained over the second quarter despite the startling result of the UK's referendum on European Union (EU) membership. UK's decision to leave the EU threw worldwide markets into turmoil in the last days of June. However, equities were bolstered during the period by stronger oil prices, a cautious U.S. Federal Reserve ("Fed"), and additional easing from the European Central Bank ("ECB"). In the U.S. (2.5 per cent), the final first quarter gross domestic product ("GDP") growth rate was revised upwards to 1.1 per cent quarter-on-quarter ("QoQ"), beating estimates of 1.0 per cent. However, a poor jobs report in May, with non-farm payrolls only advancing by 38,000 versus the 164,000 expected, seriously dented hopes for a June Fed rate hike. Market attention became increasingly fixated upon the UK (-4.0 per cent) as the quarter progressed, with June 23rd's referendum result meaning that the UK will leave the EU, severing a 43-year membership. Additionally, David Cameron announced that he would step down as Prime Minister but would stay in office for the next few months to "steady the ship". The pound sterling also plunged to a 31-year low (against the U.S. dollar), setting a record intraday swing of more than 10 per cent between its highs and lows. In response, the Bank of England ("BoE") pledged \$345 billion of new stimulus and BoE Governor Carney stated the he had further measures in place to deal with the "period of uncertainty and adjustment".

The benchmark, rose by 5.3 per cent over the third quarter of 2016 in USD terms. The period shook off the general risk-off market sentiment that characterised much of the second quarter. This was achieved by accommodative stances of G4 central banks, encouraging economic data and slowly stabilising oil prices. The BoE cut its benchmark rate and unleashed a new round of easing, whilst the Bank of Japan ("BoJ") also introduced its own new form of policy easing. The ECB remained cautious, whilst the Fed ended months of deliberation on whether to raise rates, with a hawkish hold. Strengthening oil prices, after hopes that oil producers might agree to limit output, also gave impetus to risk appetite. Emerging markets gained 8.7 per cent on aggregate. China, which, like Hong Kong, was boosted by news of the upcoming Shenzhen-Hong Kong Stock link, was the best performer in the quarter, rising 13.4 per cent. Higher than expected GDP growth in the second quarter also boosted market sentiment. Brazil (11.8 per cent) extended its recent a strong run of healthy returns, as the country was buoyed by both rebounding commodities and the ascendance of Michel Temer to the presidency after the official impeachment of Dilma Rousseff.

The benchmark, advanced by 1.3 per cent over the fourth quarter of 2016 in USD terms. Donald Trump's U.S. presidential election victory heightened expectations for further inflation on the back of his fiscal plans. After months of deliberations, the Fed increased its benchmark interest rate by 25 basis points (bps) to 0.75 per cent in December on the back of encouraging economic data. Meanwhile in Europe, concerns about a 'hard Brexit' diminished over the period, whilst the ECB maintained its easing policy and the Italians rejected constitutional reform. Over the quarter, oil prices also strengthened as members of the Organization of Petroleum Exporting Countries ("OPEC") agreed on cutting production. Emerging markets had a negative quarter in aggregate, slipping by 4.2 per cent. However, a few countries managed to perform well, most notably Russia (16.9 per cent). The country was on the receiving end of positive sentiment stemming from oil-production-cut talks with OPEC and saw increasing health in domestic economic data. Greece was similarly buoyant, returning 13.4 per cent in a quarter that saw the announcement of falling unemployment and rising GDP growth. Turkey (-13.15 per cent) faced significant headwinds as political discourse and terror attacks drove both investors and tourists away from the country. Mexico (-10.4 per cent) also struggled as Donald Trump's policies are expected to impair trade relations between the US and its southern neighbour.

Manager's Report - continued

The benchmark, advanced by 6.8 per cent in the first quarter of 2017. The Fed raised its benchmark rate by another 25 basis points ("bps") as expected and on the back of positive economic data, with two more hikes very likely in 2017. However, the March interest rate rise was accompanied by a dovish statement. Additionally, the post-Trump risk rally lost some steam in the latter stages of the period, after President Trump lost support from his own Republican party for his health care bill. Across the pond, UK Prime Minister Theresa May triggered Article 50, whilst investors held caution over electoral developments in the Netherlands, France and Germany. Over the period, oil prices trended lower whilst a weaker U.S. dollar lifted emerging market currencies. Emerging markets had a strong quarter, climbing 11.7 per cent on aggregate. India (19.3 per cent) advanced most significantly, as Prime Minister Narendra Modi's Bharatiya Janata Party won a landslide victory in the Uttar Pradesh state - India's most populous - with the biggest majority there since 1980. Concerns over Modi's decision to put the 500 and 1000 rupee banknotes out of circulation also moderated. China (12.4 per cent) also performed well and reported annualised GDP growth that exceeded expectations.

General Comment on Money Managers/Performance

The Fund finished behind the benchmark in the second quarter of 2016. In factor performance, a significant tilt away from the higher dividend yield spectrum, failed to find traction over the period. In sectors, holdings within the technology and telecoms sectors were positive, notably through names such as LinkedIn and NTT DoCoMo. An overweight allocation towards the defensively positioned consumer staples sector was also prudent. However, these gains were offset by stock selection within the consumer discretionary sector. An underweight to the energy sector (buoyed by higher oil prices) also detracted.

The Fund outperformed the benchmark in the third quarter of 2016. Value factors generated alpha over the period, as well as a general tilt away from the higher dividend yield spectrum. In sectors, stock selection within the consumer discretionary and materials sectors, such as through Kering SA and Glencore, drove performance. An underweight allocation towards the more defensively positioned utilities sector was also rewarded. Holdings within industrials hindered further outperformance. From a regional perspective, names in the U.S., Europe and in the UK were positive. Underweight allocation and overall selection in Japan was the only notable negative.

The Fund outperformed the benchmark in the fourth quarter of 2016. In factor performance, a tilt towards value metrics was rewarded in the prevailing market environment. In sectors, an overweight allocation to the strong performing financials sector generated meaningful gains. Stock selection within the consumer discretionary (Time Warner) and industrials (AeroSystem) sectors was also positive. An overweight allocation to and stock picks within the defensively-positioned consumer staples sector hindered further outperformance. In regions, stock picks in Europe were positive for the Fund, whilst those in the US faced headwinds.

The Fund outperformed the benchmark in the first quarter. In factor performance, a range of mid- to small-cap stocks and holdings with higher price momentum, generated significant alpha over the period. In sectors, an underweight to the struggling energy sector was positive, whilst names within the materials (Glencore), technology (Samsung) and health care (Baxter) sectors also added meaningful gains. Further gains were prevented by an overweight to and stock selection within the financial sector. From a regional perspective, stock picks in the U.S., Europe (incl. UK) and Emerging Markets were positive, whilst those in Japan were slightly negative.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell Global Large Cap Net Index

Russell Investments Ireland Limited
May 2017

Russell Investment Company II plc
Russell Investments World Equity Fund

Balance Sheet

As at 31 March 2017

	31 March 2017 USD '000	31 March 2016 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	1,577,466	1,853,279
Cash at bank (Note 3)	8,762	2,127
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	20,300	-
Debtors:		
Receivable for investments sold	9,148	17,320
Receivable on fund shares issued	778	9,090
Dividends receivable	4,076	3,728
	<u>1,620,530</u>	<u>1,885,544</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(7,143)	(9,543)
Creditors – amounts falling due within one financial year:		
Cash due to brokers and counterparties for open financial derivative instruments (Note 3)	-	(1,269)
Payable for investments purchased	(2,849)	(1,929)
Payable on fund shares redeemed	(35,983)	(73,644)
Distributions payable on income class shares	-	(45)
Management fees payable	(1,477)	(1,617)
Depositary fees payable	(28)	(17)
Sub-custodian fees payable	(45)	(54)
Administration and transfer agency fees payable	(48)	(52)
Audit fees payable	(25)	(25)
Other fees payable	(13)	(7)
	<u>(47,611)</u>	<u>(88,202)</u>
Net asset value attributable to redeemable participating shareholders	<u><u>1,572,919</u></u>	<u><u>1,797,342</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Profit and Loss Account

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Income		
Dividends	33,694	43,954
Net gain (loss) on investment activities (Note 4)	215,912	(59,771)
Total investment income (expense)	249,606	(15,817)
Expenses		
Management fees (Note 5)	(17,645)	(22,362)
Depository fees (Note 6)	(210)	(156)
Sub-custodian fees (Note 6)	(329)	(404)
Administration and transfer agency fees (Note 6)	(567)	(681)
Audit fees (Note 6)	(26)	(25)
Professional fees	(61)	(126)
Other fees	(78)	(84)
Total operating expenses	(18,916)	(23,838)
Net income (expense)	230,690	(39,655)
Finance costs		
Distributions (Note 8)	(9,964)	(12,260)
Profit (loss) for the financial year before taxation	220,726	(51,915)
Taxation (Note 9)		
Capital gains tax	(14)	-
Withholding tax	(5,806)	(8,091)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	214,906	(60,006)

All amounts arose solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the financial year ended 31 March 2017

	2017 USD '000	2016 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	214,906	(60,006)
Share transactions		
Reinvestment of deemed distributions on accumulation shares (Note 8)	9,477	11,503
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(448,806)</u>	<u>(962,593)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(224,423)	(1,011,096)
Net assets attributable to redeemable participating shareholders		
Beginning of financial year	<u>1,797,342</u>	<u>2,808,438</u>
End of financial year	<u><u>1,572,919</u></u>	<u><u>1,797,342</u></u>

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments

31 March 2017

Number of Shares		Fair Value USD '000	Fund %		Number of Shares		Fair Value USD '000	Fund %	
	Transferable Securities (96.82%) (2016: 100.49%)					Real Estate Investment Trust			
	Common Stock (96.34%) (2016: 99.82%)				41,039	GPT Group	161	0.01	
	Australia (1.42%)				616,500	Mirvac Group	1,030	0.07	
	Airlines				375,838	Stockland	1,330	0.08	
478,000	Qantas Airways Ltd	1,418	0.09			Software			
	Banks				953,199	MYOB Group Ltd	2,589	0.16	
11,965	Commonwealth Bank of Australia	784	0.05			Telecommunications			
	Beverages				124,082	Telstra Corp Ltd	441	0.03	
87,500	Coca-Cola Amatil Ltd	722	0.05				22,386	1.42	
	Building Products					Austria (0.11%)			
90,100	CSR Ltd	310	0.02			Banks			
	Commercial Services and Supplies				53,773	Erste Group Bank AG	1,756	0.11	
45,430	Brambles Ltd	324	0.02			Transport			
	Construction and Engineering				651	Oesterreichische Post AG ...	26	0.00	
109,500	Downer EDI Ltd	484	0.03				1,782	0.11	
	Containers and Packaging					Belgium (0.02%)			
33,739	Arcor Ltd	388	0.03			Other Finance			
	Diversified Financials				1,841	Groupe Bruxelles Lambert SA	168	0.01	
5,467	ASX Ltd	211	0.01			Telecommunications			
	Electric Utilities				5,251	Proximus SADP	165	0.01	
15,180	AGL Energy Ltd	305	0.02				333	0.02	
	Entertainment					Bermuda (1.47%)			
113,700	Aristocrat Leisure Ltd	1,559	0.10			Agriculture			
49,766	Tatts Group Ltd	168	0.01		29,100	Bunge Ltd	2,306	0.15	
	Food Products					Banks			
36,328	Wesfarmers Ltd	1,249	0.08		5,300	Credicorp Ltd	865	0.05	
36,568	Woolworths Ltd	739	0.05			Commercial Services and Supplies			
	Health Care Providers and Services				91,018	IHS Markit Ltd	3,818	0.24	
8,918	Sonic Healthcare Ltd	150	0.01			Insurance			
	Holding Companies - Diversified Operations					Aspen Insurance Holdings Ltd	1,718	0.11	
2,377	Washington H Soul Pattinson & Co Ltd	33	0.00			99,100	Assured Guaranty Ltd	3,678	0.23
	Hotels, Restaurants and Leisure					50,268	Axis Capital Holdings Ltd ..	3,369	0.21
1,094	Flight Centre Travel Group Ltd	24	0.00			15,935	Everest Re Group Ltd	3,726	0.24
	Insurance					44,211	XL Group Ltd	1,762	0.11
62,973	Medibank Pvt Ltd	135	0.01			Real Estate			
	Iron and Steel					Hongkong Land Holdings Ltd	1,174	0.07	
175,000	BlueScope Steel Ltd	1,637	0.10			152,700	Kerry Properties Ltd	567	0.04
	Metals and Mining						Telecommunications		
32,700	Newcrest Mining Ltd	556	0.03		10,100	VTech Holdings Ltd	121	0.01	
	Northern Star Resources Ltd	1,042	0.07			Textile and Apparel			
148,940	OZ Minerals Ltd	890	0.06		8,784,000	China Hongxing Sports Ltd Yue Yuen Industrial Holdings Ltd	-	0.00	
303,700	Regis Resources Ltd	765	0.05				92	0.01	
80,261	Sandfire Resources NL	391	0.02				23,196	1.47	
571,800	South32 Ltd	1,204	0.08			Brazil (0.29%)			
171,300	Whitehaven Coal Ltd	391	0.02			Banks			
	Oil and Gas					Itau Unibanco Holding SA ADR	2,260	0.14	
23,924	Caltex Australia Ltd	538	0.03		187,203				
17,098	Woodside Petroleum Ltd	418	0.03						

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Beverages			Internet Software and Services		
410,332 Ambev SA	2,357	0.15	284,915 Tencent Holdings Ltd	8,168	0.52
	<u>4,617</u>	<u>0.29</u>	Lodging		
Canada (1.70%)			188,000 Sands China Ltd	871	0.06
Advertising			Real Estate		
53,000 Aimia Inc	358	0.02	Cheung Kong Property		
Banks			336,000 Holdings Ltd	2,263	0.14
38,000 Bank of Montreal	2,830	0.18		<u>14,304</u>	<u>0.91</u>
Canadian Imperial Bank of			China (0.22%)		
26,281 Commerce	2,260	0.14	Banks		
9,901 Royal Bank of Canada	719	0.05	2,441,000 Bank of China Ltd	1,212	0.08
14,686 Toronto-Dominion Bank	734	0.05	Insurance		
Diversified Financials			392,450 Ping An Insurance Group Co		
7,863 CI Financial Corp	156	0.01	of China Ltd	2,197	0.14
Food Products				<u>3,409</u>	<u>0.22</u>
13,700 George Weston Ltd	1,192	0.08	Curacao (0.62%)		
63,900 Loblaw Cos Ltd	3,457	0.22	Oil and Gas Services		
Insurance			125,650 Schlumberger Ltd	9,813	0.62
783 Genworth MI Canada Inc	22	0.00	Czech Republic (0.04%)		
8,575 Great-West Lifeco Inc	237	0.02	Banks		
3,768 Intact Financial Corp	267	0.02	16,860 Komerční Banka AS	627	0.04
13,871 Sun Life Financial Inc	505	0.03	Denmark (0.71%)		
Media			Beverages		
7,700 Cogeco Communications Inc	410	0.02	35,897 Carlsberg A/S	3,325	0.21
35,600 Quebecor Inc	1,095	0.07	Energy Equipment and Services		
10,065 Thomson Reuters Corp	435	0.03	Vestas Wind Systems		
Oil and Gas			2,980 A/S	243	0.02
11,147 ARC Resources Ltd	159	0.01	Food Products		
43,300 Tourmaline Oil Corp	963	0.06	30,428 Chr Hansen Holding A/S	1,959	0.12
Paper and Forest Products			Insurance		
37,300 West Fraser Timber Co Ltd .	1,556	0.10	6,313 Tryg A/S	115	0.01
Pipelines			Pharmaceuticals		
4,974 Keyera Corp	145	0.01	151,256 Novo Nordisk A/S	5,210	0.33
Real Estate Investment Trust			Transport		
Granite Real Estate			6,263 Dfds A/S	345	0.02
11,400 Investment Trust	398	0.02		<u>11,197</u>	<u>0.71</u>
Telecommunications			Finland (0.05%)		
10,322 BCE Inc	456	0.03	Machinery		
Rogers Communications			48,330 Valmet OYJ	753	0.05
11,500 Inc	507	0.03	France (5.58%)		
Transport			Advertising		
Canadian National Railway			53,041 JCDecaux SA	1,872	0.12
97,404 Co	7,201	0.46	Automobiles		
27,700 TFI International Inc	645	0.04	100,610 Peugeot SA	2,031	0.13
	<u>26,707</u>	<u>1.70</u>	38,740 Renault SA	3,374	0.21
Cayman Islands (0.91%)			Banks		
Auto Components			252,180 BNP Paribas SA	16,839	1.07
Xinyi Glass Holdings			122,200 Societe Generale SA	6,215	0.40
242,000 Ltd	213	0.01			
Food Products					
Fresh Del Monte Produce					
17,650 Inc	1,045	0.07			
2,022,500 WH Group Ltd	1,744	0.11			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Beverages			Miscellaneous Manufacturers		
63,834 Pernod Ricard SA	7,572	0.48	41,543 Siemens AG	5,705	0.36
Chemicals			Pharmaceuticals		
19,527 Air Liquide SA	2,237	0.14	126,165 Bayer AG	14,580	0.93
Electrical Equipment			32,027 Merck KGaA	3,658	0.23
55,114 Legrand SA	3,332	0.21	Software		
66,791 Schneider Electric SE	4,903	0.31	63,025 SAP SE ADR	6,187	0.39
Food Products			13,348 Software AG	529	0.04
311,530 Danone SA	21,245	1.35		<u>80,839</u>	<u>5.14</u>
Insurance			Hong Kong (1.25%)		
99,705 AXA SA	2,587	0.17	Banks		
274 Euler Hermes Group	25	0.00	19,950 Hang Seng Bank Ltd	405	0.03
Media			Electric Utilities		
Metropole Television			34,454 CLP Holdings Ltd	360	0.02
1,314 SA	29	0.00	107 Power Assets Holdings Ltd .	1	0.00
Oil and Gas			Holding Companies - Diversified Operations		
7,460 Total SA	378	0.02	335,000 Wharf Holdings Ltd	2,875	0.18
Pharmaceuticals			Insurance		
8,379 Sanofi	758	0.05	1,499,329 AIA Group Ltd	9,453	0.60
Retail Trade			Media		
10,241 Kering	2,656	0.17	24 Television Broadcasts Ltd ..	-	0.00
Textile and Apparel			Real Estate		
12,358 Christian Dior SE	2,879	0.18	126,000 Hang Lung Group Ltd	537	0.03
1,873 Hermes International	890	0.06	Henderson Land		
LVMH Moet Hennessy			121,000 Development Co Ltd	750	0.05
36,185 Louis Vuitton SE	7,967	0.51	116,000 Hysan Development Co Ltd	526	0.03
	<u>87,789</u>	<u>5.58</u>	100,000 Sun Hung Kai Properties Ltd	1,469	0.09
Germany (5.14%)			171,600 Swire Properties Ltd	550	0.04
Aerospace and Defence			112,000 Wheelock & Co Ltd	886	0.06
26,497 MTU Aero Engines AG	3,456	0.22	Real Estate Investment Trust		
Automobiles			223,657 Link REIT	1,567	0.10
195,150 Daimler AG	14,444	0.92	Transport		
Banks			39,854 MTR Corp Ltd	224	0.02
93,021 Deutsche Bank AG	1,607	0.10		<u>19,603</u>	<u>1.25</u>
Chemicals			India (0.45%)		
24,842 Brenntag AG	1,396	0.09	Banks		
41,071 Covestro AG	3,170	0.20	42,705 HDFC Bank Ltd ADR	3,212	0.20
15,370 Lanxess AG	1,034	0.07	Computers and Peripherals		
30,516 Linde AG	5,095	0.32	244,337 Infosys Ltd ADR	3,861	0.25
Diversified Financials				<u>7,073</u>	<u>0.45</u>
23,122 Deutsche Boerse AG	2,125	0.14	Indonesia (0.24%)		
Electric Utilities			Retail Trade		
144,700 E.ON SE	1,153	0.07	2,840,740 Astra International Tbk PT .	1,839	0.12
Insurance			Telecommunications		
81,100 Allianz SE	15,062	0.96	Telekomunikasi Indonesia		
1,716 Hannover Rueck SE	198	0.01	6,357,610 Persero Tbk PT	1,970	0.12
Muenchener				<u>3,809</u>	<u>0.24</u>
Rueckversicherungs-			Ireland (2.03%)		
Gesellschaft AG in			Building Products		
4,088 Muenchen	802	0.05	53,050 CRH Plc	1,876	0.12
Metals and Mining			12,691 James Hardie Industries Plc	199	0.01
58,840 Kloeckner & Co SE	638	0.04			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Johnson Controls 64,640 International Plc	2,723	0.18	134,400 Sumitomo Corp	1,806	0.11
Computers and Peripherals			Diversified Financials		
84,796 Accenture Plc	10,165	0.64	111,800 ORIX Corp	1,653	0.11
37,000 Seagate Technology Plc	1,699	0.11	Electrical Equipment		
Electrical Equipment			55,500 Hoya Corp	2,668	0.17
18,830 Allegion Plc	1,425	0.09	Food Products		
Health Care Equipment and Supplies			Morinaga Milk Industry Co 153,000 Ltd	1,134	0.07
123,343 Medtronic Plc	9,937	0.63	46,000 NH Foods Ltd	1,234	0.08
Insurance			111,300 Nippon Suisan Kaisha Ltd ..	554	0.04
16,200 Willis Towers Watson Plc ...	2,120	0.14	Home Builders		
Pharmaceuticals			22,800 Haseko Corp	246	0.02
7,220 Allergan Plc	1,725	0.11	Hotels, Restaurants and Leisure		
	31,869	2.03	38,200 Tokyo Dome Corp	354	0.02
Israel (0.30%)			Internet Software and Services		
Banks			42,000 Mixi Inc	2,020	0.13
77,470 Bank Hapoalim BM	471	0.03	Machinery		
Computers and Peripherals			582,000 Hitachi Ltd	3,147	0.20
Check Point Software			158,700 Komatsu Ltd	4,132	0.26
41,374 Technologies Ltd	4,247	0.27	152,300 Kubota Corp	2,284	0.15
	4,718	0.30	Media		
Italy (0.57%)			53,400 Fuji Media Holdings Inc	736	0.05
Electric Utilities			Nippon Television Holdings 14,500 Inc	249	0.01
1,422,700 Enel SpA	6,717	0.43	Metals and Mining		
Oil and Gas			46,300 MISUMI Group Inc	836	0.05
116,250 Eni SpA	1,909	0.12	Office Electronics		
Telecommunications			23,800 Canon Inc	741	0.05
320,900 Telecom Italia SpA	289	0.02	Oil and Gas		
	8,915	0.57	179,400 Inpex Corp	1,762	0.11
Japan (4.37%)			372,900 JXTG Holdings Inc	1,830	0.12
Agriculture			Pharmaceuticals		
20,500 Japan Tobacco Inc	666	0.04	246,000 Astellas Pharma Inc	3,236	0.21
Automobiles			Real Estate		
69,890 Subaru Corp	2,561	0.16	Daito Trust Construction Co 2,600 Ltd	357	0.02
232,200 Toyota Motor Corp	12,590	0.80	Retail Trade		
Banks			11,542 Fast Retailing Co Ltd	3,617	0.23
63,600 Gunma Bank Ltd	332	0.02	Semiconductor Equipment and Products		
Mitsubishi UFJ Financial 309,800 Group Inc	1,945	0.12	17,500 Rohm Co Ltd	1,162	0.07
Beverages			Software		
8,900 Coca-Cola Bottlers Japan Inc	287	0.02	6,100 Nexon Co Ltd	97	0.01
Chemicals			Telecommunications		
12,300 DIC Corp	454	0.03	Nippon Telegraph & 143,100 Telephone Corp	6,103	0.39
Mitsubishi Chemical 67,400 Holdings Corp	521	0.03	36,200 NTT Docomo Inc	842	0.05
Computers and Peripherals			Toys, Games and Hobbies		
49,000 Fujitsu Ltd	299	0.02	31,500 Bandai Namco Holdings Inc	941	0.06
Construction and Engineering				68,815	4.37
227,090 Taisei Corp	1,653	0.10	Jersey, Channel Islands (2.28%)		
Distributors			Advertising		
19,700 Canon Marketing Japan Inc .	391	0.03	611,372 WPP Plc	13,394	0.85
548,600 Marubeni Corp	3,375	0.21			

