

2008 SEMI ANNUAL REPORT

Russell Investment Company II plc

an umbrella fund with segregated liability between sub-funds

30 September, 2008 (Unaudited)



- The Euro Fixed Income Fund
- The Global Bond (Euro Hedged) Fund
- The Pan European Equity Fund
- The U.K. Equity Plus Fund
- The U.S. Growth Fund
- The U.S. Quant Fund
- The U.S. Value Fund
- The World Equity Fund

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Administration of the Company

Board of Directors of the Company

Mr. James Firm (Chairman)
Mr. James Beveridge
Mr. Karl Ege
Mr. Neil Jenkins (Alternate Director for Mr. Randall P. Lert)
Mr. Randall P. Lert
Mr. Paul McNaughton
Ms. Anna Nye
Mr. William Roberts
Mr. David Shubotham
Mr. Hal Strong

Audit Committee Members

Mr. David Shubotham (Chairman)
Mr. Paul McNaughton
Mr. William Roberts

Registered Office

Guild House, Guild Street
International Financial Services Centre
Dublin 1
Ireland

Manager

Russell Investments Ireland Limited
Guild House, Guild Street
International Financial Services Centre
Dublin 1
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Legal Advisers

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Administrator

State Street Fund Services (Ireland) Limited
Guild House, Guild Street
International Financial Services Centre
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Ireland

Custodian and Trustee

State Street Custodial Services (Ireland) Limited
Guild House, Guild Street
International Financial Services Centre
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Ireland

Promoter

Frank Russell Company
909 A Street
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Secretary

Bradwell Limited
Arthur Cox Building
Earlsfort Centre, Earlsfort Terrace
Dublin 2
Ireland

Principal Money Manager, Adviser and Distributor

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Rex House
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London SW1Y 4PE
England

Money Managers for The Euro Fixed Income Fund

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Tonbridge
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England

Robeco Institutional Asset Management BV
Coolensingel 120 NL
3011 AG Rotterdam
The Netherlands

Western Asset Management
155 Bishopsgate
London EC2M 3XG
England

Money Managers for The Global Bond (Euro Hedged) Fund

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

Drake Capital Management LLC
660 Madison Avenue, 16th Floor
New York, NY 10065
United States of America

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

Administration of the Company - continued

Pacific Investment Management Company LLC
840 Newport Centre Drive, Suite 360
Newport Beach, CA 92658-6430
United States of America

Money Managers for The Pan European Equity Fund

AQR Capital Management
Two Greenwich Plaza, 3rd Floor
Greenwich, CT 06830
United States of America

BlackRock International Limited
40 Torphichen Street
Edinburgh EH3 8JB
Scotland

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

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

RCM (U.K.) Ltd
155 Bishopsgate
London, EC2M 3AD
England

Sourcecap International LLP
Block D, The Old Truman Brewery
91 Brick Lane
London, E1 6QL
England

TT International
Martin House
5 Martin Lane
London EC4R 0DP
England

Taube Hodson Stonex Partners Ltd.
Cassini House, 1st Floor
57-59, St. James' Street
London SW1A 1LD
England

Money Managers for The U.K. Equity Plus Fund

Liontrust Investment Services Limited
2 Savoy Court
London WC2R 0EZ
England

Resolution Asset Management Limited
Resolution House
50 Bothwell Street
Glasgow G2 6HR
Scotland

River and Mercantile Asset Management LLP
30 Coleman Street
London, EC2R 5AL
England

Standard Life Investments
1 George Street
Edinburgh EH2 2LL
Scotland

TT International
Martin House
5 Martin Lane
London EC4R 0DP
England

Money Managers for The U.S. Growth Fund

Marisco Capital Management, LLC
1200 17th Street, Suite 1300
Denver, CO 80202
United States of America

Suffolk Capital Management, LLC
1633 Broadway, 40th Floor
New York, NY 10019
United States of America

Sustainable Growth Advisers, L.P.
310 Tresser Boulevard, Ste. 1310
Stamford, CT 06901
United States of America

Turner Investment Partners Inc.
1205 Westlakes Drive, Suite 100
Berwyn, PA 19312
United States of America

Wells Capital Management
525 Market Street, 10th Floor
San Francisco, CA 94105
United States of America

Money Managers for The U.S. Quant Fund

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

Enhanced Investment Technologies, LLC
2401 PGA Boulevard, Suite 100
Palm Beach Gardens, FL 33410
United States of America

Frank Russell Company
909 A Street
Tacoma, WA 98402
United States of America

Administration of the Company - continued

Franklin Portfolio Associates, LLC
2 International Place, 22nd Floor
Boston, MA 02110-4104
United States of America

Goldman Sachs Asset Management L.P.
32 Old Slip, 17th Floor
New York, NY 10005
United States of America

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

Money Managers for The U.S. Value Fund

Armstrong Shaw Associates
45 Grove Street
New Canaan, CT 06840
United States of America

JS Asset Management, LLC
One Tower Bridge
100 Front St, Suite 501
West Conshohocken, PA 19428
United States of America

DePrince, Race & Zollo, Inc.
250 Park Avenue South, Suite 250
Winter Park, FL 32789
United States of America

Systematic Financial Management L.P.
300 Frank W. Burr Boulevard
Glenpoint East, 7th Floor
Teaneck, NJ 07666-6703
United States of America

Money Managers for The World Equity Fund

Arrowstreet Capital L.P.
44 Brattle Street, 5th Floor
Cambridge, MA 02138
United States of America

Axiom International Investors, LLC
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Greenwich, CT 06830
United States of America

Marisco Capital Management, LLC
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United States of America

Tradewinds NWQ Global Investors, LLC
2049 Century Park East, 18th Floor
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United States of America

Paying and Information Agent in Austria

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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*

Deutsche Bank A.G.
Junghofstasse 5-9
60311 Frankfurt am Main
Germany

Paying and Information Agent in Italy

BNP Paribas Securities Services, Milan Branch
Via Ansperto 5
20121 Milan
Italy

**Information Agent and Representative in
The Netherlands**

Deutsche Bank A.G., Amsterdam branch
Herengracht 450 - 454
1017 CA Amsterdam
The Netherlands

* The Company's Memorandum and Articles of Association, the prospectus, the simplified prospectus, 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. 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 in the "Borsen Zeitung" for information purposes only and do not constitute an invitation to subscribe for or repurchase the Company's shares at those prices.

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.

Background to the Company

Russell Investment Company II plc (the “Company”) operates in Ireland as a public limited company under the Companies Acts 1963 to 2006. It is authorised by the Irish Financial Services Regulatory Authority (the “Financial Regulator”) and it was first authorised on 8 November 2000.