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
Auto Components				Personal Products			
33,343	Delphi Automotive Plc	2,684	0.17	20,706	Unilever NV	1,031	0.07
Commercial Services and Supplies						41,611	2.65
70,900	IWG Plc	283	0.02	New Zealand (0.02%)			
Metals and Mining				Construction and Engineering			
638,063	Centamin Plc	1,378	0.09	Auckland International			
4,628,952	Glencore Plc	18,126	1.15	37,145	Airport Ltd	176	0.01
		35,865	2.28	Electric Utilities			
Korea, Republic of (0.63%)				25,038	Contact Energy Ltd	89	0.01
Personal Products						265	0.02
14,000	Amorepacific Corp	3,512	0.22	Norway (0.02%)			
Semiconductor Equipment and Products				Food Products			
3,466	Samsung Electronics Co Ltd	6,385	0.41	15,528	Salmar ASA	335	0.02
		9,897	0.63	Puerto Rico (0.04%)			
Luxembourg (0.29%)				Banks			
Iron and Steel				16,300	Popular Inc	664	0.04
258,245	ArcelorMittal	2,178	0.14	Russia (0.16%)			
Miscellaneous Manufacturers				Banks			
7,600	Trinseo SA	510	0.03	Sberbank of Russia PJSC			
Oil and Gas Services				221,591	ADR	2,557	0.16
118,540	Subsea 7 SA	1,833	0.12	Singapore (0.43%)			
		4,521	0.29	Airlines			
Mexico (0.35%)				19,100	Singapore Airlines Ltd	138	0.01
Banks				Construction and Engineering			
Grupo Financiero Banorte				32,300	SATS Ltd	113	0.01
244,378	SAB de CV	1,398	0.09	Diversified Financials			
Beverages				28,800	Singapore Exchange Ltd	159	0.01
Fomento Economico				Media			
46,614	Mexicano SAB de CV ADR	4,126	0.26	Singapore Press Holdings			
		5,524	0.35	59,800	Ltd	152	0.01
Netherlands (2.65%)				Semiconductor Equipment and Products			
Automobiles				22,096	Broadcom Ltd	4,838	0.31
Fiat Chrysler Automobiles				Shipbuilding			
497,710	NV	5,456	0.35	Yangzijiang Shipbuilding			
Beverages				699,500	Holdings Ltd	566	0.03
45,184	Heineken NV	3,856	0.24	Telecommunications			
Chemicals				Singapore			
62,103	Akzo Nobel NV	5,163	0.33	210,700	Telecommunications Ltd	590	0.04
LyondellBasell Industries				11,600	StarHub Ltd	24	0.00
6,600	NV	602	0.04	Transport			
Food Products				ComfortDelGro Corp			
Koninklijke Ahold Delhaize				81,100	Ltd	149	0.01
31,263	NV	671	0.04			6,729	0.43
Insurance				South Africa (0.38%)			
140,200	Aegon NV	715	0.05	Food Products			
123,263	NN Group NV	4,019	0.25	268,031	Shoprite Holdings Ltd	3,870	0.25
Machinery				Media			
1,525,700	CNH Industrial NV	14,752	0.94	11,964	Naspers Ltd	2,066	0.13
Media						5,936	0.38
19,580	Wolters Kluwer NV	816	0.05				
Oil and Gas Services							
39,213	Core Laboratories NV	4,530	0.29				

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Spain (0.71%)			Pharmaceuticals		
Airlines			19,683 Novartis AG	1,462	0.09
International Consolidated			29,113 Roche Holding AG	7,440	0.48
32,000 Airlines Group SA	212	0.01	Retail Trade		
Construction and Engineering			Cie Financiere Richemont		
17,820 Aena SA	2,827	0.18	163,603 SA	12,945	0.82
Media			Telecommunications		
Mediaset Espana			636 Swisscom AG		
41,685 Comunicacion SA	539	0.04	Transport		
Oil and Gas			Kuehne & Nagel		
343,510 Repsol SA	5,318	0.34	26,792 International AG	3,787	0.24
Telecommunications				99,430	6.32
202,200 Telefonica SA	2,268	0.14	Taiwan (0.06%)		
	11,164	0.71	Semiconductor Equipment and Products		
Sweden (0.73%)			Taiwan Semiconductor		
Banks			27,300 Manufacturing Co Ltd ADR	897	0.06
32,711 Svenska Handelsbanken AB			450	0.03	
23,744 Swedbank AB			552	0.03	
Construction and Engineering			Thailand (0.06%)		
9,594 Skanska AB			Banks		
Home Furnishings			167,900 Kasikornbank PCL		
56,169 Electrolux AB			923	0.06	
Personal Products			United Kingdom (6.32%)		
269,774 Svenska Cellulosa AB SCA	8,732	0.56	Agriculture		
	11,528	0.73	British American Tobacco		
Switzerland (6.32%)			15,603 Plc	1,034	0.07
Auto Components			Imperial Tobacco Group		
1,797 Georg Fischer AG			88,360 Plc	4,273	0.27
Banks			Banks		
968,039 Credit Suisse Group AG			18,020,800 Lloyds Banking Group Plc .		
393,205 UBS Group AG			48,562 Standard Chartered Plc	14,945	0.95
Building Products			Beverages		
166,025 LafargeHolcim Ltd			755,729 Diageo Plc		
Chemicals			21,579	1.37	
11,677 Lonza Group AG			Commercial Services and Supplies		
Commercial Services and Supplies			103,109 Nielsen Holdings Plc		
44,323 Adecco Group AG			4,259	0.27	
139 SGS SA			297	0.02	
Diversified Financials			Distributors		
10,028 GAM Holding AG			113,946 Inchcape Plc		
281,369 Julius Baer Group Ltd			1,199	0.08	
Food Products			Food Products		
138,075 Nestle SA			332,737 Compass Group Plc		
Health Care Equipment and Supplies			Wm Morrison Supermarkets		
16,066 Sonova Holding AG			400,400 Plc	1,202	0.08
Insurance			Gas Utilities		
19,345 Chubb Ltd			525,300 Centrica Plc		
13,479 Swiss Life Holding AG			1,425	0.09	
15,694 Swiss Re AG			Home Builders		
Oil and Gas			48,585 Persimmon Plc		
22,100 Transocean Ltd			1,272	0.08	
	275	0.02	81,324 Taylor Wimpey Plc	196	0.01
			Household Products		
			97,864 Reckitt Benckiser Group Plc		
			8,916	0.57	
			Insurance		
			62,800 Aon Plc		
			7,454	0.47	
			Lodging		
			51,027 Whitbread Plc		
			2,525	0.16	
			Media		
			217,865 Sky Plc		
			2,659	0.17	

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Metals and Mining			126,300	KeyCorp	2,246 0.14
120,680	Rio Tinto Plc	4,843 0.31	106,000	Morgan Stanley	4,541 0.29
Oil and Gas				PNC Financial Services	
126,944	Ensco Plc	1,136 0.07	5,000	Group Inc	601 0.04
64,447	Royal Dutch Shell Plc	1,697 0.11	99,285	State Street Corp	7,904 0.50
Other Finance			167,400	Wells Fargo & Co	9,317 0.59
279,699	3i Group Plc	2,621 0.17	Beverages		
Pharmaceuticals			22,756	Coca-Cola Co	966 0.06
12,261	AstraZeneca Plc	753 0.05		Dr Pepper Snapple Group	
231,300	GlaxoSmithKline Plc	4,800 0.30	5,530	Inc	541 0.03
146,323	Indivior Plc	589 0.04	37,070	Monster Beverage Corp	1,712 0.11
Real Estate Investment Trust			9,525	PepsiCo Inc	1,065 0.07
28,020	Land Securities Group Plc ...	371 0.02	Biotechnology		
Retail Trade			36,720	Amgen Inc	6,025 0.38
4,245	Next Plc	229 0.01	91,700	Gilead Sciences Inc	6,228 0.40
Textile and Apparel				Regeneron Pharmaceuticals	
123,748	Burberry Group Plc	2,668 0.17	11,432	Inc	4,430 0.28
		99,374 6.32	Chemicals		
United States (47.40%)				EI du Pont de Nemours &	
Advertising			3,335	Co	268 0.02
40,019	Omnicom Group Inc	3,450 0.22	4,961	Fragrances Inc	657 0.04
Aerospace and Defence			41,493	Monsanto Co	4,697 0.30
31,266	Boeing Co	5,530 0.35	28,605	Praxair Inc	3,393 0.21
4,160	Lockheed Martin Corp	1,113 0.07	Commercial Services and Supplies		
23,929	Raytheon Co	3,649 0.23		Automatic Data Processing	
	Spirit AeroSystems Holdings		8,890	Inc	910 0.06
81,000	Inc	4,692 0.30		FleetCor Technologies	
47,265	United Technologies Corp ...	5,304 0.34	28,218	Inc	4,273 0.27
Agriculture			38,260	Global Payments Inc	3,087 0.20
	Philip Morris International		15,400	Insperty Inc	1,365 0.09
10,601	Inc	1,197 0.08	49,600	ManpowerGroup Inc	5,087 0.32
Airlines			49,176	PayPal Holdings Inc	2,116 0.13
67,200	Delta Air Lines Inc	3,089 0.20	47,480	Rollins Inc	1,763 0.11
25,500	Hawaiian Holdings Inc	1,184 0.07	16,300	United Rentals Inc	2,038 0.13
Auto Components			Computers and Peripherals		
	Allison Transmission		103,471	Apple Inc	14,865 0.94
89,200	Holdings Inc	3,217 0.20		Cognizant Technology	
	Cooper-Standard Holding		46,380	Solutions Corp	2,761 0.18
9,480	Inc	1,052 0.07	45,300	HP Inc	810 0.05
39,100	Lear Corp	5,536 0.35		International Business	
Automobiles			5,612	Machines Corp	977 0.06
56,100	Ford Motor Co	653 0.04	122,800	NetApp Inc	5,139 0.33
299,300	General Motors Co	10,583 0.68	Containers and Packaging		
Banks			40,820	Berry Global Group Inc	1,983 0.13
35,100	Bank of America Corp	828 0.05	Distributors		
	Bank of New York Mellon		8,816	WW Grainger Inc	2,052 0.13
147,095	Corp	6,947 0.44	Diversified Financials		
2,100	Capital One Financial Corp .	182 0.01	72,783	American Express Co	5,758 0.37
338,370	Citigroup Inc	20,241 1.29	45,300	Ameriprise Financial Inc	5,875 0.37
158,266	Citizens Financial Group Inc	5,468 0.35	12,387	BlackRock Inc	4,751 0.30
16,120	First Republic Bank	1,512 0.10	5,625	CME Group Inc	668 0.04
61,208	Goldman Sachs Group Inc ..	14,061 0.89	94,721	Franklin Resources Inc	3,992 0.26
49,100	JPMorgan Chase & Co	4,313 0.28	38,200	Synchrony Financial	1,310 0.08

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
TD Ameritrade Holding			Health Care Providers and Services		
5,562 Corp	216	0.01	1,200 Cigna Corp	176	0.01
234,767 Visa Inc	20,863	1.33	119,700 HCA Holdings Inc	10,652	0.68
Electric Utilities			21,600 UnitedHealth Group Inc	3,543	0.23
5,071 Alliant Energy Corp	201	0.01	7,000 WellCare Health Plans Inc ..	981	0.06
3,800 DTE Energy Co	388	0.02	Home Furnishings		
42,692 Edison International	3,399	0.22	3,014 Leggett & Platt Inc	152	0.01
54,300 Exelon Corp	1,954	0.12	Hotels, Restaurants and Leisure		
54,300 FirstEnergy Corp	1,728	0.11	37,834 Harley-Davidson Inc	2,289	0.14
13,500 Great Plains Energy Inc	394	0.03	1,368 Polaris Industries Inc	115	0.01
4,997 NextEra Energy Inc	641	0.04	Household Products		
3,152 Pinnacle West Capital Corp	263	0.02	3,344 Clorox Co	451	0.03
Public Service Enterprise			6,745 Kimberly-Clark Corp	888	0.06
13,585 Group Inc	602	0.04	Insurance		
6,434 WEC Energy Group Inc	390	0.02	11,609 Aflac Inc	841	0.05
3,154 Westar Energy Inc	171	0.01	82,800 Allstate Corp	6,747	0.43
Electrical Equipment			American Financial Group		
37,834 Amphenol Corp	2,693	0.17	2,174 Inc	207	0.01
40,800 Corning Inc	1,102	0.07	American International		
12,281 Emerson Electric Co	735	0.05	119,700 Group Inc	7,473	0.48
100,072 Honeywell International Inc	12,496	0.79	3,920 Arthur J Gallagher & Co	222	0.01
1,247 Hubbell Inc	150	0.01	4,281 Cincinnati Financial Corp ..	309	0.02
23,676 Waters Corp	3,701	0.24	1,253 Erie Indemnity Co	154	0.01
Environmental Control			554 Mercury General Corp	34	0.00
8,265 Waste Management Inc	603	0.04	2,999 ProAssurance Corp	181	0.01
Food Products			16,715 Progressive Corp	655	0.04
39,600 Conagra Brands Inc	1,597	0.10	6,600 Prudential Financial Inc	704	0.05
25,300 Dean Foods Co	497	0.03	7,401 Travelers Cos Inc	892	0.06
8,555 General Mills Inc	505	0.03	93,000 Voya Financial Inc	3,530	0.23
2,682 JM Smucker Co	352	0.02	Internet Software and Services		
74,920 Kellogg Co	5,440	0.35	22,879 Alphabet Inc (Class A)	19,397	1.23
80,344 Lamb Weston Holdings Inc .	3,379	0.21	9,405 Alphabet Inc (Class C)	7,802	0.50
156,116 Mondelez International Inc .	6,725	0.43	9,548 Amazon.com Inc	8,465	0.54
13,000 Sanderson Farms Inc	1,350	0.09	184,321 eBay Inc	6,188	0.39
11,175 Sysco Corp	580	0.04	4,800 F5 Networks Inc	684	0.04
111,500 Tyson Foods Inc	6,881	0.44	73,493 Facebook Inc	10,440	0.67
159,909 Whole Foods Market Inc	4,752	0.30	12,159 MercadoLibre Inc	2,571	0.16
Gas Utilities			4,918 Priceline Group Inc	8,754	0.56
136,600 CenterPoint Energy Inc	3,766	0.24	19,033 Symantec Corp	584	0.04
Hand and Machine Tools			Lodging		
14,730 Snap-on Inc	2,485	0.16	17,021 Marriott International Inc	1,603	0.10
Health Care Equipment and Supplies			76,330 MGM Resorts International	2,091	0.13
108,614 Abbott Laboratories	4,824	0.31	7,636 Wynn Resorts Ltd	875	0.06
252,900 Baxter International Inc	13,115	0.83	Machinery		
22,998 Cooper Cos Inc	4,597	0.29	81,300 Caterpillar Inc	7,541	0.48
29,368 Dentsply Sirona Inc	1,834	0.12	42,686 Cummins Inc	6,454	0.41
68,300 Hologic Inc	2,906	0.18	2,930 Rockwell Automation Inc ...	456	0.03
24,100 Masimo Corp	2,248	0.14	Media		
65,667 Stryker Corp	8,645	0.55	31,378 Charter Communications Inc	10,271	0.65
76,317 Thermo Fisher Scientific Inc	11,722	0.75	54,658 Comcast Corp	2,055	0.13
Zimmer Biomet Holdings			95,932 Time Warner Inc	9,374	0.60
72,197 Inc	8,816	0.56	84,654 Walt Disney Co	9,599	0.61

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Miscellaneous Manufacturers			2,443 Tiffany & Co	233	0.01
42,784 3M Co	8,186	0.52	Ultra Salon Cosmetics &		
195,100 General Electric Co	5,814	0.37	7,030 Fragrance Inc	2,005	0.13
Office Electronics			67,902 Urban Outfitters Inc	1,613	0.10
244,200 Xerox Corp	1,792	0.11	111,132 Wal-Mart Stores Inc	8,010	0.51
Oil and Gas			Semiconductor Equipment and Products		
8,961 Chevron Corp	962	0.06	10,017 Analog Devices Inc	821	0.05
18,090 Concho Resources Inc	2,322	0.15	193,300 Applied Materials Inc	7,519	0.48
42,999 EOG Resources Inc	4,195	0.26	10,600 Cirrus Logic Inc	643	0.04
15,243 Exxon Mobil Corp	1,250	0.08	29,933 Intel Corp	1,080	0.07
2,410 Helmerich & Payne Inc	160	0.01	Maxim Integrated Products		
10,226 Occidental Petroleum Corp .	648	0.04	6,342 Inc	285	0.02
65,700 Valero Energy Corp	4,355	0.28	Microchip Technology		
Oil and Gas Services			40,492 Inc	2,987	0.19
10,800 Baker Hughes Inc	646	0.04	4,200 Micron Technology Inc	121	0.01
37,850 National Oilwell Varco Inc .	1,517	0.10	13,084 Qualcomm Inc	750	0.04
20,817 NOW Inc	353	0.02	35,020 Texas Instruments Inc	2,821	0.18
Personal Products			5,714 Xilinx Inc	331	0.02
127,150 Colgate-Palmolive Co	9,306	0.59	Shipbuilding		
327,913 Coty Inc	5,945	0.38	Huntington Ingalls Industries		
12,902 Procter & Gamble Co	1,159	0.07	17,700 Inc	3,544	0.23
Pharmaceuticals			Software		
11,031 Eli Lilly & Co	928	0.06	39,659 Activision Blizzard Inc	1,977	0.13
89,000 Express Scripts Holding Co	5,866	0.37	28,170 Adobe Systems Inc	3,666	0.23
25,012 Johnson & Johnson	3,115	0.20	8,183 CA Inc	260	0.02
13,100 McKesson Corp	1,942	0.12	55,786 Cerner Corp	3,283	0.21
16,540 Merck & Co Inc	1,051	0.07	41,600 Citrix Systems Inc	3,469	0.22
31,689 Pfizer Inc	1,084	0.07	6,600 Intuit Inc	766	0.05
Real Estate Investment Trust			159,186 Microsoft Corp	10,484	0.67
CBL & Associates			Nuance Communications		
93,000 Properties Inc	887	0.06	140,500 Inc	2,432	0.15
11,300 Equinix Inc	4,524	0.29	231,195 Oracle Corp	10,314	0.65
9,800 Equity Commonwealth	306	0.02	47,314 Red Hat Inc	4,093	0.26
Federal Realty Investment			54,078 salesforce.com Inc	4,461	0.28
1,580 Trust	211	0.01	25,770 Synopsys Inc	1,859	0.12
3,897 Public Storage	853	0.05	Telecommunications		
2,291 Regency Centers Corp	152	0.01	60,900 AT&T Inc	2,530	0.16
2,700 SBA Communications Corp	325	0.02	77,000 CenturyLink Inc	1,815	0.12
Retail Trade			105,423 Cisco Systems Inc	3,563	0.23
3,821 AutoZone Inc	2,763	0.17	7,000 Juniper Networks Inc	195	0.01
21,100 Best Buy Co Inc	1,037	0.07	Verizon Communications		
8,000 Children's Place Inc	960	0.06	127,565 Inc	6,219	0.39
6,248 Coach Inc	258	0.02	Textile and Apparel		
17,200 CVS Health Corp	1,350	0.09	11,880 Mohawk Industries Inc	2,726	0.17
19,200 Foot Locker Inc	1,436	0.09	66,900 NIKE Inc	3,728	0.24
3,287 Genuine Parts Co	304	0.02	Transport		
8,632 Home Depot Inc	1,267	0.08	CH Robinson Worldwide		
48,500 Kohl's Corp	1,931	0.12	3,190 Inc	247	0.01
80,094 Lowe's Cos Inc	6,585	0.42	78,942 Kansas City Southern	6,770	0.43
8,704 McDonald's Corp	1,128	0.07	6,992 Union Pacific Corp	741	0.05
30,900 PVH Corp	3,197	0.20	67,348 United Parcel Service Inc ...	7,226	0.46
90,413 Sally Beauty Holdings Inc ...	1,848	0.12			
				745,583	47.40
			Total Common Stock	1,515,357	96.34