The Company is an open-ended investment company with variable capital which is authorised by the Financial Regulator under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, (as amended) (the “UCITS Regulations”).

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds and currently has ten constituent funds (each a “Fund”, collectively the “Funds”) and various classes of shares. The U.S. Equity Plus Fund and The U.K. Systematic Fund are currently unfunded.

Net assets under management for the Funds at 30 September 2008 amounted to EUR 3,908,724,171 (31 March 2008: EUR 4,679,930,324, 30 September 2007: 6,503,351,936) broken down as follows:

Fund	30 September 2008		31 March 2008		30 September 2007	
	Net Assets		Net Assets		Net Assets	
The Euro Fixed Income Fund	EUR	257,257,943	EUR	283,506,538	EUR	322,961,508
The Global Bond (Euro Hedged) Fund	EUR	513,483,378	EUR	643,058,466	EUR	747,774,768
The Pan European Equity Fund	EUR	273,464,726	EUR	385,827,726	EUR	574,019,655
The U.K. Equity Plus Fund	GBP	202,579,447	GBP	237,066,212	GBP	209,142,146
The U.K. Systematic Fund*	GBP	-	GBP	-	GBP	178,073,245
The U.S. Growth Fund	USD	241,582,060	USD	391,951,860	USD	467,531,759
The U.S. Quant Fund	USD	325,363,241	USD	520,719,445	USD	951,651,574
The U.S. Value Fund	USD	277,631,669	USD	471,803,137	USD	599,746,430
The World Equity Fund	USD	2,817,981,638	USD	3,480,388,494	USD	4,101,829,145

* This Fund ceased trading on 25 January 2008.

Introductory Manager’s Report

Russell Investments Limited was a pioneer in the innovative approach of multi-asset, multi-style and multi-manager diversification. The objective of these Funds is to deliver consistent and superior returns to investors using a multi-manager approach to reduce performance volatility. Russell Investments Limited (the “Principal Money Manager”) seeks to achieve this in the equity funds by building a portfolio where the market bets (sector, size, style and other biases) are controlled using portfolio analytics and simulation tools to check the “fit” between managers to whom the Fund’s assets are allocated, thereby minimising costly overlap. The main source of value-added for the equity funds is stock selection. The research of the Principal Money Manager indicates that this is the most reliable and consistent source of out performance. The Principal Money Manager seeks to achieve this objective in the bond funds by building a fund structure where the market bets (country, currency, duration, style and other biases) are controlled, using a team of managers with distinct and complementary investment approaches. The main sources of value-added for the bond funds are currency and duration positions.

Combined Balance Sheet

As at 30 September 2008

	Total 30 September 2008 EUR	Total 31 March 2008 (Audited) EUR	Total 30 September 2007 EUR
Assets			
Financial assets at fair value through profit or loss:			
Investments at fair value	4,011,668,832	4,662,536,538	6,498,810,153
Unrealised gain on open futures contracts	1,373,275	5,347,344	3,719,272
Unrealised gain on forward foreign currency exchange contracts.....	28,603,928	43,191,355	49,821,447
Options purchased at fair value	827,405	1,077,593	1,588,426
Interest rate swaps at fair value	1,744,680	4,922,891	2,944,963
Credit default swaps at fair value	904,413	565,943	356,278
Swaptions purchased at fair value	123,408	243,996	629,876
	<u>4,045,245,941</u>	<u>4,717,886,660</u>	<u>6,557,870,415</u>
Cash at bank	27,986,998	125,315,729	108,708,849
Cash held with brokers for open futures contracts	8,554,149	4,167,311	12,862,385
Cash held with brokers for options	50	-	49
Cash held with counterparties for swap contracts	2,756,701	2,369,187	-
Debtors:			
Receivable for investments sold	101,874,301	89,177,556	81,735,171
Receivable for fund shares issued	1,566,311	1,586,802	259,659
Dividends receivable	6,408,703	9,579,776	8,977,921
Interest receivable	16,100,643	15,232,488	18,100,087
	<u>4,210,493,797</u>	<u>4,965,314,509</u>	<u>6,788,514,536</u>
Liabilities			
Financial liabilities at fair value through profit or loss:			
Unrealised loss on open futures contracts	(8,603,618)	(3,240,868)	(1,858,935)
Unrealised loss on forward foreign currency exchange contracts	(44,880,939)	(36,050,536)	(31,062,702)
Options written at fair value	(153,005)	(494,050)	(526)
Interest rate swaps at fair value	(6,535,919)	(9,725,762)	(4,420,738)
Credit default swaps at fair value	(666,626)	(570,885)	(109,012)
Swaptions written at fair value	(481,480)	(279,199)	(559,715)
	<u>(61,321,587)</u>	<u>(50,361,300)</u>	<u>(38,011,628)</u>
Creditors – amounts falling due within one year:			
Bank overdraft	-	(212)	(192)
Cash due to brokers for open futures contracts	-	(2,479,962)	(1,291,786)
Cash due to brokers for options contracts	(1,134,191)	(1,148,630)	(74,365)
Payable for investments purchased	(236,744,193)	(227,220,471)	(241,220,870)
Payable for fund shares redeemed	(4,682,636)	(4,990,164)	(4,626,796)
Management fees payable	(3,406,040)	(3,772,550)	(5,817,749)
Performance fees payable	(739,905)	(1,873,435)	-
Custodian and Trustee fees payable	(45,610)	(50,214)	(110,897)
Sub-custodian fees payable	(249,281)	(381,067)	(170,126)
Administration fees payable	(84,093)	(95,714)	(183,916)
Interest payable	(122,321)	(17,068)	(29,082)
Distributions Payable	(254)	98,782	-
Payable to Shareholders	-	(74,081)	-
Miscellaneous fees payable	(222,531)	(286,118)	(603,896)
	<u>(308,752,642)</u>	<u>(292,652,204)</u>	<u>(292,141,303)</u>

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

Russell Investment Company II plc

Combined Balance Sheet - continued

As at 30 September 2008

	Total 30 September 2008 EUR	Total 31 March 2008 (Audited) EUR	Total 30 September 2007 EUR
Net assets attributable to redeemable participating shareholders (at bid market prices)	<u>3,901,741,155</u>	<u>4,672,662,305</u>	<u>6,496,373,233</u>
Adjustment from bid market prices to last traded market prices	<u>6,983,016</u>	<u>7,268,019</u>	<u>6,978,703</u>
Net assets attributable to redeemable participating shareholders (at last traded market prices)	<u><u>3,908,724,171</u></u>	<u><u>4,679,930,324</u></u>	<u><u>6,503,351,936</u></u>

On behalf of the Board

Director

Director

21 November 2008

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

Combined Profit and Loss Account

For the period ended 30 September 2008

	Total Six months ended 30 September 2008 EUR	Total Year ended 31 March 2008 EUR
Income		
Dividends	54,492,413	115,011,864
Bond income	19,169,510	47,999,600
Bank interest	234,974	2,180,672
Short term interest income.....	463,871	4,160,941
Securities lending income	3,662,630	12,721,115
Miscellaneous income	155,368	646,803
	<u>78,178,766</u>	<u>182,720,995</u>
Net gain (loss) on investment activities	(723,193,230)	(321,038,871)
Total investment income	<u>(645,014,464)</u>	<u>(138,317,876)</u>
Expenses		
Management fees	(21,566,204)	(60,052,293)
Performance fees	496,397	(1,471,384)
Custodian and Trustee fees	(286,873)	(1,063,753)
Sub-custodian fees	(483,192)	(1,024,142)
Administration fees	(527,725)	(1,234,409)
Audit fees	(105,580)	(172,305)
Professional fees	(117,290)	(489,810)
Registration fees	(53,756)	(154,030)
Marketing fees	(264,863)	(768,447)
Miscellaneous fees	(458,849)	(515,367)
Total operating expenses	<u>(23,367,935)</u>	<u>(66,945,940)</u>
Net income (expense)	(668,382,399)	(205,263,816)
Finance costs		
Distributions	(48,820,890)	(111,343,818)
Bank interest paid	(85,594)	-
Profit (loss) for the financial period/ year before withholding tax	<u>(717,288,883)</u>	<u>(316,607,634)</u>
Withholding tax.....	(8,109,406)	(17,709,744)
Profit (loss) for the financial period/year after withholding tax	<u>(725,398,289)</u>	<u>(334,317,378)</u>
Movement in adjustment from bid market prices to last traded market prices	(285,003)	2,782,541
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(725,683,292)</u>	<u>(331,534,837)</u>

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

On behalf of the Board

Director

Director

21 November 2008

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 period ended 30 September 2008

	Total Six months ended 30 September 2008 EUR	Total Year ended 31 March 2008 EUR
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(725,683,292)	(331,534,837)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions	(421,700,305)	(1,330,200,112)
Deemed distributions on accumulation shares	<u>44,126,195</u>	<u>100,028,634</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(1,103,257,402)	(1,561,706,315)
Currency translation	332,051,249	(706,976,977)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>4,679,930,324</u>	<u>6,948,613,616</u>
End of period/year	<u><u>3,908,724,171</u></u>	<u><u>4,679,930,324</u></u>

On behalf of the Board

Director

Director

21 November 2008

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

Russell Investment Company II plc ***The Euro Fixed Income Fund***

Manager's Report

Money Managers

Fidelity Investments International Limited
Robeco Institutional Asset Management BV
Western Asset Management

Investment Objective

The investment objective of the 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 OECD and which may have fixed or floating rates.

Fund Performance

The Fund returned -2.9 per cent during the period on a gross-of-fees basis verses a benchmark return of 0.1 per cent.*

Market Comment

During the first half of the period, the economy showed signs of a slow down and European bond yields rose on inflation concerns and hawkish comments on monetary policy by Central Banks. The unprecedented rise in commodity prices earlier this year was a major benefactor to rising inflation. Corporate bonds recovered some of the ground lost during a difficult first quarter of the year and outperformed U.S. treasuries. However, concerns that liquidity problems at some of the biggest financial institutions might not yet have concluded weighed on investor sentiment.

The third quarter of 2008 was one of the most turbulent in history. The unprecedented market events began with the nationalisation of mortgage facilitators Fannie Mae and Freddie Mac. This was followed by Lehman Brothers filing for bankruptcy, throwing the market into further turmoil. This led to a merger between Bank of America and Merrill Lynch and the rescue of AIG by the U.S. Federal Reserve. The quarter ended on further bad news as the U.S. bailout plan designed to clean up banks' toxic debt was rejected and a temporary ban on short-selling of financials was imposed; the combination of the two was detrimental to investor confidence and saw most of the world's major indices fall sharply.

European bond yields declined during a difficult quarter. The U.S. Dollar strengthened towards the end of the quarter as commodity prices retreated resulting in a sell off of weaker currencies. Furthermore, commodity-related and emerging market currencies also weakened due to accelerated inflation and high commodity prices.

Credit and high yield spreads again widened, reflecting the more vigilant overall outlook. Financials was the worst performing sector as banks continued to struggle with house-related losses.

General Comment on Manager/Performance

The Fund has lagged the benchmark mainly due to its overweight to credit and high yields that the managers have in the Fund. Fidelity Investments International Limited underperformed the benchmark given its overweight to financials. Although Robeco Institutional Asset Management BV posted absolute positive returns performance, it also underperformed the benchmark over the period. The manager's small overweight to industrials was detrimental to performance.

Western Asset Management was the worst-performing manager over the period as it continues to be a difficult market environment for the manager given its credit biased investment style. The overweight to financials and other off-benchmark positions, such as high yields, detracted from performance.

Outlook

The Fund remains well positioned to benefit from diverse returns in the coming quarter given its broad allocation of assets.

Past performance is no indication of current or future performance.