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Preferred Stock (0.20%) (2016: 0.22%)			93,021 Deutsche Bank AG		
Germany (0.17%)			Total Rights		
Household Products			Total Transferable Securities		
20,565	Henkel AG & Co KGaA	2,642	0.17	1,522,888	96.82
Italy (0.03%)			Investment Funds (3.26%) (2016: 0.90%)		
Telecommunications			Ireland (3.26%)		
685,384	Telecom Italia SpA	501	0.03	Russell Investment Company	
Total Preferred Stock			III Plc Russell Investments		
			Euro Liquidity Fund Class R		
			8 Roll-Up Shares		
			Russell Investment Company		
			III Plc Russell Investments		
			Sterling Liquidity FundClass		
			35 R Roll-Up Shares		
			Russell Investment Company		
			III Plc Russell Investments		
			U.S. Dollar Cash Fund II		
			50,869 Class R Roll-Up Shares		
			Total Investment Funds		
			Total Investments excluding Financial		
			Derivative Instruments		
Warrants (0.27%) (2016: 0.45%)					
Switzerland (0.27%)					
19,600	UBS AG London	1,907	0.12		
	UBS AG London Delta				
2,571,800	One	2,258	0.15		
Total Warrants					
Rights (0.01%) (2016: Nil)					
Australia (0.00%)					
50,600	Downer EDI Ltd	-	0.00		
Germany (0.01%)					

Financial Derivative Instruments ((0.25)%) (2016: 0.10%)

Open Futures Contracts ((0.28)%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
2,713	5,319.02	51 of CAC 40 10 Euro Futures Long Futures Contracts Expiring April 2017	77	0.01
2,576	12,880.62	8 of DAX Index Futures Long Futures Contracts Expiring June 2017	61	0.00
2,465	3,572.23	69 of Euro STOXX 50 Index Futures Long Futures Contracts Expiring June 2017	64	0.01
(55,089)	(3,567.92)	1544 of Euro STOXX 50 Index Futures Short Futures Contracts Expiring June 2017	(1,488)	(0.09)
11,752	9,109.75	129 of FTSE 100 Index Futures Long Futures Contracts Expiring June 2017	(16)	0.00
940	3,134.11	6 of Hang Seng Index Futures Long Futures Contracts Expiring April 2017	(9)	0.00
(46,062)	(928.66)	992 of Mini MSCI Emerging Markets Short Futures Contracts Expiring June 2017	(1,623)	(0.10)
661	174.03	38 of OMX 30 Index Futures Long Futures Contracts Expiring April 2017	12	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
2,723	1,701.51	16 of S&P MIDCAP 400 E Mini Index Long Futures Contracts Expiring June 2017	27	0.00
26,133	684.10	191 of S&P TSX 60 Index Futures Long Futures Contracts Expiring June 2017	(7)	0.00
50,230	2,363.77	425 of S&P 500 E Mini Index Futures Long Futures Contracts Expiring June 2017	(97)	(0.01)
1,538	4,395.00	14 of SPI 200 Index Futures Long Futures Contracts Expiring June 2017	23	0.00
(15,943)	(8,480.29)	188 of Swiss Market Index Futures Short Futures Contracts Expiring June 2017	(95)	(0.01)
2,120	8,480.28	25 of Swiss Market Index Futures Long Futures Contracts Expiring June 2017	13	0.00
76,116	13.84	550 of Topix Index Futures Long Futures Contracts Expiring June 2017	(1,462)	(0.09)
Net unrealised gain on open futures contracts			277	0.02
Net unrealised (loss) on open futures contracts			(4,797)	(0.30)
Net unrealised gain (loss) on open futures contracts			(4,520)	(0.28)

Open Forward Foreign Currency Exchange Contracts (0.03%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	AUD 25	EUR 17	-	0.00
07/04/2017	AUD 102	EUR 72	-	0.00
07/04/2017	AUD 6	EUR 4	-	0.00
07/04/2017	AUD 23	USD 18	-	0.00
21/06/2017	AUD 200	USD 153	(1)	0.00
21/06/2017	AUD 400	USD 301	4	0.00
21/06/2017	AUD 444	USD 339	(1)	0.00
21/06/2017	AUD 200	USD 152	-	0.00
21/06/2017	AUD 300	USD 227	1	0.00
21/06/2017	AUD 444	USD 339	(1)	0.00
21/06/2017	AUD 444	USD 337	2	0.00
21/06/2017	AUD 444	USD 339	(1)	0.00
07/04/2017	CAD 34	EUR 24	-	0.00
07/04/2017	CAD 138	EUR 96	1	0.00
07/04/2017	CAD 32	USD 23	-	0.00
21/06/2017	CAD 200	USD 151	(1)	0.00
21/06/2017	CAD 500	USD 371	4	0.00
21/06/2017	CAD 6,168	USD 4,626	4	0.00
21/06/2017	CAD 5,540	USD 4,145	14	0.00
21/06/2017	CAD 300	USD 225	1	0.00
21/06/2017	CAD 500	USD 373	2	0.00
21/06/2017	CAD 6,168	USD 4,626	4	0.00
21/06/2017	CAD 6,168	USD 4,616	14	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
21/06/2017	CAD	6,168	USD	4,626	4	0.00
21/06/2017	CAD	2,000	USD	1,488	13	0.00
07/04/2017	CHF	22	EUR	21	-	0.00
07/04/2017	CHF	90	EUR	84	-	0.00
07/04/2017	CHF	21	USD	20	-	0.00
21/06/2017	CHF	200	USD	202	(1)	0.00
21/06/2017	CHF	1,100	USD	1,093	11	0.00
21/06/2017	CHF	489	USD	487	4	0.00
21/06/2017	CHF	200	USD	204	(4)	0.00
21/06/2017	CHF	400	USD	397	4	0.00
21/06/2017	CHF	489	USD	487	4	0.00
21/06/2017	CHF	489	USD	486	5	0.00
21/06/2017	CHF	489	USD	487	4	0.00
07/04/2017	EUR	3,458	AUD	4,787	48	0.01
07/04/2017	EUR	4,612	CAD	6,459	89	0.01
07/04/2017	EUR	4,043	CHF	4,302	25	0.00
07/04/2017	EUR	1,997	GBP	1,705	5	0.00
07/04/2017	EUR	1,997	GBP	1,705	5	0.00
07/04/2017	EUR	1,998	GBP	1,705	5	0.00
07/04/2017	EUR	1,997	GBP	1,705	4	0.00
07/04/2017	EUR	96	GBP	82	-	0.00
07/04/2017	EUR	1,628	HKD	13,411	16	0.00
07/04/2017	EUR	2,604	JPY	309,328	9	0.00
07/04/2017	EUR	2,603	JPY	309,328	9	0.00
07/04/2017	EUR	2,604	JPY	309,328	10	0.00
07/04/2017	EUR	2,602	JPY	309,328	8	0.00
07/04/2017	EUR	1,676	SEK	16,036	(3)	0.00
07/04/2017	EUR	586	SGD	871	4	0.00
07/04/2017	EUR	71	USD	76	-	0.00
07/04/2017	EUR	19,425	USD	20,625	154	0.01
07/04/2017	EUR	19,443	USD	20,625	173	0.01
07/04/2017	EUR	19,436	USD	20,625	166	0.01
07/04/2017	EUR	19,425	USD	20,625	155	0.01
07/04/2017	EUR	1,756	USD	1,869	9	0.00
21/06/2017	EUR	700	USD	754	(2)	0.00
21/06/2017	EUR	1,000	USD	1,060	13	0.00
21/06/2017	EUR	1,526	USD	1,615	24	0.00
21/06/2017	EUR	600	USD	656	(11)	0.00
21/06/2017	EUR	1,200	USD	1,274	14	0.00
21/06/2017	EUR	1,526	USD	1,616	23	0.00
21/06/2017	EUR	1,000	USD	1,080	(7)	0.00
21/06/2017	EUR	1,526	USD	1,612	27	0.00
21/06/2017	EUR	1,526	USD	1,615	24	0.00
21/06/2017	EUR	1,000	USD	1,086	(12)	0.00
07/04/2017	GBP	32	AUD	52	-	0.00
07/04/2017	GBP	43	CAD	71	1	0.00
07/04/2017	GBP	38	CHF	47	-	0.00
07/04/2017	GBP	36	EUR	41	1	0.00
07/04/2017	GBP	147	EUR	169	4	0.00
07/04/2017	GBP	141	EUR	165	-	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	GBP	15	HKD	146	-	0.00
07/04/2017	GBP	97	JPY	13,443	-	0.00
07/04/2017	GBP	16	SEK	175	-	0.00
07/04/2017	GBP	6	SGD	10	-	0.00
07/04/2017	GBP	34	USD	41	1	0.00
07/04/2017	GBP	740	USD	920	5	0.00
21/06/2017	GBP	900	USD	1,107	20	0.00
21/06/2017	GBP	1,842	USD	2,268	40	0.00
21/06/2017	GBP	1,200	USD	1,477	27	0.00
21/06/2017	GBP	300	USD	378	(2)	0.00
21/06/2017	GBP	500	USD	612	15	0.00
21/06/2017	GBP	1,842	USD	2,268	40	0.01
21/06/2017	GBP	1,842	USD	2,266	42	0.01
21/06/2017	GBP	1,842	USD	2,267	40	0.01
07/04/2017	HKD	70	EUR	8	-	0.00
07/04/2017	HKD	279	EUR	34	-	0.00
07/04/2017	HKD	64	USD	8	-	0.00
21/06/2017	HKD	1,700	USD	219	-	0.00
21/06/2017	HKD	1,621	USD	209	-	0.00
21/06/2017	HKD	1,000	USD	129	-	0.00
21/06/2017	HKD	2,000	USD	258	-	0.00
21/06/2017	HKD	1,621	USD	209	-	0.00
21/06/2017	HKD	1,621	USD	209	-	0.00
21/06/2017	HKD	1,621	USD	209	-	0.00
07/04/2017	JPY	6,254	EUR	52	-	0.00
07/04/2017	JPY	25,806	EUR	211	6	0.00
07/04/2017	JPY	28,093	EUR	236	(1)	0.00
07/04/2017	JPY	246	GBP	2	-	0.00
07/04/2017	JPY	5,875	USD	51	1	0.00
07/04/2017	JPY	124	USD	1	-	0.00
07/04/2017	JPY	1,821	USD	16	-	0.00
21/06/2017	JPY	60,000	USD	540	-	0.00
21/06/2017	JPY	100,000	USD	878	22	0.00
21/06/2017	JPY	1,523,938	USD	13,425	293	0.02
21/06/2017	JPY	1,411,959	USD	12,390	319	0.02
21/06/2017	JPY	50,000	USD	454	(4)	0.00
21/06/2017	JPY	100,000	USD	881	19	0.00
21/06/2017	JPY	1,523,938	USD	13,431	286	0.02
21/06/2017	JPY	1,523,938	USD	13,393	324	0.02
21/06/2017	JPY	1,523,938	USD	13,422	296	0.02
07/04/2017	SEK	81	EUR	9	-	0.00
07/04/2017	SEK	332	EUR	35	-	0.00
07/04/2017	SEK	76	USD	8	-	0.00
21/06/2017	SEK	600	USD	68	-	0.00
21/06/2017	SEK	1,000	USD	111	1	0.00
21/06/2017	SEK	1,234	USD	137	2	0.00
21/06/2017	SEK	500	USD	57	(1)	0.00
21/06/2017	SEK	1,000	USD	112	1	0.00
21/06/2017	SEK	1,234	USD	137	2	0.00
21/06/2017	SEK	1,234	USD	137	2	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
21/06/2017	SEK	1,234	USD	137	2	0.00
07/04/2017	SGD	5	EUR	3	-	0.00
07/04/2017	SGD	18	EUR	12	-	0.00
07/04/2017	SGD	4	USD	3	-	0.00
07/04/2017	USD	29	AUD	39	-	0.00
07/04/2017	USD	27	AUD	35	-	0.00
07/04/2017	USD	817	AUD	1,066	4	0.00
07/04/2017	USD	817	AUD	1,066	4	0.00
07/04/2017	USD	817	AUD	1,066	4	0.00
07/04/2017	USD	818	AUD	1,066	4	0.00
07/04/2017	USD	327	AUD	426	2	0.00
07/04/2017	USD	59	AUD	77	-	0.00
21/06/2017	USD	606	AUD	800	(3)	0.00
21/06/2017	USD	138	AUD	180	1	0.00
07/04/2017	USD	40	CAD	53	-	0.00
07/04/2017	USD	36	CAD	47	-	0.00
07/04/2017	USD	1,073	CAD	1,416	11	0.00
07/04/2017	USD	1,073	CAD	1,416	11	0.00
07/04/2017	USD	1,071	CAD	1,416	10	0.00
07/04/2017	USD	1,073	CAD	1,416	11	0.00
07/04/2017	USD	437	CAD	576	5	0.00
07/04/2017	USD	153	CAD	202	1	0.00
21/06/2017	USD	968	CAD	1,300	(8)	0.00
21/06/2017	USD	113	CAD	150	-	0.00
07/04/2017	USD	34	CHF	34	-	0.00
07/04/2017	USD	31	CHF	32	-	0.00
07/04/2017	USD	941	CHF	944	(2)	0.00
07/04/2017	USD	941	CHF	944	(2)	0.00
07/04/2017	USD	942	CHF	944	(2)	0.00
07/04/2017	USD	942	CHF	944	(2)	0.00
07/04/2017	USD	369	CHF	370	(1)	0.00
07/04/2017	USD	13	CHF	13	-	0.00
07/04/2017	USD	130	CHF	130	-	0.00
21/06/2017	USD	997	CHF	1,000	(7)	0.00
21/06/2017	USD	7,326	CHF	7,360	(61)	(0.01)
21/06/2017	USD	7,304	CHF	7,360	(83)	(0.01)
21/06/2017	USD	7,332	CHF	7,360	(55)	(0.01)
21/06/2017	USD	7,311	CHF	7,360	(76)	(0.01)
21/06/2017	USD	7,329	CHF	7,360	(58)	(0.01)
21/06/2017	USD	4,428	CHF	4,449	(37)	0.00
21/06/2017	USD	201	CHF	200	1	0.00
07/04/2017	USD	437	EUR	404	5	0.00
07/04/2017	USD	129	EUR	119	1	0.00
07/04/2017	USD	1,756	EUR	1,644	(3)	0.00
07/04/2017	USD	117	EUR	110	(1)	0.00
07/04/2017	USD	3,531	EUR	3,328	(30)	0.00
07/04/2017	USD	3,529	EUR	3,328	(31)	0.00
07/04/2017	USD	3,532	EUR	3,328	(28)	0.00
07/04/2017	USD	3,534	EUR	3,328	(26)	0.00
07/04/2017	USD	1,428	EUR	1,345	(11)	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date		Amount Bought '000		Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	USD	397	EUR	373	(2)	0.00
21/06/2017	USD	318	EUR	300	(4)	0.00
21/06/2017	USD	9,426	EUR	8,908	(137)	(0.01)
21/06/2017	USD	9,402	EUR	8,908	(161)	(0.01)
21/06/2017	USD	9,432	EUR	8,908	(131)	(0.01)
21/06/2017	USD	9,406	EUR	8,908	(157)	(0.01)
21/06/2017	USD	9,425	EUR	8,908	(138)	(0.01)
21/06/2017	USD	2,672	EUR	2,500	(12)	0.00
21/06/2017	USD	701	EUR	650	3	0.00
07/04/2017	USD	70	GBP	56	-	0.00
07/04/2017	USD	63	GBP	51	-	0.00
07/04/2017	USD	1,884	GBP	1,516	(12)	0.00
07/04/2017	USD	1,883	GBP	1,516	(12)	0.00
07/04/2017	USD	1,885	GBP	1,516	(10)	0.00
07/04/2017	USD	1,885	GBP	1,516	(11)	0.00
07/04/2017	USD	766	GBP	616	(4)	0.00
07/04/2017	USD	253	GBP	203	(1)	0.00
21/06/2017	USD	1,838	GBP	1,500	(41)	0.00
21/06/2017	USD	3,004	GBP	2,440	(53)	0.00
21/06/2017	USD	3,003	GBP	2,440	(54)	0.00
21/06/2017	USD	3,004	GBP	2,440	(52)	0.00
21/06/2017	USD	3,002	GBP	2,440	(55)	0.00
21/06/2017	USD	3,003	GBP	2,440	(54)	0.00
21/06/2017	USD	186	GBP	150	(2)	0.00
07/04/2017	USD	14	HKD	108	-	0.00
07/04/2017	USD	13	HKD	98	-	0.00
07/04/2017	USD	154	HKD	1,196	-	0.00
07/04/2017	USD	1,570	HKD	12,177	3	0.00
21/06/2017	USD	516	HKD	4,000	-	0.00
21/06/2017	USD	65	HKD	500	-	0.00
07/04/2017	USD	87	JPY	9,638	-	0.00
07/04/2017	USD	79	JPY	8,841	-	0.00
07/04/2017	USD	2,455	JPY	274,948	(12)	0.00
07/04/2017	USD	2,454	JPY	274,948	(14)	0.00
07/04/2017	USD	2,456	JPY	274,948	(11)	0.00
07/04/2017	USD	2,456	JPY	274,948	(12)	0.00
07/04/2017	USD	964	JPY	107,971	(5)	0.00
21/06/2017	USD	2,102	JPY	240,000	(58)	(0.01)
21/06/2017	USD	4,581	JPY	520,000	(100)	(0.01)
21/06/2017	USD	4,563	JPY	520,000	(117)	(0.01)
21/06/2017	USD	4,583	JPY	520,000	(98)	(0.01)
21/06/2017	USD	4,570	JPY	520,000	(111)	(0.01)
21/06/2017	USD	4,580	JPY	520,000	(101)	(0.01)
21/06/2017	USD	445	JPY	50,000	(5)	0.00
07/04/2017	USD	14	SEK	126	-	0.00
07/04/2017	USD	13	SEK	117	-	0.00
07/04/2017	USD	159	SEK	1,431	(2)	0.00
07/04/2017	USD	1,616	SEK	14,561	(15)	0.00
21/06/2017	USD	336	SEK	3,000	(1)	0.00
07/04/2017	USD	5	SGD	7	-	0.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
07/04/2017	USD 5	SGD 6	-	0.00
07/04/2017	USD 56	SGD 78	-	0.00
07/04/2017	USD 565	SGD 790	(1)	0.00
Net unrealised gain on open forward foreign currency exchange contracts			3,012	0.19
Net unrealised (loss) on open forward foreign currency exchange contracts			(2,346)	(0.16)
Net unrealised gain (loss) on open forward foreign currency exchange contracts			666	0.03
Total Financial Derivative Instruments			(3,854)	(0.25)
			Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (100.29%)			1,577,466	100.29
Total Financial Liabilities at Fair Value through Profit or Loss ((0.46)%)			(7,143)	(0.46)
Net Financial Assets at Fair Value through Profit or Loss (99.83%)			1,570,323	99.83
Other Net Assets (0.17%)			2,596	0.17
Net Assets			1,572,919	100.00

Abbreviation used:

ADR - American Depositary Receipt

Analysis of gross assets

	% of gross assets
Transferable securities admitted to official stock exchange listing	93.97
Investment funds (UCITS)	3.16
Exchange traded financial derivative instruments	0.02
Over the counter financial derivative instruments	0.19
Other assets	2.66
	100.00

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

Counterparty exposure risk (Note 12 e))

The brokers/counterparties for the open financial derivative positions and the respective unrealised gains and losses.