* Benchmark Source: Citigroup EuroBig Index

Russell Investment Company II plc
The Euro Fixed Income Fund

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	EUR	(Audited)	EUR
	EUR	EUR	EUR
Assets			
Financial assets at fair value through profit or loss (Note 1)			
Investments at fair value	247,280,736	274,805,831	317,071,747
Unrealised gain on open futures contracts	406,560	2,431	9,907
Unrealised gain on forward foreign currency exchange contracts	2,434,781	2,818,905	1,402,247
Options purchased at fair value	-	341,921	-
Interest rate swaps at fair value	144,204	152,179	249,244
Credit default swaps at fair value	20,884	124,602	45,199
	<u>250,287,165</u>	<u>278,245,869</u>	<u>318,778,344</u>
Cash at bank (Note 5)	4,033,470	9,026,097	8,806,039
Cash held with brokers for open futures contracts	2,263,578	1,872,502	1,446,972
Cash held with brokers for options	50	-	49
Debtors:			
Receivable for investments sold	1,332,371	8,148,716	2,413,114
Receivable for fund shares issued	7,752	154,254	105
Dividends receivable	-	10	-
Interest receivable	5,824,321	6,309,615	6,487,775
	<u>263,748,707</u>	<u>303,757,063</u>	<u>337,932,428</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(90,228)	(1,114,635)	(219,228)
Unrealised loss on forward foreign currency exchange contracts	(2,940,987)	(2,242,331)	(836,475)
Options written at fair value	-	(222,127)	-
Interest rate swaps at fair value	(6,257)	(28,408)	(78,907)
Credit default swaps at fair value	(298,848)	(220,290)	(90,845)
	<u>(3,336,320)</u>	<u>(3,827,791)</u>	<u>(1,225,456)</u>
Creditors – amounts falling due within one year:			
Cash due to broker for options contracts	-	(3,265)	-
Payable for investments purchased	(3,464,314)	(16,727,473)	(13,902,043)
Payable for fund shares redeemed	(302,627)	(71,810)	-
Management fees payable	(145,764)	(163,512)	(167,463)
Custodian and Trustee fees payable	(3,301)	(3,693)	(4,951)
Sub-custodian fees payable	(13,394)	(17,858)	(4,223)
Administration fees payable	(5,502)	(6,155)	(12,319)
Interest payable	(9,579)	2,781	-
Miscellaneous fees payable	(18,295)	(24,676)	(45,168)
	<u>(7,299,096)</u>	<u>(20,843,452)</u>	<u>(15,361,623)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	<u>256,449,611</u>	<u>282,913,611</u>	<u>322,570,776</u>
Adjustment from bid market prices to last traded market prices (Note 6)	<u>808,332</u>	<u>592,927</u>	<u>390,732</u>
Net assets attributable to redeemable participating shareholders (at last traded market prices)	<u>257,257,943</u>	<u>283,506,538</u>	<u>322,961,508</u>

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Balance Sheet - continued

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	EUR	(Audited)	EUR
	EUR	EUR	EUR
Net asset value per share*			
Class A (EUR 222,392 divided by 192 shares in issue)	EUR 1,158.29	EUR 1,199.44	EUR 1,216.40
Class B (EUR 91,923,768 divided by 76,275 shares in issue) ...	EUR 1,205.16	EUR 1,246.33	EUR 1,258.02
Class F (EUR 787,254 divided by 712 shares in issue)	EUR 1,105.69	EUR 1,148.01	EUR 1,162.79
Class I (GBP 58,540,602 divided by 3,838,728 shares in issue)	GBP 15.25	GBP 15.94	GBP 14.08
Class I Income (GBP 39,197,195 divided by 3,242,117 shares in issue)	GBP 12.09	GBP 12.89	GBP 11.61
Class MZ Income (EUR 26,636,002 divided by 2,702,518 shares in issue)	EUR 9.86	EUR 10.38	EUR 10.66
Class P Income (GBP 3,134,481 divided by 327,532 shares in issue)	GBP 9.57	GBP 10.23	GBP 9.23
Class S (EUR 9,654,108 divided by 100,861 shares in issue) ...	EUR 95.72	EUR 99.10	EUR 100.13

* See Note 12 for comparative figures

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Income		
Dividends	143,158	346,950
Bond income	6,198,564	12,960,710
Bank interest	20,110	193,932
Short term interest income	22,673	130,849
Securities lending income (Note 4)	13,635	84,209
Miscellaneous income	2,951	(28,162)
	<u>6,401,091</u>	<u>13,688,488</u>
Net gain (loss) on investment activities	(14,405,817)	(16,556,937)
Total investment income	<u>(8,004,726)</u>	<u>(2,868,449)</u>
Expenses (Note 3)		
Management fees		
Class A	(1,598)	(3,359)
Class B	(384,427)	(889,514)
Class F	(6,805)	(17,325)
Class I	(242,567)	(610,060)
Class I Income	(158,087)	(402,233)
Class MZ Income	(56,156)	(107,060)
Class P Income	(22,606)	(48,022)
Class S	(47,728)	(95,520)
Custodian and Trustee fees	(20,452)	(58,202)
Sub-custodian fees	(25,679)	(46,561)
Administration fees	(34,087)	(84,917)
Audit fees	(9,825)	(16,517)
Professional fees	(5,835)	(45,841)
Registration fees	(3,173)	(8,871)
Marketing fees	(13,635)	(39,171)
Miscellaneous fees	(55,304)	(6,802)
Total operating expenses	<u>(1,087,964)</u>	<u>(2,479,975)</u>
Net income (expense)	(9,092,690)	(5,348,424)
Finance costs		
Distributions (Note 15)	(5,423,541)	(13,259,318)
Profit (loss) for the financial period/year before withholding tax	(14,516,231)	(18,607,742)
Withholding tax (Note 7)	(2,900)	(21,936)
Profit (loss) for the financial period/year after withholding tax	(14,519,131)	(18,629,678)
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>215,405</u>	<u>412,826</u>
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(14,303,726)</u>	<u>(18,216,852)</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
The Euro Fixed Income Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(14,303,726)	(18,216,852)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	(15,685,428)	(78,687,936)
Deemed distributions on accumulation shares (Note 15)	<u>3,740,559</u>	<u>9,165,098</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(26,248,595)	(87,739,690)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>283,506,538</u>	<u>371,246,228</u>
End of period/year	<u><u>257,257,943</u></u>	<u><u>283,506,538</u></u>

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
Transferable Securities (93.83%)				
Long Term Bonds and Notes (93.64%)				
Australia (0.51%)				
Centro Shopping Centre Securities Ltd				
EUR	500,000	5.153% due 20/06/13	460,805	0.18
	400,000	Fairfax Media Group Finance 5.250% due 15/06/12	357,224	0.14
	350,000	St. George Bank Ltd 6.500% due 24/06/13	344,525	0.13
	50,000	Telstra Corporation Ltd 6.000% due 08/04/13	49,894	0.02
	100,000	4.750% due 15/07/14	92,638	0.04
			<u>1,305,086</u>	<u>0.51</u>
Austria (2.50%)				
Austria, Republic of				
	3,850,000	5.250% due 04/01/11	3,971,085	1.54
	2,400,000	4.650% due 15/01/18	2,454,347	0.96
			<u>6,425,432</u>	<u>2.50</u>
Belgium (0.98%)				
Belgium, Kingdom of				
	1,200,000	4.000% due 28/03/22	1,117,172	0.43
	900,000	5.500% due 28/03/28	966,969	0.38
Fortis Bank Belgium NV				
	105,000	5.757% due 04/10/17	75,539	0.03
	800,000	4.625% due 29/10/49	368,986	0.14
			<u>2,528,666</u>	<u>0.98</u>
Canada (0.18%)				
Bombardier Inc				
	220,000	7.250% due 15/11/16	201,638	0.08
OPTI Canada Inc				
USD	65,000	8.250% due 15/12/14	41,416	0.02
	10,000	7.875% due 15/12/14	6,301	0.00
Xstrata Finance Canada Ltd				
EUR	267,000	5.250% due 13/06/17	211,716	0.08
			<u>461,071</u>	<u>0.18</u>
Cayman Islands (1.11%)				
BBVA Bancomer SA				
	700,000	4.799% due 17/05/17	571,761	0.22
BES Finance Ltd				
	1,459,000	4.500% due 29/12/49	1,051,114	0.41
ESFG International				
	500,000	5.753% due 29/06/49	294,720	0.11
Mizuho Finance (Cayman)				
	300,000	4.750% due 15/04/14	296,226	0.11
MUFG Capital Finance 4 Ltd				
	828,000	5.271% due 19/01/49	587,044	0.23
MUFG Capital Finance Ltd				
	100,000	4.850% due 29/07/49	68,095	0.03
			<u>2,868,960</u>	<u>1.11</u>

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
		Croatia (0.10%)		
		Zagrebacka Banka DD		
	259,000	4.250% due 13/07/09	250,427	0.10
		Cyprus (0.09%)		
		Colgrade		
USD	150,000	8.250% due 28/06/10	85,430	0.04
		Ensorte Enterprise		
RUB	5,000,000	10.500% due 04/10/08	136,522	0.05
			<u>221,952</u>	<u>0.09</u>
		Denmark (0.17%)		
		Danske Bank A/S		
EUR	200,000	5.375% due 18/08/14	192,115	0.07
		ISS Global AS		
	220,000	4.750% due 18/09/10	200,200	0.08
		Nordea Kredit Realkreditaktieselskab		
DKK	7,108	6.000% due 01/10/41	916	0.00
		Nordic Telephone		
EUR	60,000	8.250% due 01/05/16	49,800	0.02
		Nykredit Realkredit		
DKK	13,724	6.000% due 01/10/41	1,742	0.00
		Realkredit Danmark A/S		
	41,314	6.000% due 01/10/41	5,240	0.00
			<u>450,013</u>	<u>0.17</u>
		France (10.24%)		
		Akerys Holdings SA		
EUR	130,000	8.213% due 01/08/14	35,100	0.01
		AXA		
	550,000	6.211% due 29/10/49	368,638	0.14
	150,000	5.777% due 29/07/49	103,138	0.04
		BNP Paribas		
	150,000	7.781% due 31/12/49	129,263	0.05
	300,000	8.667% due 29/09/49	283,092	0.11
		Cades		
	5,300,000	3.250% due 25/04/13	5,038,540	1.96
		Cie Financiere du Credit Mutuel		
	300,000	5.875% due 02/07/10	301,282	0.12
		Compagnie Generale De Geophysique		
USD	80,000	7.500% due 15/05/15	54,391	0.02
		Credit Agricole SA		
EUR	300,000	5.971% due 01/02/18	286,650	0.11
	150,000	4.875% due 08/04/11	147,104	0.06
		Credit Logement		
	300,000	5.158% due 15/06/17	260,575	0.10
	300,000	5.295% due 23/06/15	287,297	0.11
		Dexia Credit SA		
	250,000	4.300% due 29/11/49	121,910	0.05
		Dexia Municipal Agency		
	90,000	4.875% due 03/07/17	89,252	0.03
	2,950,000	3.125% due 15/09/15	2,633,677	1.02

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
104,000	Europcar Groupe 8.465% due 15/05/13	60,320	0.02
200,000	Faurecia 3.625% due 05/10/10	182,850	0.07
504,762	FCC Paris Prime Commercial Real Estate 5.207% due 22/04/14	454,493	0.18
200,000	FCC Proudreed Properties 5.485% due 18/08/17	149,160	0.06
300,000	FCC SPARC 4.987% due 15/07/11	291,750	0.11
100,000	FCC Sparc Europe 5.750% due 15/07/13	78,566	0.03
600,000	France OAT 3.000% due 25/10/15	557,555	0.22
4,070,000	France, Republic of 4.000% due 25/04/55	3,524,383	1.37
150,000	3.000% due 12/01/10	148,934	0.06
2,846,000	4.750% due 25/10/12	2,927,689	1.14
4,940,000	4.750% due 25/04/35	4,935,316	1.92
256,000	5.000% due 25/04/12	264,970	0.10
800,000	Groupama SA 6.298% due 29/10/49	537,665	0.21
250,000	Groupe Danone 5.500% due 06/05/15	246,114	0.10
150,000	HSBC France 5.750% due 19/06/13	149,300	0.06
300,000	Natixis 5.212% due 26/01/17	272,316	0.11
USD 200,000	10.000% due 29/04/49	88,812	0.03
EUR 200,000	Societe Generale 5.250% due 28/03/13	193,188	0.08
300,000	5.308% due 15/03/16	287,607	0.11
550,000	7.756% due 22/05/49	474,259	0.18
400,000	6.125% due 20/08/18	375,947	0.15
		<u>26,341,103</u>	<u>10.24</u>
	Germany (36.43%)		
200,000	Bayer 4.375% due 11/04/11	197,054	0.08
250,000	Bayerische Landesbank 4.500% due 07/02/19	210,650	0.08
400,000	5.750% due 23/10/17	349,444	0.14
233,333	Bundessobligation Inflation Linked 2.250% due 15/04/13	237,386	0.09
3,200,000	Bundesrepublik Deutschland 4.250% due 04/07/18	3,258,592	1.27
600,000	Commerzbank AG 4.125% due 13/09/16	534,182	0.21
150,000	Deutsche Boerse AG 7.500% due 13/06/38	123,245	0.05
3,300,000	Eurohypo AG 3.000% due 18/01/12	3,117,202	1.21