As at 31 March 2017

Broker/counterparty	Open Futures Contracts USD'000		Forwards Foreign Currency Exchange Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses	Gains	Losses
BNP Paribas	-	-	514	(415)	514	(415)
Commonwealth Bank of Australia	-	-	561	(393)	561	(393)
Morgan Stanley	277	(4,797)	-	-	277	(4,797)
Royal Bank of Canada	-	-	598	(450)	598	(450)
Standard Chartered Bank	-	-	370	(353)	370	(353)
Other	-	-	969	(735)	969	(735)
Total financial derivative assets	277	(4,797)	3,012	(2,346)	3,289	(7,143)

As at 31 March 2016

Broker/counterparty	Open Futures Contracts USD'000		Forwards Foreign Currency Exchange Contracts USD'000		Total USD'000	
	Gains	Losses	Gains	Losses	Gains	Losses
HSBC	-	-	1,429	(1,089)	1,429	(1,089)
Morgan Stanley	4,927	(4,137)	-	-	4,927	(4,137)
Royal Bank of Canada	-	-	1,311	(547)	1,311	(547)
Standard Chartered Bank	-	-	1,319	(449)	1,319	(449)
State Street Bank and Trust Company	-	-	2,196	(1,461)	2,196	(1,461)
Other	-	-	241	(1,860)	241	(1,860)
Total financial derivative assets	4,927	(4,137)	6,496	(5,406)	11,423	(9,543)

Fair Value Hierarchy (Note 12 b) i))

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

As at 31 March 2017

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	1,520,630	2,258	-	1,522,888
Investment funds.....	-	51,289	-	51,289
Unrealised gain on open futures contracts	277	-	-	277
Unrealised gain on open forward foreign currency exchange contracts	-	3,012	-	3,012
Total assets	1,520,907	56,559	-	1,577,466
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(4,797)	-	-	(4,797)
Unrealised loss on open forward foreign currency exchange contracts	-	(2,346)	-	(2,346)
Total liabilities	(4,797)	(2,346)	-	(7,143)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Schedule of Investments - continued

31 March 2017

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Transferable securities	1,800,142	6,076	-	1,806,218
Money market instruments	-	19,385	-	19,385
Investment funds.....	-	16,253	-	16,253
Unrealised gain on open futures contracts	4,927	-	-	4,927
Unrealised gain on open forward foreign currency exchange contracts	-	6,496	-	6,496
Total assets	1,805,069	48,210	-	1,853,279
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(4,137)	-	-	(4,137)
Unrealised loss on open forward foreign currency exchange contracts	-	(5,406)	-	(5,406)
Total liabilities	(4,137)	(5,406)	-	(9,543)

The accompanying notes are an integral part of the financial statements.

Russell Investment Company II plc
Russell Investments World Equity Fund

Statement of Changes in Composition of Portfolio (unaudited)

Listed below are 20 largest cumulative investment purchases and sales during the year ended 31 March 2017.

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company III Plc		Russell Investment Company III Plc	
Russell Investments U.S. Dollar Cash		Russell Investments U.S. Dollar Cash	
Fund II		Fund II	
Class R Roll-Up Shares	676,130	Class R Roll-Up Shares	(641,287)
Apple Inc	16,493	Samsung Electronics Co Ltd	(20,990)
Lloyds Banking Group Plc	14,071	Apple Inc	(18,135)
Baxter International Inc	12,802	Facebook Inc	(14,385)
Wal-Mart Stores Inc	11,212	Microsoft Corp	(14,286)
Citigroup Inc	11,000	Johnson & Johnson	(13,556)
Verizon Communications Inc	10,689	Goldman Sachs Group Inc	(12,365)
Facebook Inc	10,183	Kering	(11,257)
HCA Holdings Inc	10,077	Daiwa Securities Group Inc	(11,100)
Diageo Plc	9,758	Comcast Corp	(10,734)
Boeing Co	8,447	Carnival Corp	(10,645)
Goldman Sachs Group Inc	8,148	Alphabet Inc	(10,154)
Danone SA	8,056	PepsiCo Inc	(9,781)
Bayer AG	8,020	Amgen Inc	(9,667)
WPP Plc	7,978	Gilead Sciences Inc	(9,573)
McKesson Corp	7,926	Pfizer Inc	(9,423)
Coty Inc	7,915	Intel Corp	(9,140)
Enel SpA	7,898	Actelion Ltd	(9,057)
Microsoft Corp	7,654	Symantec Corp	(8,877)
Ameriprise Financial Inc	7,285	Arm Holdings Plc	(8,564)

A copy of the list of changes in the portfolio during the reference period may be obtained free of charge from the Company's Administrator or from the paying agent or paying and information agents in each country of distribution.

Notes to the Financial Statements

31 March 2017

1. Basis of Preparation

a) Statement of Compliance

The Company's financial statements are prepared in accordance with accounting standards generally accepted in Ireland ("Irish GAAP") including Financial Reporting Standard ("FRS") 102, the financial reporting standard applicable in the UK and Republic of Ireland, Irish statute comprising the Companies Act 2014 and the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"). Irish GAAP, in preparing financial statements which present a true and fair view, are those promulgated by the Institute and issued by the FRC. The Companies Act prescribed formats for financial statements have been adapted to make them more applicable to investment funds.

The Company has availed of the exemption available to open ended investment funds that hold a substantial proportion of highly liquid and fair valued investments under Section 7 of FRS 102 and is not presenting cash flow statements. The information required by FRS 102 to be included in a statement of comprehensive income, is, in the opinion of the Directors, contained in the Profit and Loss Account of each Fund.

Investments on each individual Schedule of Investments with a fair value of less than 500 in value in the presentation currency of the respective Fund are rounded to zero.

b) Combined Financial Statements

The combined financial statements of the Company are measured using Euro, being the functional currency of the primary economic environment in which it operates. The Company has also adopted Euro as the presentation currency.

The financial statements of each Fund are prepared in the functional currency of the respective Fund. The functional currency of each Fund is that as disclosed on the primary statements of the respective Fund. The accounts of the individual Funds are translated into Euro and accumulated for preparation of the combined financial statements.

For the purpose of producing the Combined Balance Sheet, respective financial year end exchange rates are used. For the purpose of producing the Combined Profit and Loss Account and the Combined Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, the average exchange rates for the financial year are used. The currency gain or loss on retranslation of opening net assets, and the average rate difference arising on the translation of the Combined Profit and Loss Account and the Combined Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, is included in the Combined Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. This translation adjustment does not impact the net asset value per share of any of the individual Funds.

c) Estimates and judgements

The preparation of financial statements in conformity with Irish GAAP requires the use of certain critical accounting estimates. It also requires the Board of Directors, based on advice of the Manager, to exercise its judgement in the process of applying the Company's accounting policies. Management also makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are determining fair values of certain financial instruments, as discussed in section a) of Note 2 to the financial statements and determining the functional currency of the Company and individual Funds as discussed in section d) of Note 2 to the financial statements.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies

The significant accounting policies adopted by the Company for the financial year ended 31 March 2017 are as follows:

a) Financial Instruments at Fair Value through Profit or Loss

This category has two sub-categories: financial assets and liabilities held for trading, and those designated by Directors at fair value through profit and loss at inception. All instruments on each Fund's Schedule of Investments are classified at fair value through profit or loss. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Profit and Loss Account.

i) Investments

Securities listed on a recognised stock exchange or traded on any other regulated market are valued at the current last traded market price on the stock exchange or market which constitutes the principal market for such securities. When applicable, the Manager or a delegate of the Manager i.e. Russell Investments Securities Valuation Committee EMEA will assess unlisted and suspended securities for their net realisable value or the last traded price from broker-dealers for non-exchange-trade purposes. In some cases, fair value techniques may be adopted. Such techniques involve significant estimations and assumptions which means that the value from the technique may differ from the value when it is eventually realised.

Debt securities traded on a regulated market are valued on the basis of valuations provided by a principal market-maker or pricing service vendors approved by the Manager. The same committee will review any stale price securities and may consider adjustments should the stale price be deemed not the fair value of the security based on market information provided.

Deposits with credit institutions are valued at par.

Investments in open-ended investment funds are valued at fair value at the latest available unaudited net asset value for the shares or units obtained from the relevant administrator. The changes in the daily net asset value of these shares are recognised as net gain (loss) on investment activities at fair value in the Profit and Loss Accounts.

ii) Warrants

Warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make ownership of local shares sub-optimal.

The valuation of the warrants depends on the level of trading. If the warrants are actively traded in the market then the market price is used. If the warrants are not actively traded in the market then either the intrinsic value of the warrant based on underlying equity price and warrant strike price or modified Black Scholes derived value, adjusted for liquidity/other risks deemed appropriate are used.

iii) To Be Announced ("TBA") Commitments

Certain Funds may enter into TBA purchase commitments to purchase securities for a fixed unit price at a future date beyond customary settlement time. Although the unit price has been established, the principal value has not been finalised.

These Funds hold, and maintain until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the Funds may enter into offsetting contracts for the forward sale of other securities they own.

Income on the securities will not be earned until settlement date. TBA purchase commitments may be considered securities in themselves, and involve a risk of loss if the value of the security to be purchased declines prior to settlement date, the risk of which is in addition to the risk of decline in the value of a Fund's other assets.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies - continued

Unsettled TBA purchase commitments are valued at the current fair value of the underlying securities, according to the procedures described under the Investments section of this note.

Although the Funds may enter into TBA purchase commitments with the intention of acquiring securities for their portfolios or for delivery pursuant to options contracts they have entered into, the Funds may dispose of a commitment prior to settlement if the Money Manager deems it appropriate to do so. The TBA is accounted for in line with the accounting policy for the underlying instruments.

Certain Funds may enter into TBA sale commitments to hedge their portfolio positions or to sell mortgage backed securities they own under delayed delivery arrangements. Proceeds of TBA sale commitments are not received until the contractual settlement date.

During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as “cover” for the transaction.

Unsettled TBA sale commitments are valued at the current fair value of the underlying securities. The contract is marked-to-market daily and the change in market value is recorded by the Fund as an unrealised gain or loss. If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Funds realise a gain or loss. If the Funds deliver securities under the commitment, the Funds realise a gain or loss from the sale of the securities based upon the unit price established at the date the commitment was entered into.

iv) Forward and Spot Foreign Currency Exchange Contracts

The fair value of open forward foreign currency exchange contracts, and open foreign currency exchange spot contracts, is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the balance sheet date. For each relevant Fund, gains or losses on open foreign currency exchange spot contracts are included in cash at bank in the Balance Sheet and gains or losses on open forward foreign currency exchange contracts are included in financial assets or liabilities at fair value through profit or loss, as appropriate, on the Balance Sheet and Schedule of Investments.

v) Futures Contracts

Initial margin deposits are made upon entering into futures contracts and are generally made in cash or cash equivalents. The fair value of futures contracts is based upon their current quoted daily settlement prices on the relevant exchange as of the balance sheet date. Changes in the value of open futures contracts are recognised as unrealised gains or losses on futures contracts until the contracts are terminated, at which time realised gains and losses are recognised. For each relevant Fund, gains or losses on open futures contracts are shown in the Schedule of Investments of each relevant Fund and as appropriate, on the Balance Sheet as financial assets or liabilities at fair value through profit or loss.

vi) Options

Each Fund may purchase and sell (write) call and put options on securities, securities indices and foreign currencies traded on a national securities exchange or in an over-the-counter market.

When a Fund writes a call or a put option, a premium is received by the Fund. The premium is subsequently marked to market to reflect the fair value of the option written, which is reported within financial assets or liabilities at fair value through profit or loss on the Balance Sheet for each relevant Fund. The difference between the premium amount and the fair value reported on the Balance Sheet gives rise to an unrealised gain (loss).

When a Fund purchases a call or a put option, a premium is paid by the Fund. The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is included in determining initial fair value of the securities or foreign currency purchased. Premiums paid on the purchase of options which expire unexercised are treated as realised losses. The option is subsequently marked to market to reflect the fair value of the option purchased, which is reported within financial assets at fair value through profit or loss on the Balance Sheet for each relevant Fund.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies - continued

The over-the-counter options are valued at close of business on the dealing day at the settlement price as provided by the counterparty/broker and the values are independently valued, at a minimum, weekly. The fair value of exchange traded options are based upon their quoted daily settlement prices on the relevant exchange. In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules, or if such valuation is not representative of a security's fair market value, the Directors are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

If an option which a Fund has written either expires on its stipulated expiration date or a Fund enters into a closing purchase transaction, a Fund realises a gain (or loss, if the cost of a closing purchase transaction exceeds the premium received when the option was sold) without regard to any unrealised gain or loss on the underlying security, and the liability related to such option is extinguished. If a call option which a Fund has written is exercised, a Fund realises a capital gain or loss from the sale of the underlying security, and the proceeds from such sales are increased by the premium originally received. When a put option which a Fund has written is exercised, the amount of the premium originally received will reduce the cost of the security which a Fund purchases upon exercise of the option.

vii) Interest Rate Swaps, Currency Swaps and Credit Default Swaps

Interest rate swaps are valued using standard net present value methodologies whereby all future cash flows of the interest rate swaps are discounted to their present value using the appropriate interest rate.

A currency swap is an interest rate swap in which the cash flows are in different currencies. Upon initiation of a currency swap, the counterparties make an initial exchange of notional principals in the two currencies. During the life of the swap, each party pays interest (in the currency of the principal received) to the other. At the maturity of the swap, the parties make a final exchange of the initial principal amounts, reversing the initial exchange at the same spot rate.

The primary pricing source for interest rate swaps is the vendor, the secondary source is the counterparty price and the tertiary source is the price provided by the relevant Money Manager.

Over-the-counter credit default swaps are valued using standard net present value methodologies whereby all future cashflows of the fixed side of the swap are discounted to their present value using the appropriate interest rate and whereby all future cashflows of the default side of the swap are discounted to their present value based on the cost of default to the default payer. This cost is determined by the recovery rate, notional amount of the contract, and default probability among other factors. An upfront payment received by a Fund, as protection seller, is recorded as a liability on the Fund's books. An upfront payment made by a Fund, as protective buyer, is recorded as an asset on the Fund's books. The fair value of exchange traded credit default swaps are based upon their quoted daily settlement prices on the relevant exchange. Yearly payments received or paid are recorded as realised gains or losses and recognised in the Profit and Loss Account.

The primary pricing source for credit default swaps is the vendor, the secondary source is the counterparty price and the tertiary source is the price provided by the relevant Money Manager.

The notional amount of swap contracts is subsequently marked-to-market to reflect the fair value of the swap which is reported as a financial asset or liability at fair value through profit or loss as appropriate on the Balance Sheet for each relevant Fund.

The net amounts of interest payments and receipts on swaps are accrued in the Profit and Loss Account.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies - continued

viii) Swaptions

This instrument combines the features of two other financial instruments, namely an option and a swap. A swaption involves writing/purchasing options to enter into a swap. Swaptions are priced using the standard Black Scholes pricing model where the inputs required are the term of the option, the price and volatility of the underlying instrument (the swap), the strike price of the option and the risk free rate of return (yield curve).

A Fund records an unrealised gain (loss) for the amount expected to be received or paid under the swaption agreement if the agreement was terminated on the balance sheet date and is reported within financial assets or financial liabilities at fair value through profit or loss on the Fund's Balance Sheet and Schedule of Investments.

When a Fund writes a swaption, a premium is received by the Fund and the swaption is initially recognised at the amount of the premium. The swaption is subsequently marked-to-market to reflect the fair value of the swaption written, which is reported within financial liabilities at fair value through profit or loss on the Fund's Balance Sheet and Schedule of Investments. The difference between the premium received and the fair value reported on the Balance Sheet gives rise to an unrealised gain (loss). When a swaption which the Fund has written is exercised, the amount of the premium originally received will offset the cost of the swap upon exercise of the option in arriving at the movement in unrealised gain or loss to be included in the Profit and Loss Account. Premiums received on swaptions written which expire unexercised are treated as realised gains.

When a Fund purchases a swaption, a premium is paid by the Fund and the swaption is initially recognised at the amount of the premium. The swaption is subsequently marked-to-market to reflect the fair value of the swaption purchased, which is reported within financial assets at fair value through profit or loss on the Fund's Balance Sheet. When a swaption which the Fund holds is exercised, the amount of the premium originally paid will offset the cost of the swap upon exercise of the option in arriving at the movement in unrealised gain or loss to be included in the Profit and Loss Account. Premiums paid from the purchase of swaptions which expire unexercised are treated as realised losses.

b) Net Gain (Loss) on Investment Activities

In respect of each instrument type classified as financial instruments at fair value through profit or loss, the movement in unrealised gains (losses) since the prior financial year end and realised gains (losses) are recognised within net gain (loss) on investment activities in the Profit and Loss Account for each relevant Fund.

See Note 4 for details of realised gains (losses) and movement in unrealised gains (losses) since the prior financial year end.

Gains and losses on options, swaps and swaptions are included in the investments figure for each relevant Fund. Gains and losses on foreign currency exchange contracts are included in foreign currency exchange gains (losses).

c) Accounting for Investment Transactions, Income and Expenses

Purchases and sales of investments are recognised on trade date, the date on which the Fund commits to purchase or sell the asset, provided the trade instructions have been received by the Depositary prior to the calculation of the Fund's net asset value, being 2.30pm (Irish time) on each dealing day (the "Valuation Point"). Any trade instructions received by the Depositary after the Valuation Point will be recognised on the next dealing day. Investments are initially recognised at fair value and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

Investments are recognised when the rights to receive cash flows from the investments are transferred to the Fund or the Fund has exposure to substantially all risks and rewards of ownership. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies - continued

Realised gains and losses on investment transactions are calculated using the average cost method. Realised gains and losses on investments transactions in debt instruments are calculated as the difference between sales proceeds and the amortised cost of the instrument. Amortised cost is arrived at using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. Interest income and expense are recognised in the Profit and Loss Account for all relevant instruments using the effective interest method. Gains and losses realised on the sale of all financial assets and financial liabilities carried at fair value through profit or loss are recognised in the Profit and Loss Account.

Bank interest is recognised on an accruals basis.

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as “ex dividend”. Income is accounted for gross of any non-reclaimable/irrecoverable withholding taxes and net of any tax credits. The withholding tax is shown separately in the Profit and Loss Account.

Each Fund pays all of its expenses and such proportion of the Company’s expenses as is allocated to that Fund, other than those expressly assumed by the Manager. The costs and gains (losses) of any hedging transactions will be attributable to the relevant Share Class. To the extent that expenses are attributable to a specific Share Class of a Fund, that Share Class bears such expenses. All expenses, as disclosed in the Profit and Loss Account, with the exception of Professional and Other fees, are accrued on a daily basis. Professional fees and Other fees recognised in the Profit and Loss Account are generally charged and paid when billed to the Funds.

The payable to shareholders as disclosed as a creditor on the Balance Sheet of Funds which ceased trading during the financial year is subject to change as these Funds may be subject to unforeseen fees and expenses not accounted for during the financial year ended 31 March 2017. As of the date of the approval of these financial statements, no such fees and expenses have arisen.

d) Foreign Currency Transactions

In accordance with Section 30 of FRS 102, items included in the individual Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (functional currency). The Directors’ selection of the functional currency is attributable to the functional currency being: (a) the major component of the Fund’s benchmarks; or (b) the common currency of monies received on subscriptions and paid out on redemptions of shares for most clients in the Funds’ varied client base or (c) the common currency of the majority of the investments held on the Fund. The functional currency assessment is done on a Fund by Fund basis. The functional currency of the Company is the Euro.

Each individual Fund has also adopted its functional currency as the presentation currency. Foreign currency transactions are translated to the functional currency of the relevant Fund at the rate of exchange ruling on the date of the transaction.

For each relevant Fund:

- (i) Currency gains and losses can arise where there is a difference between the amounts of foreign dividends and interest recorded on the Fund’s books and the Fund’s functional currency equivalent to the amounts actually received or paid. These gains or losses are included where appropriate in the dividend and interest income figure in the Fund’s Profit and Loss Account;
- (ii) Currency gains and losses realised on securities purchase and sales transactions are included in net gain (loss) on investment activities in the relevant Fund’s Profit and Loss Account;
- (iii) Unrealised currency gains and losses on securities held at financial year end are included in net gain (loss) on investment activities in the relevant Fund’s Profit and Loss Account;

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies - continued

- (iv) Monetary assets and liabilities denominated in currencies other than the Fund's functional currency are translated at the rate of exchange ruling at the close of business on the relevant reporting date and exchange differences are included in net gain (loss) on investment activities in the relevant Fund's Profit and Loss Account; and
- (v) Share transactions which are settled in a currency other than the functional currency of a Fund are settled using the applicable foreign currency exchange rate as of the trade date. As a result, there is no foreign currency impact on the Funds for such transactions.

e) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable shares can be repurchased by the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable share is carried at the redemption amount that is payable at the balance sheet date if a shareholder exercised his or her right to have the Company repurchase his or her share. In accordance with the Prospectus, for the relevant Funds, the Company is contractually obliged to redeem shares at dealing prices and the liability to redeemable participating shareholders has been adjusted to reflect this. Monetary value share transactions during the financial year are recognised in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders of the relevant Fund.

f) Distributions

Distributions on Income Share Classes, and deemed distributions on Accumulating Share Classes with an ex date during the financial year are included as a finance cost in the Profit and Loss Account. The reinvestment of the deemed distribution on the Accumulation Share Classes are included as a share transaction in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. Roll-Up Share Classes do not declare or distribute net income.

g) Swing Pricing/Dilution Adjustments

Swing pricing (also known as dilution adjustment) is applied to a Fund once net subscriptions or redemptions for a Fund relating to a Fund's net asset value for a given dealing day is determined by the Administrator to exceed certain pre-determined percentage thresholds. In calculating the swing pricing, the net asset value of a Fund is swung by a "swing factor" on the following basis:

Net subscriptions - the price used to process all transactions is adjusted upwards by the swing factor to a notional offer price.

Net redemptions - the price used to process all transactions is adjusted downwards by the swing factor to a notional bid price.