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Germany, Federal Republic of		
11,160,000	3.500% due 12/04/13	11,026,165	4.29
4,750,000	4.250% due 04/07/17	4,838,234	1.88
1,390,000	5.625% due 04/01/28	1,558,454	0.61
200,000	5.500% due 04/01/31	222,152	0.09
1,210,000	4.000% due 04/01/37	1,094,731	0.42
4,070,000	4.750% due 04/07/28	4,131,009	1.60
10,067,000	4.750% due 04/07/34	10,204,415	3.97
1,360,000	4.250% due 04/07/39	1,282,208	0.50
	Germany, Republic of		
3,760,000	4.250% due 04/07/14	3,836,245	1.49
6,800,000	4.250% due 12/10/12	6,923,610	2.69
3,650,000	3.500% due 08/04/11	3,645,896	1.42
3,150,000	4.000% due 04/01/18	3,154,927	1.23
2,235,000	5.375% due 04/01/10	2,286,850	0.89
400,000	5.000% due 04/01/12	415,959	0.16
2,700,000	3.500% due 04/01/16	2,625,416	1.02
2,600,000	4.500% due 04/01/13	2,670,434	1.04
500,000	4.500% due 04/07/09	502,685	0.19
11,900,000	4.250% due 04/01/14	12,149,888	4.72
3,444,000	3.750% due 04/01/15	3,417,309	1.33
2,875,000	5.250% due 04/01/11	2,979,017	1.16
3,448,000	3.500% due 09/10/09	3,451,035	1.34
	Henkel AG & Co KGaA		
100,000	5.375% due 25/11/04	79,533	0.03
	HSH Nordbank AG		
600,000	5.266% due 14/02/17	466,726	0.18
	Kabel Deutschland		
65,000	10.750% due 01/07/14	61,750	0.02
	Kreditanstalt Fur Wiederaufbau		
1,700,000	3.500% due 04/07/15	1,605,782	0.62
	Munchener Hypothekenbank		
80,000	5.000% due 16/01/12	80,702	0.03
	Munich Re Finance		
700,000	5.767% due 29/06/49	481,785	0.19
	Prime Bricks		
50,000	5.462% due 30/01/40	41,206	0.02
100,000	5.262% due 30/01/40	89,073	0.03
	Promise plc		
400,000	5.629% due 10/03/17	322,520	0.12
	Volkswagen Leasing GmbH		
50,000	4.875% due 18/10/12	47,616	0.02
		93,721,087	36.43
	Greece (2.81%)		
	Greece, Republic of		
4,100,000	4.600% due 20/05/13	4,097,313	1.59
	Hellenic Republic Government Bond		
2,350,000	4.600% due 20/07/18	2,286,011	0.89
900,000	4.700% due 20/03/24	840,435	0.33
		7,223,759	2.81

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
		Hungary (0.19%)		
		Hungary, Republic of		
HUF	72,130,000	6.000% due 24/10/12	266,479	0.10
		OTP Bank		
EUR	325,000	5.875% due 29/11/49	225,296	0.09
			<u>491,775</u>	<u>0.19</u>
		Ireland (1.56%)		
		Anglo Irish Banks Plc		
	150,000	5.223% due 19/06/17	105,147	0.04
		BSPB Finance		
USD	100,000	10.500% due 25/07/17	42,715	0.02
		DEPFA ACS Bank		
EUR	1,200,000	4.375% due 15/01/15	1,145,051	0.44
		EMC plc		
	200,000	5.232% due 30/04/17	169,540	0.07
		European Investment Bank		
	330,000	4.375% due 15/04/13	329,172	0.13
		European Property		
GBP	125,102	6.079% due 20/07/14	146,590	0.06
		Europrop EMC SA		
EUR	125,000	5.442% due 30/04/17	97,512	0.04
		GE Capital European Funding		
	600,000	5.250% due 18/05/15	502,780	0.19
		Hypo Real Estate International		
	850,000	5.864% due 29/06/49	212,007	0.08
		Locko Finance plc		
RUB	5,000,000	10.500% due 24/07/09	129,245	0.05
		Mermaid Secured Finance Ltd		
EUR	50,000	5.262% due 30/01/40	47,030	0.02
	100,000	5.462% due 30/01/40	89,610	0.03
		Quirinus		
	80,718	5.374% due 15/02/19	63,211	0.02
	238,802	5.234% due 15/02/19	186,504	0.07
		Rivoli Pan Europe plc		
	200,000	5.248% due 03/08/18	173,740	0.07
		Sibacademfinance for URSA Bank		
	350,000	7.000% due 21/05/10	273,000	0.11
		Transcapitalinvest Ltd		
	250,000	5.381% due 27/06/12	209,974	0.08
		UT2 Funding plc		
	155,000	5.321% due 30/06/16	103,757	0.04
			<u>4,026,585</u>	<u>1.56</u>
		Italy (4.02%)		
		Banca Italease		
	50,000	5.208% due 14/03/12	39,227	0.02
	750,000	5.168% due 02/02/10	690,951	0.27
		Banca Per Il Leasing Italease		
	100,000	5.267% due 08/02/12	86,807	0.03
		Banca Popolare Di Lodi		
	700,000	6.742% due 29/06/49	532,086	0.21

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	950,000	Banca Popolare di Verona 6.156% due 29/06/49	621,860	0.24
	300,000	BCA Mps 6.000% due 20/06/11	298,678	0.12
	800,000	4.875% due 31/05/16	663,527	0.26
	550,000	Intesa Sanpaolo 5.750% due 28/05/18	531,554	0.21
	1,100,000	Intesa Sanpaolo SpA 8.047% due 29/06/49	935,239	0.36
	700,000	6.625% due 08/05/18	616,909	0.24
	1,880,000	Italy, Republic of 5.000% due 01/08/39	1,809,606	0.70
	2,500,000	4.500% due 01/08/18	2,430,384	0.95
	50,000	Lottomatica SpA 8.250% due 31/03/66	36,000	0.01
GBP	300,000	Telecom Italia SpA 6.375% due 24/06/19	340,305	0.13
EUR	750,000	Unicredito Italiano 4.125% due 20/09/16	705,175	0.27
			<u>10,338,308</u>	<u>4.02</u>
		Japan (0.96%)		
	250,000	Resona Bank Ltd 3.750% due 15/04/15	230,116	0.09
	1,762,000	4.125% due 31/12/49	1,405,429	0.55
	100,000	Shinsei Bank Ltd 3.750% due 23/02/16	79,918	0.03
	975,000	Sumitomo Mitsui Banking Corp 4.375% due 31/12/49	759,759	0.29
			<u>2,475,222</u>	<u>0.96</u>
		Jersey, Channel Islands (0.95%)		
	320,000	EFG Hellas Ltd 4.565% due 29/11/49	196,672	0.08
	400,000	Goals 2006 1 Ltd 5.183% due 15/07/14	392,000	0.15
	200,000	5.463% due 15/07/14	185,828	0.07
	350,000	HBOS Capital Funding 4.939% due 29/05/49	211,467	0.08
	620,000	HSBC Capital Funding 5.369% due 24/12/49	516,306	0.20
	850,000	RZB Finance (Jersey) IV Ltd 5.169% due 29/05/49	585,032	0.23
	350,000	UBS Capital Securities Ltd 8.836% due 31/12/49	303,300	0.12
GBP	87,622	Whinstone Capital Management 6.696% due 25/10/45	61,154	0.02
			<u>2,451,759</u>	<u>0.95</u>
		Kazakhstan (0.13%)		
USD	600,000	ATF Bank 9.250% due 12/04/12	326,772	0.13