If the net asset value of a Fund is swung on a specific dealing day the official price for a Fund will be the derived swing price. In addition, all dealing activity for this dealing day will be dealt at the swing price. Swing pricing applied to a Fund during the financial year is recognised within the share transactions figure on the Statement of Changes in Net Assets Attributable to Redeemable Shareholders.

h) Collateral

i) Counterparty Owned Collateral

Counterparty cash received by a Fund as collateral for financial derivative instruments ("FDIs") transactions is recorded as an asset on the Balance Sheet within 'Cash held with brokers and counterparties for open financial derivative instruments' and a related liability to repay the collateral is disclosed within creditors less than one year within 'Cash due to brokers and counterparties for open financial derivative instruments'.

Non cash collateral received by the Funds does not form part of the Net Asset Value of the Fund and is recorded at the base of each relevant Schedule of Investments for reference purposes only.

Notes to the Financial Statements - continued

31 March 2017

2. Accounting Policies – continued

ii) Collateral Pledged by Funds

A Fund's assets may be deposited by or on behalf of the Fund for collateral purposes with brokers, for options and futures contracts, and counterparties, in respect of over-the-counter FDIs ("OTC FDIs") and TBA positions, held on the Funds. Such assets remain in the ownership of the relevant Fund and are recorded as an asset on the Balance Sheet. Cash pledged by the Funds as collateral is recognised on the Balance Sheet within 'Cash held with brokers and counterparties for open derivative instruments'. Investments pledged by the Funds as collateral are recognised at fair value in the relevant Fund's Schedule of Investments and such investments are referenced accordingly at the base of the Schedule of Investments.

See Note 3 for details of cash collateral received and pledged by the Funds to and from counterparties for FDIs.

iii) Impairment of Collateral

The Adviser has considered the recoverability of collateral due from relevant brokers and counterparties at financial year end/prior financial year end and has considered the need to write-down the value of such collateral. The Adviser is satisfied that the full value of the collateral is recoverable from all brokers and counterparties at the respective financial year end dates.

g) Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs relating to the brokers commission on the purchase and sale of a financial asset or financial liability, are included in its purchase and sale price. Transaction costs of the Depositary or sub-custodian as the case may be are embedded in the relevant fees in the Profit and Loss Account.

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties

a) Cash at Bank

Cash at bank balances are comprised of cash balances held within State Street Bank and Trust Company's ("State Street") custodian network*, unrestricted margin accounts held by brokers for exchange traded derivative instruments held by the Funds and net unrealised gains and losses on open spot foreign currency exchange contracts. The names of brokers used by each individual Fund can be found at the base of each relevant Fund's Schedule of Investments.

The tables in this section of the note details all such cash held on the Funds, including relevant broker and location of broker, as of 31 March 2017 and 31 March 2016. For funds where all cash is held within State Street's custodian network, the funds are not listed below.

Cash held in U.S. Dollar bank accounts with State Street automatically transfer into the demand deposit account at State Street Bank and Trust New York in the name of State Street Bank and Trust Company - London. Bank overdrafts are owed to State Street.

* Certain cash balances may be held by sub-custodians, as approved and appointed by State Street, in markets where State Street does not operate as a depositary. Such cash and all cash held within the State Street custodian network is included within the State Street Bank and Trust figures in the tables contained within this note.

Notes to the Financial Statements - continued

31 March 2017

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties - continued

As at 31 March 2017

Held with	Location	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000
State Street Bank and Trust	Multiple	76,990	8,377	892	7,825	461
Bank of America Merrill Lynch	Multiple	-	-	107	-	-
Credit Suisse Securities (USA) Ltd.	New York, U.S.A.	-	-	-	208	-
Goldman Sachs Group, Inc.	New York, U.S.A.	-	4,278	-	206	-
JP Morgan	London, United Kingdom	382	-	-	18	-
Morgan Stanley	New York, U.S.A.	-	-	-	-	-
Total		77,372	12,655	999	8,257	461

Held with	Location	Russell Investments Pan European Equity Fund EUR '000	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000	Total EUR '000
State Street Bank and Trust	Multiple	2,802	72	592	5,659	97,691
Bank of America Merrill Lynch	Multiple	-	-	-	-	107
Credit Suisse Securities (USA) Ltd.	New York, U.S.A.	-	-	-	-	208
Goldman Sachs Group, Inc.	New York, U.S.A.	-	-	-	-	4,205
JP Morgan	London, United Kingdom	-	-	-	-	375
Morgan Stanley	New York, U.S.A.	-	-	-	3,103	2,901
Total		2,802	72	592	8,762	105,487

As at 31 March 2016

Held with	Location	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000
State Street Bank and Trust	Multiple	32,530	9,144	-	7,483	744
Bank of America Merrill Lynch	Multiple	-	-	44	-	551
Credit Suisse Securities (Europe) Ltd	London, United Kingdom	-	-	-	446	-
Goldman Sachs Group, Inc.	New York, U.S.A.	-	3,341	-	360	-
JP Morgan	London, United Kingdom	284	-	126	-	-
Morgan Stanley & Co. International Plc	London, United Kingdom	-	-	-	-	-
UBS AG	London, United Kingdom	-	-	39	-	-
UBS Securities LLC	Jersey City, U.S.A.	-	-	-	-	-
Total		32,814	12,485	209	8,289	1,295

Notes to the Financial Statements - continued

31 March 2017

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties - continued

Held with	Location	Russell Investments Pan European Equity Fund EUR '000	Russell Investments U.K. Equity Plus Fund GBP '000	Total EUR '000
State Street Bank and Trust	Multiple	5,716	448	50,986
Merrill Lynch International	Multiple	-	-	528
Credit Suisse Securities (Europe) Ltd	London, United Kingdom	-	-	446
Goldman Sachs Group, Inc.	New York, U.S.A.	-	-	3,292
JP Morgan	London, United Kingdom	-	-	375
Morgan Stanley & Co. International Plc	London, United Kingdom	412	-	412
UBS AG	London, United Kingdom	-	-	39
UBS Securities LLC	Jersey City, U.S.A.	-	23	29
Total		6,128	471	56,107

b) Cash held with brokers and counterparties for open financial derivative instruments

Cash is also deposited by or on behalf of the Funds for initial margin purposes with brokers for options and futures contracts and as collateral with counterparties in respect of OTC FDIs and TBA positions held on the Funds. As this amount is the minimum deemed by the brokers and counterparties for collateral requirements the cash is as such restricted and is reported separately to the unrestricted cash on the Funds' Balance Sheets. Cash collateral pledged by counterparties and held by the Funds remains in the ownership of the relevant counterparty and a related liability to repay the cash is recognised as "Cash due to brokers and counterparties for financial derivative instruments" on the relevant Fund's Balance Sheet. See section c) of this note for further details of same. See section c) of this note for further details of same.

All such cash held on the Funds, including relevant broker and location of broker, as of 31 March 2017 and 31 March 2016 are detailed in the tables below.

As at 31 March 2017

Held with	Location	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000
Bank of America Merrill Lynch	Multiple	200	-	458	910	767
BNP Paribas	New York, U.S.A.	1,420	-	-	346	-
Citibank	New York, U.S.A.	270	-	-	10	-
Credit Suisse AG	London, United Kingdom	-	-	-	238	-
Credit Suisse First Boston	New York, U.S.A.	-	-	-	1,142	-
Goldman Sachs Group, Inc.	New York, U.S.A.	-	1,558	1,190	3,840	-
HSBC	New York, U.S.A.	2,498	-	-	290	-
JP Morgan	London, United Kingdom	5,189	-	-	112	-
Morgan Stanley	New York, U.S.A.	-	-	-	28	-
UBS AG	London, United Kingdom	360	-	-	403	-
Total		9,937	1,558	1,648	7,319	767

Notes to the Financial Statements - continued

31 March 2017

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties - continued

Held with	Location	Russell Investments Pan European Equity Fund EUR '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000	Total EUR '000
Bank of America Merrill Lynch	Multiple	-	214	-	2,472
BNP Paribas	New York, U.S.A.	-	-	-	1,674
Citibank	New York, U.S.A.	-	-	-	262
Credit Suisse AG	London, United Kingdom	-	-	-	238
Credit Suisse First Boston	New York, U.S.A.	-	-	-	1,142
Goldman Sachs Group, Inc.	New York, U.S.A.	-	-	-	6,488
HSBC	New York, U.S.A.	-	-	-	2,625
JP Morgan	London, United Kingdom	-	-	-	4,963
Morgan Stanley	New York, U.S.A.	2,043	-	20,300	21,050
UBS AG	London, United Kingdom	-	-	-	740
Total		2,043	214	20,300	41,654

As at 31 March 2016

Held with	Location	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Global Investments Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000
Bank of America Merrill Lynch	Multiple	410	-	292	663	511
BNP Paribas	New York, U.S.A.	310	-	-	-	-
Citibank	New York, U.S.A.	260	-	-	-	-
Credit Suisse AG	London, United Kingdom	-	-	-	724	-
Deutsche Bank	New York, U.S.A.	-	-	-	97	-
Goldman Sachs Group, Inc.	New York, U.S.A.	310	-	494	2,345	-
Goldman Sachs International	London, United Kingdom	-	502	-	35	-
HSBC	New York, U.S.A.	1,200	-	-	465	-
JP Morgan	London, United Kingdom	4,620	-	216	-	-
Morgan Stanley	New York, U.S.A.	-	-	-	447	-
Morgan Stanley & Co. International plc	London, United Kingdom	-	-	-	-	-
RBC Capital Market	Toronto, Canada	-	-	-	7	-
Societe Generale	Paris, France	-	-	-	35	-
UBS AG	London, United Kingdom	-	-	124	506	-
UBS Securities LLC	Jersey City, U.S.A.	-	-	-	-	-
Total		7,110	502	1,126	5,324	511

Notes to the Financial Statements - continued

31 March 2017

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties - continued

Held with	Location	Russell Investments Pan European Equity Fund EUR '000	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Total EUR '000
Bank of America Merrill Lynch	Multiple	-	-	1,055	2,689
BNP Paribas	New York, U.S.A.	-	-	-	272
Citibank	New York, U.S.A.	-	-	-	228
Credit Suisse AG	London, United Kingdom	-	-	-	724
Deutsche Bank	New York, U.S.A.	-	-	-	97
Goldman Sachs Group, Inc.	New York, U.S.A.	-	-	-	3,111
Goldman Sachs International	London, United Kingdom	-	-	-	476
HSBC	New York, U.S.A.	-	-	-	1,518
JP Morgan	London, United Kingdom	-	-	-	4,270
Morgan Stanley	New York, U.S.A.	2,590	-	-	447
Morgan Stanley & Co. International plc	London, United Kingdom	-	-	-	2,590
RBC Capital Market	Toronto, Canada	-	-	-	7
Societe Generale	Paris, France	-	-	-	35
UBS AG	London, United Kingdom	-	-	-	630
UBS Securities LLC	Jersey City, U.S.A.	-	624	-	787
Total		2,590	624	1,055	17,881

c) Cash due to brokers and counterparties for open financial derivative instruments

Cash amounts pledged as collateral by counterparties for OTC FDIs and held by the relevant Funds and cash amounts owed to brokers for exchange traded FDI transactions at each balance sheet date are detailed in the tables below.

Cash amounts pledged as collateral by counterparties form part of the net assets of the respective Funds and a related asset is included within "Cash held with brokers and counterparties for open financial derivative instruments" on the Balance Sheet and section b) of this note.

As at 31 March 2017

Due to	Location	Russell Emerging Market Debt Local Currency Fund USD '000	Russell Global Bond (Euro Hedged) Fund EUR '000	Total EUR '000
Bank of America Merrill Lynch	Multiple	(200)	(234)	(421)
BNP Paribas	New York, U.S.A.	(1,420)	(346)	(1,674)
Citibank	London, United Kingdom	-	(10)	(10)
Credit Suisse AG	London, United Kingdom	-	(636)	(636)
Goldman Sachs Group, Inc.	New York, U.S.A.	-	(15)	(15)
HSBC	London, United Kingdom	(50)	(290)	(337)
JP Morgan	London, United Kingdom	(1,981)	-	(1,851)
Total		(3,651)	(1,531)	(4,944)

Notes to the Financial Statements - continued

31 March 2017

3. Cash at Bank and Cash Held with/due to Brokers and Counterparties – continued

As at 31 March 2016

Due to	Location	Russell Emerging Market Debt Local Currency Fund USD '000	Russell Emerging Markets Extended Opportunities Fund USD '000	Russell Global Bond (Euro Hedged) Fund EUR '000	Russell World Equity Fund USD '000	Total EUR '000
Bank of America Merrill Lynch	Multiple	-	-	(316)	-	(316)
BNP Paribas	New York, U.S.A.	(310)	-	-	-	(272)
Citibank	London, United Kingdom	(260)	-	-	-	(228)
Credit Suisse AG	London, United Kingdom	-	-	(179)	-	(179)
Deutsche Bank	New York, U.S.A.	-	-	(97)	-	(97)
Goldman Sachs Group, Inc.	New York, U.S.A.	(310)	(557)	(10)	-	(771)
HSBC	London, United Kingdom	-	-	(465)	-	(465)
JP Morgan	London, United Kingdom	-	-	(31)	-	(31)
Morgan Stanley & Co. International plc	London, United Kingdom	-	-	-	(1,269)	(1,114)
Morgan Stanley	New York, U.S.A.	-	-	(447)	-	(447)
Societe Generale	Paris, France	-	-	(35)	-	(35)
UBS AG	London, United Kingdom	-	-	(29)	-	(29)
Total		(880)	(557)	(1,609)	(1,269)	(3,984)

4. Net Gain (Loss) on Investment Activities

All gains and losses on investments other than futures contracts and forward foreign currency exchange contracts are included within the investments figure in the tables below.

a) Year ended 31 March 2017

i) Net realised gain (loss):

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Investments	(26,854)	(6,721)	6,259	14,895	1,458	16,861
Futures contracts	79	6,490	(38)	(3,979)	(606)	1,508
Foreign currency exchange	(5,022)	139	(10,151)	(18,331)	798	(1,400)
	(31,797)	(92)	(3,930)	(7,415)	1,650	16,969

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Investments	16,368	23,286	152,384
Futures contracts	(215)	1,337	11,120
Foreign currency exchange	(7)	-	(4,350)
	16,146	24,623	159,154

Notes to the Financial Statements - continued

31 March 2017

4. Net Gain (Loss) on Investment Activities - continued

ii) Net change in unrealised gain (loss) on:

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Investments	21,604	132,030	(8,199)	8,026	6,442	52,370
Futures contracts	(5)	115	197	(550)	285	387
Foreign currency exchange	3,039	(302)	1,232	(2,844)	764	171
	<u>24,638</u>	<u>131,843</u>	<u>(6,770)</u>	<u>4,632</u>	<u>7,491</u>	<u>52,928</u>

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Investments	(11,339)	10,263	62,546
Futures contracts	(15)	(351)	(5,310)
Foreign currency exchange	-	-	(478)
	<u>(11,354)</u>	<u>9,912</u>	<u>56,758</u>

iii) Net gain (loss) on investment activities:

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Net realised gain (loss)	(31,797)	(92)	(3,930)	(7,415)	1,650	16,969
Net change in unrealised gain (loss)	24,638	131,843	(6,770)	4,632	7,491	52,928
Net gain (loss) on investment activities	<u>(7,159)</u>	<u>131,751</u>	<u>(10,700)</u>	<u>(2,783)</u>	<u>9,141</u>	<u>69,897</u>

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Net realised gain (loss)	16,146	24,623	159,154
Net change in unrealised gain (loss)	(11,354)	9,912	56,758
Net gain (loss) on investment activities	<u>4,792</u>	<u>34,535</u>	<u>215,912</u>

Notes to the Financial Statements - continued

31 March 2017

4. Net Gain (Loss) on Investment Activities - continued

b) Year ended 31 March 2016

iv) Net realised gain (loss):

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Investments	(62,537)	(83,401)	5,867	17,687	2,809	4,527
Futures contracts	(2,191)	(4,415)	(489)	936	(613)	(2,002)
Foreign currency exchange	514	(2,671)	(10,448)	(3,577)	709	(428)
	<u>(64,214)</u>	<u>(90,487)</u>	<u>(5,070)</u>	<u>15,046</u>	<u>2,905</u>	<u>2,097</u>

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Investments	4,281	5,978	182,798
Futures contracts	(323)	435	7,211
Foreign currency exchange	1	-	(1,525)
	<u>3,959</u>	<u>6,413</u>	<u>188,484</u>

v) Net change in unrealised gain (loss) on:

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Investments	32,928	(25,936)	(8,463)	(52,148)	(6,663)	(76,525)
Futures contracts	2	(678)	61	437	(22)	(178)
Foreign currency exchange	105	562	(1,587)	13,691	(1,397)	(320)
	<u>33,035</u>	<u>(26,052)</u>	<u>(9,989)</u>	<u>(38,020)</u>	<u>(8,082)</u>	<u>(77,023)</u>

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Investments	(8,668)	(10,446)	(264,878)
Futures contracts	116	289	3,183
Foreign currency exchange	(3)	-	13,440
	<u>(8,555)</u>	<u>(10,157)</u>	<u>(248,255)</u>

Notes to the Financial Statements - continued

31 March 2017

4. Net Gain (Loss) on Investment Activities – continued

vi) Net gain (loss) on investment activities:

	Russell Investments Emerging Market Debt Local Currency Fund USD '000	Russell Investments Emerging Markets Extended Opportunities Fund USD '000	Russell Investments Euro Fixed Income Fund EUR '000	Russell Investments Global Bond (Euro Hedged) Fund EUR '000	Russell Investments Global Defensive Equity Fund USD '000	Russell Investments Pan European Equity Fund EUR '000
Net realised gain (loss)	(64,214)	(90,487)	(5,070)	15,046	2,905	2,097
Net change in unrealised gain (loss)	33,035	(26,052)	(9,989)	(38,020)	(8,082)	(77,023)
Net gain (loss) on investment activities	<u>(31,179)</u>	<u>(116,539)</u>	<u>(15,059)</u>	<u>(22,974)</u>	<u>(5,177)</u>	<u>(74,926)</u>

	Russell Investments U.K. Equity Plus Fund GBP '000	Russell Investments U.S. Quant Fund USD '000	Russell Investments World Equity Fund USD '000
Net realised gain (loss)	3,959	6,413	188,484
Net change in unrealised gain (loss)	(8,555)	(10,157)	(248,255)
Net gain (loss) on investment activities	<u>(4,596)</u>	<u>(3,744)</u>	<u>(59,771)</u>

5. Transactions with Related Parties

a) Related Parties

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions. The following entities were related parties to the Company during the financial year ended 31 March 2017 and the financial year ended 31 March 2016.

Relation to the Company	Name of entity	Details disclosed in section of this note
Manager	Russell Investments Ireland Limited	b), i)
Adviser	Russell Investments Limited	b), ii)
Affiliated Money Manager	Affiliated Russell entities	b), iii)
Affiliated Broker	Russell Investments Implementation Services, LLC	b), iv)
Directors of the Company	As listed in the Administration of the Company page	b), v)
Related Party Investors and Investees	Affiliated Russell Investments entities and Russell Investments managed Irish domiciled funds.	b), vi)

b) Related Party Transactions

i) Manager, Management Fee and Performance Fee

The Company has appointed the Manager to act as manager of the Company. The Manager is a wholly owned subsidiary of Russell Investments Ireland Holdco Limited, which is in turn indirectly owned by Russell Investments Group, Ltd. Russell Investments Group, Ltd. is majority owned by funds managed by TA Associates with minority stakes being held by funds managed by Reverence Capital Partners and Russell Investments' management. The Manager provides investment management and administrative services to the Company. The Manager has appointed the Adviser to, amongst other things, advise it on the investment programmes and strategies of the Funds. The Adviser also acts as distributor for the Funds. The Manager has appointed the Administrator to act as administrator of the Company.

Notes to the Financial Statements - continued

31 March 2017

5. Transactions with Related Parties - continued

a) Management Fee

For services rendered under the management agreement, the Company pays the Manager a fee, accrued daily and paid monthly in arrears, at the following annual rates based on the respective average daily net asset values of each class of shares.

Russell Investments Emerging Market Debt Local Currency Fund		Russell Investments Emerging Markets Extended Opportunities Fund		Russell Investments Euro Fixed Income Fund	
Class B Euro	1.70%	Class A	1.30%	Class B	0.80%
Class I AUD Income	1.00%	Class I	1.30%	Class F	1.60%
Class S Euro Accum	0.50%			Class GBPH I Income	0.65%
Class I Sterling	1.00%			Class I	0.60%
Class I Sterling Income	1.00%			Class P Income	1.00%
Class I USD	1.00%			Class S	1.02%
Class U Euro	2.20%				
Class S Euro	0.50%				

Russell Investments Global Bond (Euro Hedged) Fund		Russell Investments Global Defensive Equity Fund		Russell Investments Pan European Equity Fund	
Class A	1.50%	Class A	0.95%	Class A	1.60%
Class B	0.90%	Class B Income	0.80%	Class B	1.00%
Class DH-B	0.90%	Class C	2.70%	Class F	1.80%
Class GBPH I Income	0.70%	Class U	2.00%	Class I	0.90%
Class MZ Income	0.40%	Class USD-H	1.20%	Class L	1.80%
		Class USD-H Income	1.20%	Class PAMEU	2.30%
				Class R Roll-Up	1.25%

Russell Investments U.K. Equity Plus Fund		Russell Investments U.S. Quant Fund		Russell Investments World Equity Fund	
Class B	0.65%	Class B	1.00%	Class B	0.90%
Class I Income	0.65%	Class C	1.60%	Class C	1.60%
Class P Income	1.25%	Class I	0.80%	Class D	0.75%
Class R	2.25%	Class P Income	1.50%	Class EH-T	1.15%
		Class R I Roll-Up	1.20%	Class H Income	0.90%
				Class I	0.90%
				Class J	1.60%
				Class M	0.90%
				Class N	2.30%
				Class P	1.60%
				Class R	2.60%
				Class SH-B	0.95%
				Class TYA	0.68%
				Class TYC	0.58%
				Class USD-H	1.15%

Rates for classes of shares not yet funded as at 31 March 2017 are not listed.

b) Performance Fee

A performance fee (the "Performance Fee") is payable to the Manager in respect of the RIC II Funds (with the exception of Russell Investments Euro Fixed Income Fund) on an annual basis who in turn pays the Performance Fee to the Money Manager of each Fund that is entitled to a performance fee as described based on the calculation methodology as detailed within the Prospectus.

For the financial year ended 31 March 2017, Performance Fees of EUR 776,454 (financial year ended 31 March 2016: EUR 1,198,126) were charged. These charges related to adjustment on Russell Investments U.K. Equity Plus Fund and charge on Russell Investments Emerging Markets Extended Opportunities Fund.

Notes to the Financial Statements - continued

31 March 2017

5. Transactions with Related Parties - continued

ii) Adviser

The Manager discharges all fees payable to the Adviser out of its management fee. The Adviser is not entitled to a fee in its capacity as Promoter and Distributor to the Company.

iii) Affiliated Money Managers

Russell Investments Limited ("RIL") and Russell Investment Management, LLC ("RIM"), are affiliated group companies to the Manager. Russell Investments group companies can be appointed as Money Managers to the Funds. Please refer to Administration section for the list of Money Managers as at 31 March 2017.

The appointment of Russell Investments group companies as Money Manager to the Funds is subject to the same procedures as appointing an external Money Manager and an intercompany agreement and investment guidelines are applied.

iv) Affiliated Broker

The Funds effect certain transactions through RIIS (Russell Investments Implementation Services, LLC and Russell Investments Implementation Services Limited, collectively called RIIS) and its global network of unaffiliated correspondent brokers. Trades placed through RIIS and its correspondents are made (i) to manage trading associated with changes in Money Managers, rebalancing across existing Money Managers, cash flows and other portfolio transitions or (ii) to execute portfolio securities transactions for each Fund's assets.

RIIS may also be engaged by the Company to carry out foreign currency implementation trading for which a fee of 0.02 per cent per trade is included in individual transactions.

For the financial year ended 31 March 2017, the total commission earned by RIIS, encompassing the range of services provided, amounted to EUR 850,731 (financial year ended 31 March 2016: EUR 902,683).

v) Directors and Directors' Fees

The Articles of Association provide that the Directors are entitled to a fee by way of remuneration at a rate to be determined from time to time by the Directors. Directors' fees are paid to non-executive Directors not employed by Russell Group Companies. Directors' fees shall not exceed the limits contained in the Prospectus and the Directors are entitled to certain additional expenses as listed in the Prospectus. Directors' fees charged during the financial year ended were EUR 55,825 (financial year ended 31 March 2016: EUR 60,027) these amounts are included in other fees in Combined Profit and Loss Account.

All of the Directors of the Company are also directors of the Russell Investments Funds discussed in section vi) of this note.

All of the Directors of the Company are also directors of the Manager. The following Directors of the Company are employed by Russell Investments group companies: Mr. James Beveridge, Mr. Peter Gonella, Mr. Neil Jenkins, Mr. John McMurray, and Mr. Kenneth Willman.

Mr. James Firn is a former employee of Russell Investments who retired in June 2014. He continues to act as a Director of the Manager and the investment funds managed by the Manager.

The Adviser operates a defined contribution pension plan for its employees which invests in Russell Investments managed funds including the Funds. The pension fund is subject to a management fee rebate. The Directors who are employed by the Russell Investments group companies may be indirectly exposed to the Company through the pension scheme.

Notes to the Financial Statements - continued

31 March 2017

5. Transactions with Related Parties – continued

vi) Related Party Investors and Investees

a) Investment in other Russell Investments Funds

The Funds may invest in the sub-funds of other investment funds managed by the Manager as listed in the table below. Details of the Fund's investments in these sub-funds can be found in the Schedule of Investments of each relevant Fund.

Fund Structure Name	Type of Fund Structure	Management Fee Rate
Russell Investment Company plc	UCITS Umbrella	0.05% - 2.80%
Russell Investment Company III plc	UCITS Umbrella	0.05%

b) Related Party Shareholder of the Company

During the financial year ended 31 March 2017 and the financial year ended 31 March 2016, certain sub-funds of open-ended investment funds also managed by the Manager and administered by the Administrator were invested in the Funds. In accordance with Section 33 of FRS 102 these entities are deemed related party shareholders to the Company.

The table below discloses the value of related shareholders in the Company and the percentage of this value against the Company's combined net asset value as at the respective balance sheet dates.

Related Party Shareholder	31 March 2017 EUR '000	Company %	31 March 2016 EUR '000	Company %
Russell Investments Institutional Funds plc ...	209,775	4.86	131,134	3.08%
Russell Investment Company plc	49,482	1.15	29,791	0.70%
Russell Investment Company V plc	146,769	3.40	124,807	2.93%

6. Significant Agreements

i) Depositary

State Street Custodial Services (Ireland) Limited is the Company's Depositary. The Depositary has appointed its parent, State Street, as its global sub-custodian who in turn has appointed a network of local sub-custodial agents. The sub-custodian fees are paid at annual rates based on the total assets held in each individual country in which the Funds invest plus applicable transaction charges. Up to 20 March 2016, custody services were provided by the Depositary. From 21 March 2016, in line with the UCITS V Regulations, the Depositary provides depositary services.

Depositary fees accrue daily and are paid monthly in arrears.

Included within the custodian agreement is a right of set off for fees owing to and monies lent by the Depositary.

ii) Administrator and Transfer Agency

State Street Fund Services (Ireland) Limited is the Company's Administrator. The Administrator is responsible for the daily determination of net asset value, maintaining the books and records of the Funds in respect of the Company and other administrative services. The Manager has also appointed the Administrator as the Company's Transfer Agent.

Such fees accrue daily and are paid monthly in arrears. The Manager shall discharge reasonable out of pocket expenses payable to the Administrator out of the Funds' assets.

The Administrator is also entitled to shareholder services fees as disclosed in the administration agreement and reporting services fees of USD 7,000 per Fund per annum.

Transfer agency fees are charged based on the number of Funds in the umbrella structure, the number of shareholders, number of statements issued, number of share classes and volume of shareholder transactions in a period and are subject to adequate thresholds. Transfer agency fees are charged and paid on a daily basis and are recognised within Administration and transfer agency fees in the Profit and Loss Account for each Fund.

Notes to the Financial Statements - continued

31 March 2017

6. Significant Agreements - continued

The Depositary and Administration fees disclosed in the Profit and Loss Account include minimum fees. If the total of the minimum fees is in excess of the combined administration and trustee percentage charges, the share class fee, the reporting service fee and the shareholder service fee, after the deduction of any discount, then this minimum will apply. The minimum fee for new Funds will be waived for one year from the launch of the new Fund.

The aggregate of the Administration and Depositary Fees will not exceed 0.35 percent of the Net Asset Value of any Fund.

iii) Transaction Costs

Transaction costs relating to the broker commission on the purchase and sale of bonds, equities, exchange traded FDIs and OTC FDIs, are included in the purchase and sale price of the investment.

Transaction costs on the purchase and sale of bonds and OTC FDIs cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Transaction costs on purchases and sales of equities and exchange traded FDIs are readily identifiable. Investments are initially recognised at fair value and transaction costs for all financial assets and financial liabilities carried out at fair value through profit or loss are expressed as incurred.

Total transaction costs, incorporating broker commissions and transaction costs of the Depositary and sub-custodians are as follows:

Fund	Functional Currency	Year ended 31 March 2017 '000	Year ended 31 March 2016 '000
Russell Investments Emerging Market Debt Local Currency Fund	USD	387	291
Russell Investments Emerging Markets Extended Opportunities Fund .	USD	2,684	3,086
Russell Investments Euro Fixed Income Fund	EUR	177	141
Russell Investments Global Bond (Euro Hedged) Fund	EUR	342	451
Russell Investments Global Defensive Equity Fund	USD	201	239
Russell Investments Pan European Equity Fund	EUR	981	1,209
Russell Investments U.K. Equity Plus Fund	GBP	522	324
Russell Investments U.S. Quant Fund	USD	160	205
Russell Investments World Equity Fund	USD	2,001	2,603

iv) Auditors' Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial year under review and prior financial year is as follows:

	2017 EUR '000	2016 EUR '000
Statutory audit of accounts*	150	145
Tax advisory services**	28	34
Total	178	179

* The fees for statutory audit of the accounts disclosed in the table above are exclusive of VAT. The audit fees recognised in the Profit and Loss Account are inclusive of VAT.

** Exclusive of VAT

There were no fees for other assurance services or other non-audit services during the financial year ended 31 March 2017 (financial year ended 31 March 2016: Nil).

Notes to the Financial Statements - continued

31 March 2017

7. Soft Commissions and Commission Recapture Programme

The Adviser retains the right to request that the Russell funds' Money Managers participate in Russell's soft commission and commission recapture programme (the "Programme") by executing a portion of their securities transactions through certain brokers (the "Correspondent Broker Networks"). Money Manager participation in the Programme is not mandatory and the appropriate participation percentage target is determined on a Money Manager by Money Manager basis, based upon asset class, investment mandate, trading habits, and tolerance for participation and is always subject to a Money Manager's ability to obtain best execution.

The Programme, including the Correspondent Broker Networks, is administered by Recapture Services, a division of BNY ConvergeX Execution Solutions LLC ("BNY") and State Street Global Markets ("SSGM").

A portion of the commission earned by the Correspondent Broker Networks as a result of this trading activity will be set aside in the Programme as "credits". These credits are then earmarked for purchase of third party research ("Soft Commission Credits") or commission recapture ("Recapture Credits").

i) Soft Commission Credits

All soft commission use is overseen by Russell Investments' soft commission committee (the "Committee") which is made up of senior level investment personnel. The Committee, with the guidance of Russell's investment strategy committee, establishes an annual soft commission research budget for the use of the Soft Commission Credits.

Soft Commission Credits are used by the Adviser to purchase third party research that will aid Russell Investments in its investment decision-making process. Research purchased through the Programme is obtained from unaffiliated third parties at market rates.

Soft Commission Credits for the financial year ended 31 March 2017 amounted to EUR 53,172 (financial year ended 31 March 2016: EUR 28,715).

ii) Commission Credits

Once the soft commission research budget has been met the Committee will instruct BNY and SSGM to recapture the Commission Credits which are then rebated directly back to the relevant Fund from which the commission was generated. Russell Investments does not receive any revenue (directly or indirectly from BNY or any broker) from the commission recapture component of the Programme.

Commission credits rebated back to the funds during the financial year ended 31 March 2017 amounted to EUR 1,428 (financial year ended 31 March 2016: EUR 5,587).

8. Distributions

Distribution policy

With the exception of Roll-Up Class Shares, the distribution policy of each Fund is to distribute out of net income. Roll-Up Class Shares do not declare or distribute net income and their net asset value reflects net income. Distributions declared by Income Class Shares are paid in cash unless the shareholder chooses to reinvest part or all of the amount in the capital of the relevant Share Class. Accumulation Class Shares declare a distribution which is then reinvested in the capital of the relevant share class.

Distribution Frequency

The distributions in respect of the Funds are calculated and declared on a calendar quarterly basis (i.e. quarterly periods ended 31 March, 30 June, 30 September and 31 December).

Notes to the Financial Statements - continued

31 March 2017

9. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the “TCA”). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the occurrence of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares in the Company for a period of eight years or more.

No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Company and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or where the Company has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Distributions, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders

a) Authorised Share Capital

The authorised share capital of the Company is 39,000 subscriber shares of no par value and 500 billion participating shares of no par value. Subscriber shares do not form part of the net asset value of the Company. They are disclosed in the financial statements by way of this note only.

Holders of subscriber shares are not entitled to dividends or any surplus of assets over liabilities upon the winding-up of the Company. The subscriber shares are held by Russell Investments.

b) Redeemable Participating Shares

Each of the shares entitles the holder to participate equally on a pro rata basis in the profits and dividends of the relevant Fund attributable to such shares and to attend and vote at meetings of the Company and of the relevant Fund represented by those shares. No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of shares or any voting rights in relation to matters relating solely to any other class of shares.

Each share represents an individual beneficial interest in the Company. The shares are not debt obligations or guaranteed by the Company. The return on an investment in the Company will depend solely upon the investment performance of the assets of the relevant Fund and the increase or decrease (as the case may be) in the net asset value of the shares. The amount payable to a shareholder in respect of each share upon liquidation of the Company or a Fund will equal the net asset value per share. However, in a relatively illiquid market, a Fund may not be able to dispose of its investments quickly and as such a Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties and the price repaid to the shareholders in such circumstances will not equal the final published net asset value per share.

Net assets attributable to shareholders represent a liability on the Balance Sheet, carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised the right to redeem the shares in the Company.

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31 March 2017

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Participating Share Transactions

All cash amounts are in the functional currency of the relevant Fund not the currency of the class.

Russell Investments Emerging Market Debt Local Currency Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class B Euro	57,212	85,964	(1,143)	142,033	114,229	(92,450)	163,812
Class I AUD Income ..	115,259	66,519	(59,625)	122,153	392,477	(257,662)	256,968
Class I Sterling	130,425	2,175	(7,294)	125,306	83,959	(131,514)	77,751
Class I Sterling Income	16,621	18,240	(16,836)	18,025	8,074	(4,879)	21,220
Class I USD	52,299	24,950	(45,645)	31,604	95,318	(46,663)	80,259
Class S Euro	-	-	-	-	88,321	-	88,321
Class U Euro	1	-	-	1	11	-	12

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class B Euro	86,626	(1,130)	112,326	(94,325)
Class I AUD Income ..	43,309	(38,570)	276,560	(168,113)
Class I Sterling	2,828	(8,347)	110,712	(166,759)
Class I Sterling Income	25,335	(24,062)	11,261	(6,996)
Class I USD	20,344	(33,722)	77,688	(38,030)
Class S Euro	-	-	93,252	-
Class U Euro	-	-	11	-

Russell Investments Emerging Markets Extended Opportunities Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	865,990	60,930	(117,966)	808,954	10,776	(58,717)	761,013
Class I	-	-	-	-	27,353	-	27,353

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	50,745	(92,125)	10,131	(55,594)
Class I	-	-	40,350	-

Notes to the Financial Statements - continued

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10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Russell Investments Euro Fixed Income Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class B	63,378	40,913	(25,097)	79,194	21,456	(38,797)	61,853
Class F	105	159	(16)	248	59	(159)	148
Class GBPH I Income	7,610,310	3,310,503	(784,881)	10,135,932	740,033	(3,532,677)	7,343,288
Class I	29,002	7,785	(4,665)	32,122	439	(5,053)	27,508
Class P Income	107,449	8,567	(35,201)	80,815	12,530	(32,134)	61,211
Class S	45,211	8,464	(25,806)	27,869	17,732	(15,457)	30,144

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions EUR '000	Redemptions EUR '000	Subscriptions EUR '000	Redemptions EUR '000
Class B	72,388	(44,713)	39,065	(70,752)
Class F	245	(25)	95	(249)
Class GBPH I Income	50,278	(11,590)	9,783	(45,958)
Class I	229	(134)	13	(151)
Class P Income	125	(510)	186	(475)
Class S	1,180	(3,587)	2,520	(2,202)

Russell Investments Global Bond (Euro Hedged) Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	1,795	813	(290)	2,318	161	(1,551)	928
Class B	195,098	21,324	(90,748)	125,674	26,451	(37,207)	114,918
Class DH-B	3,036,462	744,439	(264,943)	3,515,958	343,494	(170,959)	3,688,493
Class GBPH I Income	8,028,083	393,898	(956,063)	7,465,918	728,840	(620,737)	7,574,021
Class MZ Income	221,115	406,784	(485,110)	142,789	52,130	(194,873)	46

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions EUR '000	Redemptions EUR '000	Subscriptions EUR '000	Redemptions EUR '000
Class A	1,475	(526)	297	(2,847)
Class B	42,438	(179,028)	53,578	(75,391)
Class DH-B	11,005	(3,903)	5,391	(2,710)
Class GBPH I Income	5,576	(13,606)	9,152	(7,884)
Class MZ Income	5,188	(6,226)	676	(2,544)

Notes to the Financial Statements - continued

31 March 2017

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Russell Investments Global Defensive Equity Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	77,202	21,937	(36,131)	63,008	10,168	(47,883)	25,293
Class B Income	4,717	719	(4,192)	1,244	4,246	(4,861)	629
Class C	2	19	-	21	194	(90)	125
Class U	4	899	-	903	4,494	(1,078)	4,319
Class USD-H	30,202	3,587	(25,228)	8,561	2,351	(332)	10,580
Class USD-H Income	-	35,035	-	35,035	623	-	35,658

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	29,724	(45,974)	13,984	(65,235)
Class B Income	993	(5,752)	5,810	(6,529)
Class C	31	-	317	(145)
Class U	1,455	-	7,621	(1,840)
Class USD-H	4,622	(32,795)	3,150	(437)
Class USD-H Income	34,837	-	640	-

Russell Investments Pan European Equity Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	2,247	2,843	(1,688)	3,402	2,479	(3,868)	2,013
Class B	278,215	109,091	(35,498)	351,808	34,460	(54,148)	332,120
Class F	21,790	4,100	(5,459)	20,431	1,718	(5,313)	16,836
Class I	24,652	3,116	(1,760)	26,008	1,442	(2,686)	24,764
Class L	589	-	(169)	420	-	(83)	337
Class PAMEU	337,133	78,865	(263,379)	152,619	1,836	(43,892)	110,563
Class R Roll-Up	358,850	60,294	(17,568)	401,576	34,744	(89,036)	347,284

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions EUR '000	Redemptions EUR '000	Subscriptions EUR '000	Redemptions EUR '000
Class A	3,314	(1,925)	2,682	(4,406)
Class B	145,498	(47,283)	44,999	(69,230)
Class F	7,204	(10,151)	2,922	(9,833)
Class I	89	(48)	39	(74)
Class L	-	(253)	-	(114)
Class PAMEU	1,545	(4,404)	32	(757)
Class R Roll-Up	7,928	(2,337)	4,540	(12,744)

Notes to the Financial Statements - continued

31 March 2017

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Russell Investments U.K. Equity Plus Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class B	429,344	42,674	(122,007)	350,011	10,587	(360,598)	-
Class I Income	129,328	16,865	(17,471)	128,722	19,902	(148,624)	-
Class N	-	-	-	-	156	(156)	-
Class P Income	125,476	17,528	(22,418)	120,586	140,642	(261,228)	-
Class R	34,639	2,017	(6,849)	29,807	3,116	(32,923)	-

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions	Redemptions	Subscriptions	Redemptions
	GBP '000	GBP '000	GBP '000	GBP '000
Class B	6,820	(20,152)	1,708	(60,073)
Class I Income	2,047	(2,189)	2,502	(19,455)
Class N	-	-	14	(14)
Class P Income	2,246	(2,912)	19,061	(35,743)
Class R	279	(982)	438	(4,935)

Russell Investments U.S. Quant Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class B	6,672,285	5,216,857	(3,145,574)	8,743,568	2,952,709	(6,152,791)	5,543,486
Class C	1	4,668	-	4,669	1,104	(697)	5,076
Class I	1,740,450	90,430	(286,121)	1,544,759	120,787	(339,518)	1,326,028
Class P Income	397,945	58,661	(108,217)	348,389	134,111	(150,954)	331,546
Class R1 Roll-Up	-	1,078,996	-	1,078,996	457,758	(171,515)	1,365,239

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions	Redemptions	Subscriptions	Redemptions
	USD '000	USD '000	USD '000	USD '000
Class B	110,431	(66,822)	66,005	(138,229)
Class C	7,819	-	2,027	(1,361)
Class I	2,549	(8,438)	3,769	(10,628)
Class P Income	2,089	(3,860)	5,346	(5,849)
Class R1 Roll-Up	10,790	-	4,712	(1,991)

Notes to the Financial Statements - continued

31 March 2017

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Russell Investments World Equity Fund

Number of Shares in issue

Share Class	Financial year ended 31 March 2016				Financial year ended 31 March 2017		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class B	30,940,822	7,508,311	(15,663,772)	22,785,361	5,671,139	(6,787,825)	21,668,675
Class C	1,162,297	12,794	(1,780)	1,173,311	7,042	(1,145,959)	34,394
Class D	2,316,291	19,615	(36,056)	2,299,850	33,241	(42,237)	2,290,854
Class EH-T	9,060,371	147,845	(884,029)	8,324,187	489,338	(1,383,769)	7,429,756
Class H Income	13,130,541	-	(13,130,541)	-	-	-	-
Class I	21,871,002	145,718	(5,095,248)	16,921,472	306,509	(8,218,145)	9,009,836
Class J	64,384	9,400	-	73,784	5,541	-	79,325
Class M	-	-	-	-	4,265	(11)	4,254
Class N	17,800	1,514	(2,165)	17,149	2,478	(1,271)	18,356
Class P	-	-	-	-	1,029,376	(5,019)	1,024,357
Class R	589,473	108,707	(53,963)	644,217	138,810	(76,960)	706,067
Class SH-B	418,730	951	(202,988)	216,693	2,288	(212,472)	6,509
Class SH-B Income	1,260,559	-	(1,260,559)	-	-	-	-
Class TYA	1,943,770	-	(584,614)	1,359,156	-	(4,905)	1,354,251
Class TYC	2,831,649	-	-	2,831,649	-	-	2,831,649
Class TYHC	894,975	-	(894,975)	-	-	-	-
Class USD-H	131,864	36,423	(152,276)	16,011	4,401	(12,485)	7,927
Class USD-H Income .	-	131,558	(4,815)	126,743	1,543	(19,719)	108,567

Value of Share Transactions

Share Class	Financial year ended 31 March 2016		Financial year ended 31 March 2017	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class B	167,635	(350,220)	133,530	(158,711)
Class C	325	(45)	181	(29,515)
Class D	678	(1,219)	1,177	(1,526)
Class EH-T	2,328	(14,654)	8,189	(23,591)
Class H Income	-	(232,431)	-	-
Class I	5,745	(205,493)	13,289	(341,984)
Class J	184	-	119	-
Class M	-	-	5,328	(13)
Class N	229	(322)	411	(202)
Class P	-	-	12,559	(62)
Class R	19,867	(9,945)	26,303	(15,148)
Class SH-B	222	(47,462)	505	(48,048)
Class SH-B Income	-	(232,247)	-	-
Class TYA	-	(8,448)	-	(73)
Class TYC	-	-	-	-
Class TYHC	-	(11,025)	-	-
Class USD-H	56,162	(228,969)	7,316	(19,466)
Class USD-H Income .	131,112	(4,600)	1,576	(20,950)

All share classes are Accumulation Class Shares unless otherwise indicated in the name of the share class.