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
Luxembourg (2.92%)				
ArcelorMittal				
	150,000	6.125% due 01/06/18	98,331	0.04
European Investment Bank				
EUR	6,100,000	4.250% due 15/04/15	6,012,973	2.34
Fortis Hybrid Financing				
	839,000	5.125% due 29/06/49	421,894	0.16
Gaz Capital SA				
	550,000	6.605% due 13/02/18	403,825	0.16
Hellas Telecommunications Luxembourg V				
	180,000	8.463% due 15/10/12	137,700	0.05
Kuznetski Capital SA				
USD	181,000	6.807% due 10/05/17	74,173	0.03
Lecta SA				
EUR	65,000	7.589% due 15/02/14	44,363	0.02
Norilsk Nickel Finance Luxembourg				
USD	250,000	7.125% due 30/09/09	165,491	0.06
Russian Standard Finance SA				
EUR	150,000	6.825% due 16/09/09	110,863	0.04
Wind Acquisition Finance				
	60,000	9.750% due 01/12/15	54,300	0.02
			<u>7,523,913</u>	<u>2.92</u>
Netherlands (7.25%)				
ABN Amro Bank				
	695,000	5.211% due 08/06/15	654,417	0.25
ABN Amro Bank NV				
	8,000	4.310% due 28/02/49	4,776	0.00
Allianz Finance BV				
	50,000	4.000% due 23/11/16	44,484	0.02
	480,000	6.125% due 31/05/22	459,587	0.18
Amstel Corporate Loan Offering				
	800,000	5.235% due 25/03/17	772,960	0.30
Arran Corp Loans				
	190,759	5.161% due 20/06/25	184,006	0.07
ASML Holding NV				
	300,000	5.750% due 13/06/17	239,780	0.09
Clondalkin Acquisition BV				
	62,000	6.958% due 15/12/13	49,600	0.02
Daimler International Finance				
	150,000	6.125% due 08/09/15	145,755	0.06
Deutsche Telekom International Finance BV				
	506,000	7.125% due 11/07/11	520,282	0.20
	130,000	6.625% due 29/03/18	132,384	0.05
Diageo Capital BV				
	325,000	5.500% due 01/07/13	318,893	0.12
E.ON International Finance BV				
	300,000	5.750% due 29/05/09	300,309	0.12
Elm BV				
	600,000	5.849% due 29/04/49	372,636	0.14
	1,700,000	5.252% due 29/05/49	1,116,238	0.43

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
	500,000	F Van Lanschot Bankiers 5.364% due 17/02/16	497,600	0.19
	220,000	Fresenius Finance 5.500% due 31/01/16	171,600	0.07
	1,800,000	Generali Finance BV 5.317% due 29/06/49	1,300,036	0.51
USD	110,000	HSBK Europe 9.250% due 16/10/13	59,517	0.02
	550,000	HSBK Europe BV 7.250% due 03/05/17	234,934	0.09
	230,000	7.750% due 13/05/13	114,565	0.04
EUR	350,000	ING Bank 6.125% due 29/05/23	295,225	0.11
	100,000	ING Verzekeringen NV 6.250% due 21/06/21	95,230	0.04
	150,000	6.375% due 07/05/27	127,941	0.05
	700,000	Kazkommerts International BV 5.125% due 23/03/11	450,440	0.18
	320,000	Koninklijke KPN NV 6.500% due 15/01/16	314,430	0.12
	168,000	4.750% due 17/01/17	146,038	0.06
	2,885,000	Netherlands, Kingdom of 5.000% due 15/07/11	2,977,751	1.16
	3,550,000	4.000% due 15/01/37	3,164,573	1.23
USD	65,000	NXP BV 9.500% due 15/10/15	23,831	0.01
EUR	180,000	NXP Funding 7.713% due 15/10/13	109,800	0.04
	150,000	Repsol International Finance 5.214% due 16/02/12	145,248	0.06
	411,000	Royal KPN 4.500% due 18/03/13	383,159	0.15
	100,000	Shield 1 BVClass B Note 5.228% due 20/01/14	93,663	0.04
	300,000	Shield BV 5.348% due 20/01/14	267,516	0.10
	200,000	Skyline BV 5.767% due 22/07/43	143,680	0.06
	200,000	SNS Reaal Groep NV 6.625% due 14/05/18	197,246	0.08
	1,200,000	6.258% due 29/07/49	767,640	0.30
GBP	344,000	Standard Life Funding BV 6.140% due 29/06/49	359,183	0.14
EUR	400,000	Stichting Mars 5.275% due 28/08/14	326,500	0.13
	15,370	Storm BV 5.564% due 22/05/48	15,179	0.01
USD	300,000	Temir Capital BV 9.250% due 23/03/09	190,877	0.07
EUR	350,000	TurnAlem Finance BV 6.250% due 27/09/11	218,751	0.09

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	150,000	Wolters Kluwer 6.375% due 10/04/18	140,429	0.05
			<u>18,648,689</u>	<u>7.25</u>
		Norway (0.00%)		
NOK	500,000	MPU Offshore Lift ASA 16.100% due 23/07/08	1,204	0.00
		Poland (1.14%)		
		Poland, Government of		
PLN	495,000	6.000% due 24/05/09	145,511	0.06
	3,310,000	5.000% due 24/10/13	936,001	0.36
	1,834,000	6.250% due 24/10/15	551,225	0.21
	4,440,000	5.750% due 23/09/22	1,307,605	0.51
			<u>2,940,342</u>	<u>1.14</u>
		Portugal (0.05%)		
EUR	123,627	Sagres Sociedad 5.436% due 25/03/11	122,699	0.05
		Russian Federation (0.02%)		
USD	100,000	Transregional Capital Ltd 9.125% due 10/05/10	59,139	0.02
		Singapore (0.19%)		
EUR	500,000	ICICI Bank Ltd 5.519% due 29/03/09	497,179	0.19
		Slovenia (0.15%)		
	370,000	Slovenia (Republic of) 6.000% due 24/03/10	379,324	0.15
		South Africa (0.19%)		
	350,000	Banca Delle Marche 5.312% due 01/06/17	312,578	0.12
	287,000	Edcon Holdings 8.208% due 15/06/14	170,765	0.07
			<u>483,343</u>	<u>0.19</u>
		Spain (2.44%)		
	300,000	Banco Bilbao Vizcaya Argentaria SA 4.250% due 15/07/14	286,673	0.11
	500,000	BBVA Autos 5.291% due 20/06/16	459,770	0.18
	650,000	Mapfre SA 5.921% due 24/07/37	450,160	0.18
	500,000	Santander 5.125% due 11/04/11	489,504	0.19
	2,420,000	Spain, Kingdom of 5.400% due 30/07/11	2,504,652	0.97
	1,360,000	5.000% due 30/07/12	1,396,473	0.54
GBP	466,000	Telefonica Emisiones SAU 5.375% due 02/02/18	535,934	0.21