Notes to the Financial Statements - continued

31 March 2017

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

c) Swing Pricing/Dilution Adjustments

Swing pricing (also known as dilution adjustment) is applied to a Fund once net subscriptions or redemptions for a Fund for a given dealing day is determined by the Administrator to exceed certain predetermined percentage thresholds relating to a Fund's net asset value. In calculating the swing pricing, the net asset value of a Fund is swung by a "swing factor".

The swing factors applied during the financial year ended 31 March 2017 ranged from 0.05% to 0.35% on subscriptions and from 0.05% to 0.35% on redemptions.

The swing factors applied during the financial year ended 31 March 2016 ranged from 0.00% to 0.65% on subscriptions and from 0.00% to 0.45% on redemptions.

d) Significant Shareholders

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant Fund's net asset value and the aggregate monetary value and percentage (of that Fund's net asset value) of that holding as at 31 March 2017.

Fund	Number of Significant Shareholders	Value of Holding '000	Aggregate Shareholding as a % of the Fund
Russell Investments Emerging Markets Local Currency Debt Fund	1	USD 148,723	22.93%
Russell Investments Emerging Markets Extended Opportunities Fund	3	USD 706,071	85.25%
Russell Investments Euro Fixed Income Fund	1	EUR 47,577	22.36%
Russell Investments Global Defensive Equity Fund	1	USD 39,586	39.11%
Russell Investments Pan European Equity Fund	1	EUR 145,817	26.10%
Russell Investments World Equity Fund	1	USD 330,051	20.98%

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant Fund's net asset value and the aggregate monetary value and percentage (of that Fund's net asset value) of that holding as at 31 March 2016.

Fund	Number of Significant Shareholders	Value of Holding '000	Aggregate Shareholding as a % of the Fund
Russell Investments Emerging Markets Debt Local Currency Fund	2	USD 297,570	68.28%
Russell Investments Emerging Markets Extended Opportunities Fund	3	USD 640,885	92.10%
Russell Investments Global Bond (Euro Hedged) Fund	1	EUR 83,379	20.33%
Russell Investments Global Defensive Equity Fund	2	USD 70,242	52.48%
Russell Investments Pan European Equity Fund	1	EUR 119,182	22.81%
Russell Investments U.K. Equity Plus Fund	1	GBP 19,117	21.03%

Notes to the Financial Statements - continued

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11. Efficient Portfolio Management

The Company may enter into securities lending arrangements and repurchase agreements (together “Efficient Portfolio Management Techniques”) and may invest in over the counter financial derivative instruments (“OTC FDIs”) subject to the restrictions set forth in the Prospectus and to the extent consistent with the Fund’s investment objective and policies.

The use of techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which the Funds invest for efficient portfolio management purposes will generally be made for one or more of the following reasons:

- i) the reduction of risk;
- ii) the reduction of cost; or
- iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the UCITS Regulations issued by the Central Bank.

All the revenues arising from Efficient Portfolio Management Techniques employed shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or stocklending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged.

Money Manager(s) on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which they invest for efficient portfolio management purposes. At any time a Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps, swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter.

Please refer to Note 2 a) Financial Instruments at Fair Value through Profit or Loss for a range of FDIs that the Company may employ for the purpose of efficient portfolio management.

12. Financial Risks

The activities of each Fund expose it to various financial risks such as market risk (including market price risk, interest rate risk, and currency risk), credit risk and liquidity risk.

Some Funds delegate some of the management of its portfolio to external Money Managers. The Adviser primarily monitors and manages market risk (including market price risk, interest rate risk, and currency risk), credit risk and liquidity risk by the following techniques:

- The Adviser monitors each Fund’s characteristics in detail with the Money Manager(s) at least quarterly and in some cases monthly.
- The Adviser also reviews the portfolio characteristics of each Fund in its entirety.
- This review may include as appropriate a review of country allocations, country weights, capitalisation, distribution, industry sector weights, price/book levels, currency exposure, portfolio maturity, portfolio duration, sector exposure and quality exposure and other key risk measures.
- In addition to monitoring investment activity and exposure at the point of execution by a Money Manager, the Adviser also receives daily exposure reporting from the Administrator and Money Managers, with which they can review various event exposures on the Funds.
- The Adviser also oversees and monitors the overall level of risk in a Fund.

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

a) Global Exposure

The Funds will use advanced risk measurement methodology, namely Value at Risk (“VaR”) as a risk measurement technique, in addition to other techniques, to measure, monitor and manage market risk. The absolute or relative VaR approach is executed in accordance with the CESR (Committee of European Securities Regulators) 10/788 guidelines. VaR quantifies the estimate of the maximum potential loss due to market risk at a given confidence level over a specified time period under the prevailing market conditions.

VaR is a model-based estimate. As with any model-derived figure, it is subject to imprecision due to such factors as data and measurement errors and model risk. The calculation of VaR is based on daily unaudited accounting book of record position data. In addition, VaR assumes that future asset return distributions and correlations remain stable and consistent with the prevailing market conditions. The Funds utilise additional measures such as stress testing analysis and exposure measurement to provide a holistic view to the Funds’ market risk that includes tail risk and derivative exposure quantification. Furthermore, accuracy of the VaR models is regularly checked via out-of-time/out-of-sample back testing.

VaR is calculated with Monte Carlo simulations approach (1000 paths) using granular market risk models. The approach estimates VaR by simulating random scenarios for each relevant pricing inputs (e.g., specific equity, commodity prices, foreign exchange and interest rates, implied volatility, etc.) used in valuing securities held in the portfolio and revaluing the positions for each of the paths generated for pricing inputs. For Funds using the absolute VaR approach, the VaR of the Fund shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a “one-tailed” 95 per cent confidence interval using observation period of at least 1 year. For Funds using the relative VaR approach, the VaR of the Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a “one-tailed” 95 per cent confidence interval using historical observation period of at least 1 year. A Fund VaR of 1 per cent means that there is a 5 per cent chance that the Fund will lose more than 1 per cent of its value over any given day, assuming that the prevailing market conditions continue into the future.

The below table details the VaR expressed as a percentage of the NAV at financial year end 31 March 2017 and financial year end 31 March 2016, VaR approach for each Fund and for those Funds utilising the relative VaR methodology, the reference portfolio is also listed.

Global Exposure Calculation Methodology and VaR as at the year end				
Fund Name	Approach	Reference Portfolio	VaR as at 31 March 2017	VaR as at 31 March 2016
Russell Investments Emerging Market Debt Local Currency Fund	Absolute	N/A	1.00%	1.3%
Russell Investments Emerging Markets Extended Opportunities Fund	Relative	Russell Emerging Markets Index Net	1.2%	2.0%
Russell Investments Euro Fixed Income Fund	Absolute	N/A	0.5%	0.8%
Russell Investments Global Bond (Euro Hedged) Fund	Absolute	N/A	0.3%	0.5%
Russell Investments Global Defensive Equity Fund	Relative	Russell Global Defensive Index	0.6%	1.2%
Russell Investments Pan European Equity Fund	Relative	Russell Developed Europe Large Cap Net Index	1.2%	2.6%
Russell Investments U.K. Equity Plus Fund	Relative	FTSE All-Share Total Return Index	N/A	1.9%
Russell Investments U.S. Quant Fund	Relative	Russell 1000 Net 30% Index	0.9%	1.8%
Russell Investments World Equity Fund	Relative	Russell Developed Large Cap Net Index	0.7%	1.5%

VaR utilisation measures the Fund’s VaR relative to the Fund’s VaR limit. The below table details the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 31 March 2017 and one year period ending 31 March 2016.

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12. Financial Risks - continued

Daily VaR Utilisation*						
Fund Name	31 March 2017			31 March 2016		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Russell Investments Emerging Market Debt Local Currency Fund	22.9%	44.5%	36.1%	28.4%	47.3%	36.3%
Russell Investments Emerging Markets Extended Opportunities Fund	<0%	11.1%	4.5%	<0%	11.2%	0.6%
Russell Investments Euro Fixed Income Fund	14.8%	28.9%	20.5%	16.8%	32.7%	23.1%
Russell Investments Global Bond (Euro Hedged) Fund	9.2%	16.1%	12.1%	9.6%	18.2%	14.6%
Russell Investments Global Defensive Equity Fund	<0%	7.4%	<0%	<0%	12.7%	2.2%
Russell Investments Pan European Equity Fund	5.5%	30.0%	16.2%	<0%	12.7%	4.0%
Russell Investments U.K. Equity Plus Fund	<0%	30.7%	7.7%	<0%	9.1%	1.6%
Russell Investments U.S. Growth Fund	-	-	-	-	-	-
Russell Investments U.S. Quant Fund	<0%	23.5%	4.8%	1.9%	16.5%	9.1%
Russell Investments U.S. Value Fund	-	-	-	-	-	-
Russell Investments World Equity Fund	3.0%	21.3%	12.7%	<0%	13.3%	2.3%

* Absolute VaR Limit Utilisation = VaR (95% CI, 1 day) / 3.16%

Relative VaR Limit Utilisation = [Fund VaR / Benchmark VaR] - 1

Utilisation >100% equates to breaking the limit

The Daily VaR Utilisation calculation excludes VaR values occurring during Fund opening or closing due to accounting and timing issues.

The below table details the Fund's VaR relative to the Fund's VaR limit at the financial year end 31 March 2017 and 31 March 2016.

VaR Utilisation		
Fund Name	Year ended 31 March 2017	Year ended 31 March 2016
	Level	Level
Russell Investments Emerging Market Debt Local Currency Fund	31%	40%
Russell Investments Emerging Markets Extended Opportunities Fund	7%	9%
Russell Investments Euro Fixed Income Fund	16%	24%
Russell Investments Global Bond (Euro Hedged) Fund	11%	15%
Russell Investments Global Defensive Equity Fund	<0%	<0%
Russell Investments Pan European Equity Fund	17%	11%
Russell Investments U.K. Equity Plus Fund	N/A	<0%
Russell Investments U.S. Quant Fund	7%	14%
Russell Investments World Equity Fund	6%	10%

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

The average level of leverage figures provided below are calculated as the sum of the absolute value of notionals of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Funds may have in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. As these netting and hedging arrangements, if taken into account, may reduce the level of leverage, this calculation may not provide an accurate measure of the Funds' actual leverage position. Below is the daily average level of leverage for each Fund during the one year period ending 31 March 2017 and 31 March 2016.

Level of Leverage*		
Fund Name	Year ended 31 March 2017	Year ended 31 March 2016
Russell Investments Emerging Market Debt Local Currency Fund	163.7%	92.8%
Russell Investments Emerging Markets Extended Opportunities Fund	14.4%	11.9%
Russell Investments Euro Fixed Income Fund	160.4%	95.3%
Russell Investments Global Bond (Euro Hedged) Fund	348.2%	224.7%
Russell Investments Global Defensive Equity Fund	46.0%	27.9%
Russell Investments Pan European Equity Fund	10.2%	6.4%
Russell Investments U.K. Equity Plus Fund	9.3%	4.9%
Russell Investments U.S. Growth Fund	-	-
Russell Investments U.S. Quant Fund	2.6%	3.9%
Russell Investments U.S. Value Fund	-	-
Russell Investments World Equity Fund	59.6%	39.2%

* The Daily Average Leverage calculation excludes distorted daily leverage values occurring during Fund opening or closing due to accounting and timing issues.

b) Market Price Risk

Market price risk is defined in FRS 102 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices other than those caused by interest rate risk or currency risk.

All investments present a risk of loss of capital. The Funds' investments are susceptible to market risk arising from uncertainties about future prices of the instruments. Except for derivatives, maximum risk resulting from financial instruments is determined by fair value of the financial instruments. Possible losses from certain derivatives can be unlimited. The Adviser moderates this risk by diversifying the management of its assets by allocating them between one or more Money Managers. The Funds' Money Managers monitor their portfolio holdings on a daily basis.

i) Fair valuation hierarchy

FRS 102 Section 11.27 on "Fair Value: Disclosure" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. On 8 March 2016, the FRC issued Amendments to FRS 102 - Fair value hierarchy disclosures. The amendment is effective for accounting periods commencing 1 January 2017, however, the Board of Directors agreed to early adopt this amendment in preparing the financial statements for the financial years ended 31 March 2017 and 31 March 2016.

The fair value hierarchy of inputs is summarised in the three broad levels listed below.

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives. The Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include stale priced listed equities, unlisted equities, bonds, investment funds and OTC FDIs.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 securities are securities that may be priced by a single pricing vendor or may have prolonged stale prices or may have no valid market information (indications or comparable security types) available.

Please refer to the base of each Fund’s Schedule of Investments for analysis, within the fair value hierarchy, of each Fund’s financial assets and liabilities (by investment type) measured at fair value at 31 March 2017 and 31 March 2016.

c) Interest Rate Risk

The Funds’ interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing level of interest rates. The Funds may employ investment techniques and FDIs in order to hedge against interest rate risk or gain exposure to the underlying market. In addition, mortgage and asset backed securities are also subject to prepayment risk, which is the risk that borrowers pay off the debt underlying the mortgage backed/asset backed securities sooner than anticipated and therefore shorten the average maturity of the Funds.

The tables below summarise each relevant Fund’s exposure to interest rate risks. It includes each relevant Fund’s assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

The Funds not mentioned below are mainly investing in non-interest bearing assets or its investments have a very short time to maturity. As a result, those Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at 31 March 2017

	Ccy	Up to 1 year ‘000	1 to 5 years ‘000	Over 5 years ‘000	Non-interest bearing ‘000	Net Assets ‘000
Russell Investments Emerging Market Debt Local Currency Fund	USD	170,172	119,038	375,511	(16,198)	648,523
Russell Investments Euro Fixed Income Fund	EUR	16,099	33,980	146,615	16,076	212,770
Russell Investments Global Bond (Euro Hedged) Fund	EUR	71,552	107,834	210,284	(788)	388,882

As at 31 March 2016

	Ccy	Up to 1 year ‘000	1 to 5 years ‘000	Over 5 years ‘000	Non-interest bearing ‘000	Net Assets ‘000
Russell Investments Emerging Market Debt Local Currency Fund	USD	42,599	124,138	247,480	21,590	435,807
Russell Investments Euro Fixed Income Fund	EUR	13,369	78,247	184,927	15,879	292,422
Russell Investments Global Bond (Euro Hedged) Fund	EUR	94,825	80,821	225,774	8,779	410,199

d) Currency Risk

The Funds may hold assets and liabilities denominated in currencies other than the functional currency of the Fund. They are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. A Fund may utilise financial instruments to hedge against fluctuations in the relative values of their portfolio positions in addition to making active currency selections.

e) Credit Risk

The Funds take on credit risk which is the risk that a counterparty or issuer will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any.

The Funds' main credit risk concentrations arise from trading equity and debt securities, investment funds and FDIs in addition to cash balances held at the Depositary.

The Funds minimise concentrations of credit risk by undertaking transactions with a large number of counterparties. The Company's Prospectus and the UCITS Regulations list various investment restrictions with regard to issuer and counterparty concentration limits and minimum counterparty credit ratings. Each relevant Fund's Money Managers conduct periodic reviews of the counterparties with whom they conduct transactions. The Adviser also monitors each Fund's counterparty exposures. In addition, risk exposure to a counterparty may be reduced by collateral provided to the Fund by the counterparty in accordance with the UCITS Regulations.

The Adviser employs a credit research team that performs robust quantitative and qualitative analysis on banks, insurance companies, and other counterparties. The credit research analyst assigned to a particular counterparty performs full credit analysis and writes a credit research report and subsequently sets investment parameters on OTC counterparty ratings and exposures where appropriate. The credit research team only reviews counterparties for those assets directly managed by Russell Investments. The individual Money Managers have their own research process for the assets under their management. Each Fund's Money Managers monitor each credit position on a daily basis.

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

The tables below detail the Schedule of Investments by rating category for all Funds which invest in debt securities.

Portfolio by rating category	Russell Investments Emerging Market Debt Local Currency Fund		Russell Investments Euro Fixed Income Fund	
	% of Investments	% of Investments	% of Investments	% of Investments
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Investment Grade	95.27%	85.71%	89.26%	86.54%
Non Investment Grade	3.18%	13.04%	1.32%	3.95%
No Rating	1.55%	1.25%	9.42%	9.51%
	100.00%	100.00%	100.00%	100.00%

Portfolio by rating category	Russell Investments Global Bond (Euro Hedged) Fund	
	% of Investments	% of Investments
	As at 31 March 2017	As at 31 March 2016
Investment Grade	69.27%	69.52%
Non Investment Grade	11.87%	13.60%
No Rating	18.86%	16.88%
	100.00%	100.00%

Each Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the Funds enter into credit default swaps and other swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Company, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

The names of brokers and counterparties for the open financial derivative positions held by each individual Fund can be found at the base of each relevant Fund's Schedule of Investments. The total unrealised gains and losses exposure by investment type for each of the brokers and counterparties can also be found at the base of each relevant Fund's Schedule of Investments. Where there are more than five brokers and counterparties used by each of the relevant Fund's, the top 5 has been disclosed with the remaining amounts included in the "other" category.

Collateral may be pledged by the Funds, generally by way of cash or cash equivalents, and held by the counterparties. Details of non-cash collateral held at financial year-end by counterparties are asterisked within the Schedule of Investments of the Funds. Amounts of cash collateral held at financial year-end by counterparties are disclosed on the Balance Sheet of the Funds. See Note 3 to the financial statements for full details of cash collateral pledged to or by the relevant Funds as at 31 March 2017 and 31 March 2016.

All securities, cash at bank balances and bank overdrafts and cash or non-cash collaterals received by the Funds are held by the Depositary through its affiliate, State Street or through a sub-custodian within the State Street custodial network. All OTC FDIs, investment funds, time deposits margin or other similar investments/monies deposited by or entered into on behalf of the Company with a counterparty, options exchange, clearing broker or other parties are not held within the State Street custodial network. The Depositary is therefore not liable in any way for the default of any counterparty.

Bankruptcy or insolvency of the Depositary or a State Street affiliate company may cause the Company's rights with respect to cash and securities held by State Street to be delayed or limited and the Company would be treated as a general creditor of that entity in respect of its cash balances. Periodic monitoring and an annual credit review are performed on the Depositary by the Adviser. This review may include as appropriate an assessment of the Depositary's liquidity position, income streams, asset quality and credit ratings. The long term credit rating of State Street as of 31 March 2017 was Aa3 (31 March 2016: Aa2), as rated by Moody's rating agency.

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks - continued

f) Liquidity Risk

The liquidity risks associated with the need to satisfy shareholders' requests for redemptions are mitigated by maintaining a pool of cash to satisfy usual levels of demand. Generally, the Funds' assets comprise publicly traded and securities with various degree of liquidity. In highly volatile market conditions, the Funds may not easily liquidate assets needed for redemption or settlement. In such conditions, the Manager may restrict redemptions and borrow monies on a temporary basis as detailed in the Company's Prospectus.

As at 31 March 2017 and 31 March 2016, with the exception of the Funds mentioned below, the Funds' liabilities, including net assets attributable to redeemable participating shareholders, were payable within three months. As at 31 March 2017 Russell Investments Emerging Market Debt Local Currency Fund and Russell Investments Global Bond (Euro Hedged) Fund had financial liabilities at fair value through profit and loss with maturity dates greater than three months. As at 31 March 2016 Russell Investments Emerging Market Debt Local Currency Fund, Russell Investments Global Bond (Euro Hedged) Fund and Russell Investments Euro Fixed Income Fund had financial liabilities at fair value through profit and loss with maturity dates greater than three months.

The tables below analyse each Fund's FDIs that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the Balance Sheet to the contractual maturity date.

Year ended 31 March 2017

Fund Name	Currency	Less than 3 months '000	3 months to 1 year '000	1 year to 5 years '000
Russell Investments Emerging Market Debt Local Currency Fund				
Inflows	USD	667,056	124,859	-
Outflows	USD	(663,429)	(124,598)	-
Russell Investments Emerging Markets Extended Opportunities Fund				
Inflows	USD	5,663	-	-
Outflows	USD	(5,541)	-	-
Russell Investments Euro Fixed Income Fund				
Inflows	EUR	141,731	-	-
Outflows	EUR	(141,835)	-	-
Russell Investments Global Bond (Euro Hedged) Fund				
Inflows	EUR	772,423	5,200	2,016
Outflows	EUR	(771,743)	(5,262)	(2,000)
Russell Investments Pan European Equity Fund				
Inflows	EUR	35,479	-	-
Outflows	EUR	(35,505)	-	-
Russell Investments Global Defensive Equity Fund				
Inflows	USD	42,086	-	-
Outflows	USD	(42,155)	-	-
Russell Investments World Equity Fund				
Inflows	USD	447,674	-	-
Outflows	USD	(447,008)	-	-

Notes to the Financial Statements - continued

31 March 2017

12. Financial Risks – continued

Year ended 31 March 2016

Fund Name	Currency	Less than 3 months ‘000	3 months to 1 year ‘000	1 year to 5 years ‘000
Russell Investments Emerging Market Debt Local Currency Fund				
Inflows	USD	290,763	8,833	40,599
Outflows	USD	(290,338)	(8,267)	(41,043)
Russell Investments Emerging Markets Extended Opportunities Fund				
Inflows	USD	21,562	-	-
Outflows	USD	(21,249)	-	-
Russell Investments Euro Fixed Income Fund				
Inflows	EUR	273,486	855	-
Outflows	EUR	(274,987)	(873)	-
Russell Investments Global Bond (Euro Hedged) Fund				
Inflows	EUR	821,912	15,320	1,042
Outflows	EUR	(819,000)	(15,340)	(1,069)
Russell Investments Pan European Equity Fund				
Inflows	EUR	18,404	-	-
Outflows	EUR	(18,529)	-	-
Russell Investments Global Defensive Equity Fund				
Inflows	USD	31,951	-	-
Outflows	USD	(32,797)	-	-
Russell Investments World Equity Fund				
Inflows	USD	412,476	-	-
Outflows	USD	(411,386)	-	-

13. Exchange Rates

Where applicable, the Administrator used the exchange rates listed below to translate foreign currency amounts, market value of investments and other assets and liabilities into Euro at the following rates for each EUR 1.

31 March 2017			31 March 2017			31 March 2017		
Argentine Peso	ARS	16.4497	Japanese Yen	JPY	119.1799	Russian Rouble	RUB	60.2605
Australian Dollar	AUD	1.4020	Kenyan Shilling	KES	110.1101	Serbian Dinar	RSD	123.8699
Bangladeshi Taka	BDT	85.7939	Kuwaiti Dollar	KWD	0.3262	Singapore Dollar	SGD	1.4945
Botswana Pula	BWP	11.2348	Lithuania Litas	LTL	3.4528	South African Rand	ZAR	14.3413
Brazil Real	BRL	3.3958	Malaysian Ringgit	MYR	4.7333	South Korean Won	KRW	1,196.0773
British Pound	GBP	0.8553	Mauritian Rupee	MUR	37.6481	Swedish Krona	SEK	9.5493
Canadian Dollar	CAD	1.4264	Mexican Peso	MXN	20.1441	Swiss Franc	CHF	1.0706
Chilean Peso	CLP	708.1541	Moroccan Dirham	MAD	10.7330	Taiwan Dollar	TWD	32.4528
Colombian Peso	COP	3,095.1375	New Israeli Sheqel	ILS	3.8830	Thai Baht	THB	36.7524
Czech Republic Koruna	CZK	27.0235	New Romanian Leu	RON	4.5527	Turkish Lira	TRY	3.8949
Danish Krone	DKK	7.4363	New Zealand Dollar	NZD	1.5300	UAE Dirham	AED	3.9285
Egyptian Pound	EGP	19.3054	Nigerian Naira	NGN	327.3357	U.S. Dollar	USD	1.0695
Ghanaian Cedi	GHS	4.6258	Norwegian Krone	NOK	9.1863	Vietnam Dong	VND	24,337.6012
Hong Kong Dollar	HKD	8.3120	Pakistan Rupee	PKR	112.1209	Yuan Renminbi	CNY	7.3711
Hungarian Forint	HUF	308.8199	Peruvian Nouveau Sol	PEN	3.4766	Yuan Renminbi Offshore	CNH	7.3498
Iceland Krona	ISK	120.8003	Philippine Peso	PHP	53.6647			
Indian Rupee	INR	69.4512	Polish Zloty	PLN	4.2375			
Indonesian Rupiah	IDR	14,252.2832	Qatari Rial	QAR	3.8943			

Notes to the Financial Statements - continued

31 March 2017

13. Exchange Rates - continued

31 March 2016			31 March 2016			31 March 2016		
Australian Dollar	AUD	1.4814	Indonesian Rupiah	IDR	15,110.4395	Polish Zloty	PLN	4.2413
Botswana Pula	BWP	12.3529	Israeli Shekel	ILS	4.2841	Qatari Rial	QAR	4.1496
Brazil Real	BRL	4.0386	Japanese Yen	JPY	128.0798	Russian Rouble	RUB	76.1903
British Pound	GBP	0.7928	Kenyan Shilling	KES	115.5504	Serbian Dinar	RSD	122.7410
Canadian Dollar	CAD	1.4740	Kuwaiti Dollar	KWD	0.3444	Singapore Dollar	SGD	1.5345
Chilean Peso	CLP	762.1997	Lithuania Litas	LTL	3.4528	South African Rand	ZAR	16.7605
Chinese Yuan Renminbi	CNY	7.3702	Malaysian Ringgit	MYR	4.4460	South Korean Won	KRW	1,303.1899
Chinese Yuan Renminbi Offshore	CNH	7.3591	Mauritian Rupee	MUR	40.1464	Swedish Krona	SEK	9.2380
Colombian Peso	COP	3,422.3778	Mexican Peso	MXN	19.5293	Swiss Franc	CHF	1.0913
Czech Republic Koruna	CZK	27.0485	Moroccan Dirham	MAD	10.9744	Taiwan Dollar	TWD	36.6753
Danish Krone	DKK	7.4503	New Romanian Leu	RON	4.4693	Thai Baht	THB	40.0894
Egyptian Pound	EGP	10.1192	New Zealand Dollar	NZD	1.6413	Tunisian Dinar	TND	2.2944
Hong Kong Dollar	HKD	8.8390	Nigerian Naira	NGN	226.7933	Turkish Lira	TRY	3.2086
Hungarian Forint	HUF	314.1802	Norwegian Krone	NOK	9.4255	UAE Dirham	AED	4.1856
Iceland Krona	ISK	140.3983	Pakistan Rupee	PKR	119.3451	Uruguayan Peso	UYU	36.3232
Indian Rupee	INR	75.4639	Peruvian Nuevo Sol	PEN	3.7943	U.S. Dollar	USD	1.1396
			Philippine Peso	PHP	52.4706	Vietnam Dong	VND	25,403.9991

The Administrator used the average exchange rates for each reporting period as listed below to translate into Euro the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders of those Funds not prepared in Euro in preparing the Company's Combined Profit and Loss Account and the Combined Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders at the following rates for each EUR 1.

Year ended 31 March 2017			Year ended 31 March 2016		
British Pound	GBP	0.8331	British Pound	GBP	0.7340
U.S. Dollar	USD	1.0994	U.S. Dollar	USD	1.1002

14. Comparative Dealing Net Assets

The net asset value per share may include a swing factor if the price had been swung at the financial year end.

Russell Investments Emerging Market Debt Local Currency Fund

	Class B Euro EUR '000	Class I AUD Income AUD '000	Class I Sterling GBP '000	Class I Sterling Income GBP '000	Class I USD USD '000	Class S Euro EUR '000
Total net asset value						
31 March 2017	160,375	234,300	84,046	23,929	67,445	89,556
31 March 2016	124,280	108,952	111,471	17,438	25,091	-
31 March 2015	54,853	110,784	115,295	16,653	42,609	-
	Class B Euro EUR	Class I AUD Income AUD	Class I Sterling GBP	Class I Sterling Income GBP	Class I USD USD	Class S Euro EUR
Net asset value per share						
31 March 2017	979.02	911.79	1,080.95	1,127.67	840.33	1,013.98
31 March 2016	875.01	891.93	889.59	967.45	793.91	-
31 March 2015	958.78	961.17	884.00	1,001.97	814.72	-
	Class U Euro EUR '000					
Total net asset value						
31 March 2017	11					
31 March 2016	1					
31 March 2015	1					
	Class U EUR EUR					
Total asset value per share						
31 March 2017	961.89					
31 March 2016	864.71					
31 March 2015	950.96					

Notes to the Financial Statements - continued

31 March 2017

14. Comparative Dealing Net Assets - continued

Russell Investments Emerging Markets Extended Opportunities Fund

	Class A USD '000	Class I GBP '000
Total net asset value		
31 March 2017	779,164	39,211
31 March 2016	695,844	-
31 March 2015	845,804	-

	Class A USD	Class I GBP
Net asset value per share		
31 March 2017	1,023.85	1,433.54
31 March 2016	860.18	-
31 March 2015	976.69	-

Russell Investments Euro Fixed Income Fund

	Class B EUR '000	Class F EUR '000	Class GBPH I Income GBP '000	Class I GBP '000
Total net asset value				
31 March 2017	111,688	228	81,178	693
31 March 2016	143,745	388	112,737	753
31 March 2015	115,974	167	86,066	624

	Class B EUR	Class F EUR	Class GBPH I Income GBP	Class I GBP
Net asset value per share				
31 March 2017	1,805.71	1,546.84	11.05	25.21
31 March 2016	1,815.09	1,567.36	11.12	23.45
31 March 2015	1,829.88	1,592.90	11.31	21.53

	Class P Income GBP '000	Class S EUR '000
Total net asset value		
31 March 2017	762	4,243
31 March 2016	947	3,952
31 March 2015	1,175	6,478

	Class P Income GBP	Class S EUR
Net asset value per share		
31 March 2017	12.45	140.76
31 March 2016	11.72	141.80
31 March 2015	10.94	143.28

Notes to the Financial Statements - continued

31 March 2017

14. Comparative Dealing Net Assets - continued

Russell Investments Global Bond (Euro Hedged) Fund

	Class A EUR '000	Class B EUR '000	Class DH-B USD '000	Class GBPH I Income GBP '000	Class MZ Income EUR '000
Total net asset value					
31 March 2017	1,712	233,939	63,612	80,190	1
31 March 2016	4,259	253,016	59,030	78,719	1,836
31 March 2015	3,326	393,557	50,683	85,689	2,895
	Class A EUR	Class B EUR	Class DH-B USD	Class GBPH I Income GBP	Class MZ Income EUR
Net asset value per share					
31 March 2017	1,846.95	2,035.72	17.25	10.59	12.77
31 March 2016	1,837.53	2,013.27	16.79	10.54	12.86
31 March 2015	1,852.19	2,017.23	16.69	10.67	13.09

Russell Investments Global Defensive Equity Fund

	Class A USD '000	Class B Income AUD '000	Class C EUR '000	Class U EUR '000	Class USD-H USD '000	Class USD-H Income USD '000
Total net asset value						
31 March 2017	37,256	1,210	203	7,203	15,523	39,586
31 March 2016	84,446	2,181	30	1,299	11,208	34,990
31 March 2015	104,017	8,455	3	6	40,170	-
	Class A USD	Class B Income AUD	Class C EUR	Class U EUR	Class USD-H USD	Class USD-H Income USD
Net asset value per share						
31 March 2017	1,472.97	1,921.91	1,618.60	1,667.94	1,467.28	1,110.16
31 March 2016	1,340.23	1,753.09	1,406.57	1,438.80	1,309.22	998.73
31 March 2015	1,347.33	1,792.47	1,525.72	1,548.08	1,330.04	-

Russell Investments Pan European Equity Fund

	Class A EUR '000	Class B EUR '000	Class EU EUR'000	Class F EUR '000	Class I GBP '000	Class L GBP '000
Total net asset value						
31 March 2017	2,590	470,237	2,085	31,845	642	439
31 March 2016	3,802	430,392	-	33,671	540	442
31 March 2015	2,876	387,451	-	41,207	531	650
	Class A EUR	Class B EUR	Class EU EUR	Class F EUR	Class I GBP	Class L GBP
Net asset value per share						
31 March 2017	1,286.73	1,415.86	18.86	1,891.46	25.94	1,304.50
31 March 2016	1,117.53	1,223.37	-	1,648.02	20.75	1,052.87
31 March 2015	1,279.81	1,392.63	-	1,891.09	21.54	1,102.67

Notes to the Financial Statements - continued

31 March 2017

14. Comparative Dealing Net Assets - continued

	Class PAMEU EUR '000	Class R Roll-Up EUR '000
Total net asset value		
31 March 2017	-	50,721
31 March 2016	2,520	50,811
31 March 2015	6,423	51,816

	Class PAMEU EUR	Class R Roll-Up EUR
Net asset value per share		
31 March 2017	-	146.05
31 March 2016	16.51	126.53
31 March 2015	19.05	144.39

Russell Investments U.K. Equity Plus Fund

	Class B GBP '000	Class I Income GBP '000	Class P Income GBP '000	Class R GBP '000
Total net asset value				
31 March 2017	-	-	-	-
31 March 2016	56,144	15,645	15,065	4,061
31 March 2015	70,943	16,547	16,500	4,940

	Class B GBP	Class I Income GBP	Class P Income GBP	Class R GBP
Net asset value per share				
31 March 2017	-	-	-	-
31 March 2016	160.41	121.54	124.93	136.24
31 March 2015	165.24	127.95	131.50	142.62

Russell Investments U.S. Quant Fund

	Class B USD '000	Class C EUR '000	Class I GBP '000	Class P Income GBP '000	Class R 1 Roll-Up USD'000
Total net asset value					
31 March 2017	137,562	9,270	36,737	10,900	16,009
31 March 2016	186,867	6,934	32,006	8,624	10,917
31 March 2015	145,314	1	35,513	9,770	-

	Class B USD	Class C EUR	Class I GBP	Class P Income GBP	Class R 1 Roll-Up USD
Net asset value per share					
31 March 2017	24.82	1,826.38	27.70	32.88	11.73
31 March 2016	21.37	1,485.18	20.72	24.75	10.12
31 March 2015	21.78	1,611.72	20.40	24.55	-

Notes to the Financial Statements - continued

31 March 2017

14. Comparative Dealing Net Assets - continued

Russell Investments World Equity Fund

	Class B USD '000	Class C EUR '000	Class D GBP '000	Class EH-T EUR '000	Class H Income GBP '000	Class I GBP '000
Total net asset value						
31 March 2017	551,353	906	71,733	126,240	-	329,321
31 March 2016	501,039	25,247	54,067	121,583	-	465,095
31 March 2015	700,820	27,526	54,225	138,535	154,121	599,527
	Class B USD	Class C EUR	Class D GBP	Class EH-T EUR	Class H Income GBP	Class I GBP
Net asset value per share						
31 March 2017	25.42	26.31	31.28	16.97	-	36.51
31 March 2016	21.97	21.50	23.49	14.59	-	27.45
31 March 2015	22.65	23.68	23.41	15.29	11.74	27.41
	Class J USD '000	Class M EUR '000	Class N USD '000	Class P GBP'000	Class R EUR '000	Class SH-B GBP '000
Total net asset value						
31 March 2017	1,824	5,100	3,146	10,079	134,638	1,212
31 March 2016	1,476	-	2,576	-	101,344	34,646
31 March 2015	1,336	-	2,793	-	103,089	70,177
	Class J USD	Class M EUR	Class N USD	Class P GBP	Class R EUR	Class SH-B GBP
Net asset value per share						
31 March 2017	22.97	1,197.44	171.23	9.83	190.50	186.03
31 March 2016	19.99	-	150.08	-	157.16	159.73
31 March 2015	20.76	-	156.93	-	174.88	167.59
	Class SH-B Income GBP '000	Class TYA JPY '000	Class TYC JPY '000	Class TYHC JPY '000	Class USD-H USD '000	Class USD-H Income USD '000
Total net asset value						
31 March 2017	-	2,397,712	6,168,760	-	13,742	124,914
31 March 2016	-	2,093,173	5,360,496	-	23,458	123,716
31 March 2015	148,956	3,283,920	5,872,574	1,380,486	201,967	-
	Class SH-B Income GBP	Class TYA JPY	Class TYC JPY	Class TYHC JPY	Class USD-H USD	Class USD-H Income USD
Net asset value per share						
31 March 2017	-	1,769	2,176	-	1,732.02	1,149.42
31 March 2016	-	1,539	1,891	-	1,463.68	975.14
31 March 2015	118.17	1,689	2,074	1,542	1,531.63	-

15. Segregated Liability

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company has availed of the segregated provisions of Companies Act 2014. The adoption of segregated liability ensures that liability incurred on behalf of a Fund will generally be discharged solely out of the assets of that Fund and there can generally be no recourse to other Funds to satisfy these liabilities. Notwithstanding the foregoing there can be no guarantee that should an action be brought against the Company in the court of another jurisdiction that the segregated nature of the Funds would necessarily be upheld.

Notes to the Financial Statements - continued

31 March 2017

16. Significant Events During the Financial Year

a) Russell Investments

LSEG announced on 8 October 2015 that it had agreed the proposed sale of the investment management and solutions business of Russell Investments to TA Associates and Reverence Capital Partners, subject to customary closing adjustments and regulatory and other required approvals. The sale of Russell Investments by LSEG to TA Associates and Reverence Capital Partners concluded on 1 June 2016.

b) Fund Launches and Closures

Russell Investments U.K. Equity Plus Fund ceased trading on 28 March 2017.

c) Prospectus Updates

The third addendum to the prospectus dated 13 April 2016 incorporated the following changes:

- i) Russell Investments U.K. Equity Plus Fund - addition of the following share class - Class N.
- ii) Russell Investments World Equity Fund - addition of the following share class - Class M.

The fourth addendum to the prospectus dated 28 April 2016 incorporated the following changes:

- i) Russell Investments Emerging Markets Extended Opportunities Fund - addition of the following share class - Class I.

A revised prospectus was issued on 7 October 2016. The following principal changes, inter alia, were made:

- i) UCITS rules encompassed in Directive 2014/91/EU;
- ii) Investor Money Regulations;
- iii) Central Bank Regulations (i.e. SI No. 420 of 2015 Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015);
- iv) Taxation updates, including but not limited to, CRS updates and the repeal of the European Savings Directive (Directive 2003/48/EC) on 10 November 2015 by the European Council;
- v) References to Frank Russell have been removed and the promoter has been amended to Russell Investments Limited following the sale of the investment management and solutions business of Russell Investments;
- vi) Amendment to prospectus to remove share classes that were never launched; and
- vii) Incorporation of a number of addendums to the prospectus dated 21 December 2015, 7 March 2015, 13 April 2016 and 28 April 2016.

A revised prospectus was issued on 15 February 2017. The following principal changes, inter alia, were made:

- i) Addition of the word "Investments" to the name of each RIC II plc sub-fund where this has not already been incorporated, following the recent rebranding of "Russell Investments", and in order to ensure consistent branding with other Russell Investments funds; and
- ii) Updates to reflect removal of Class TYHC from Russell Investments World Equity Fund.

An addendum to the prospectus dated 2 March 2017 incorporates the following changes:

- i) The existing table relating to the fees payable in respect of Russell Investments World Equity Fund in the prospectus was deleted in its entirety and replaced.
- ii) The existing table relating to the fees payable in respect of Russell Investments Emerging Market Debt Local Currency Fund in the Prospectus was deleted in its entirety and replaced.
- iii) The existing table relating to the characteristics of share classes in Russell Investments Emerging Market Debt Local Currency Fund in the Prospectus was deleted in its entirety and replaced.

Notes to the Financial Statements - continued

31 March 2017

17. Significant Events Since the Financial Year End

a) Fund Launches and Closures

Russell Investments China Equity Fund launched on 27 June 2017.

b) Revised Prospectus (Principal Amendments)

A revised prospectus was issued on 12 June 2017. The following principal changes, inter alia, were made:

- i) Addition of the Russell Investments China Equity Fund which was authorised on 12 June 2017;
- ii) Updates to adhere to the requirements of the Securities Financing Transactions Regulations;
- iii) Reference to the Shenzhen Stock Exchange were added;
- iv) Additional risk factors and reference to PRC tax considerations were added;
- v) Additional Information on the China Equity Market and reference to a PRC sub-custodian was added; and
- vi) Class S Euro shares were added to Russell Investments Emerging Market Debt Local Currency Fund.

There have been no other significant events affecting the Company since year end.

18. Approval of the Financial Statements

The financial statements were approved by the Directors on 11 July 2017.

Appendix I Remuneration (unaudited)

31 March 2017

Remuneration of the Company's Directors

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Manager to its staff during the financial year and details of any material changes to the Manager's remuneration policy made during the period, and this requirement applied as of 18 March 2016. In this regard, the following points are to be noted:

- The Manager has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations.
- No annual reviews have as yet been undertaken and no material changes have been made to the remuneration policy since 10 June 2016.
- The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, five of whom are employees of Russell and receive no remuneration from the Company. The remaining four directors, each of whom is independent, receive a fixed fee only (for the year ended 31 March 2017: EUR 55,825) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities.

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