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
EUR	152,349	UCI - 11 Titulizacion De Activos 5.098% due 15/09/41	143,924	0.06
			<u>6,267,090</u>	<u>2.44</u>
		Sweden (0.09%)		
		Investor		
	250,000	4.000% due 14/03/16	<u>221,015</u>	<u>0.09</u>
		Switzerland (0.07%)		
		Credit Suisse		
	175,000	6.125% due 05/08/13	<u>170,427</u>	<u>0.07</u>
		United Kingdom (8.59%)		
		AIB UK		
	765,000	4.781% due 29/12/49	386,509	0.15
		Alliance & Leicester plc		
	50,000	5.000% due 04/10/10	48,171	0.02
		Alliance & Leicester Plc		
GBP	850,000	6.250% due 27/09/10	1,066,356	0.41
		Anglian Water Services Financial plc		
EUR	1,950,000	4.625% due 07/10/13	1,853,117	0.72
		Anglo Irish Capital 2 UK LP		
	85,000	5.219% due 29/09/49	36,721	0.01
		Annington Finance No 4 Plc		
GBP	240,000	8.070% due 10/01/23	268,556	0.10
		Arran Residential Mortgages		
EUR	200,000	5.221% due 20/09/56	176,760	0.07
		Arran Residential Mortgages Funding		
	350,000	5.193% due 12/04/56	320,649	0.12
		Astrazeneca		
	466,000	5.125% due 15/01/15	452,549	0.18
		AstraZeneca		
	150,000	4.625% due 12/11/10	148,445	0.06
		Aviva		
	600,000	6.875% due 22/05/38	476,635	0.19
	160,000	5.700% due 29/09/49	112,835	0.04
		Barclays Bank plc		
	100,000	6.000% due 23/01/18	89,833	0.03
	200,000	4.500% due 04/03/19	167,329	0.07
		BAT International Finance		
	600,000	5.375% due 29/06/17	538,571	0.21
		BAT International Finance Plc		
GBP	17,000	6.375% due 12/12/19	20,236	0.01
		Bradford & Bingley plc		
EUR	150,000	3.875% due 04/05/11	132,080	0.05
		British Telecom plc		
	150,000	5.250% due 23/06/14	135,955	0.05
		British Telecom Plc		
GBP	210,000	8.000% due 07/12/16	281,302	0.11
		Broadgate Financing plc		
	124,775	6.713% due 05/10/23	119,147	0.05

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	148,542	6.393% due 05/01/20	131,946	0.05
		Bruntwood Alpha plc		
	150,000	6.309% due 15/01/17	148,545	0.06
		Canary Wharf Finance II Plc		
	150,000	6.347% due 22/10/37	145,747	0.06
		Dignity Finance		
	100,000	8.151% due 31/12/30	122,451	0.05
		DT Postbank AG		
EUR	850,000	5.983% due 29/06/49	518,008	0.20
		EFG Hellas plc		
	150,000	5.261% due 08/06/17	136,235	0.05
		Epic		
GBP	140,000	6.399% due 15/07/17	123,506	0.05
		Epic Plc		
	148,889	6.069% due 15/07/17	161,543	0.06
		FCE Bank Plc		
EUR	340,000	6.142% due 30/09/09	282,200	0.11
		Fosse Master Issuer plc		
	150,000	5.330% due 18/10/54	136,980	0.05
	100,000	5.157% due 18/10/54	94,520	0.04
		Getin Finance plc		
	500,000	6.967% due 13/05/09	485,000	0.19
		Gracechruh Mortgage Funding plc		
	150,000	5.142% due 11/10/41	144,875	0.06
	150,000	5.363% due 20/11/56	132,090	0.05
		Granite Master Issuer plc		
	500,000	5.261% due 20/12/54	379,350	0.15
		Greene King Finance plc		
GBP	93,288	6.215% due 15/09/21	87,600	0.03
	150,000	6.095% due 15/06/31	168,626	0.07
		HBOS Treasury Services plc		
EUR	2,900,000	4.875% due 04/06/19	2,635,972	1.02
		Holmes Financing plc		
	130,000	5.363% due 15/07/40	118,552	0.05
		Holmes Master Issuer plc		
GBP	150,000	6.059% due 15/07/21	171,500	0.07
		Imperial Tobacco Finance		
EUR	340,000	7.250% due 15/09/14	329,236	0.13
		Karta plc		
	400,000	5.283% due 15/07/12	351,520	0.14
		Leek Finance plc		
	700,000	5.201% due 21/03/37	627,599	0.24
		Lloyds TSB Bank		
	747,000	4.385% due 29/05/49	477,951	0.19
		Lloyds TSB Bank plc		
	675,000	5.625% due 15/07/49	656,386	0.26
		National Grid Group Finance plc		
	200,000	5.125% due 14/05/13	195,832	0.08
		Nationwide Building Society		
	350,000	4.125% due 27/02/12	332,876	0.13

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
GBP	25,000	Northern Rock plc 5.625% due 13/01/15	25,425	0.01
EUR	220,000	OTE plc 5.375% due 14/02/11	216,401	0.08
USD	200,000	Permanent Master Issuer plc 3.191% due 15/07/42	129,205	0.05
GBP	140,000	Pipe Holdings plc 7.750% due 01/11/11	126,135	0.05
	198,882	Rec Plantation Place 6.116% due 25/07/16	214,290	0.08
	93,360	RMAC plc 6.234% due 12/12/43	92,761	0.04
EUR	210,000	RMAC Securities No 1 plc 5.199% due 12/06/44	157,132	0.06
GBP	250,000	5.974% due 12/06/44	214,917	0.08
EUR	50,000	Royal Bank of Scotland 4.350% due 23/01/17	41,052	0.02
	300,000	6.934% due 09/04/18	277,469	0.11
	200,000	7.092% due 29/10/49	138,590	0.05
	750,000	5.250% due 15/05/13	677,137	0.26
	350,000	Royal Bank of Scotland plc 5.625% due 23/05/13	310,919	0.12
	500,000	Standard Chartered Bank 4.875% due 11/03/11	487,710	0.19
	1,550,000	5.875% due 26/09/17	1,362,817	0.53
	530,000	Standard Life 5.314% due 29/01/49	391,552	0.15
	200,000	Tesco Plc 5.875% due 12/09/16	191,138	0.07
GBP	148,902	Theatre Hospitals Plc 6.519% due 15/10/31	149,328	0.06
	50,000	U.K., Government of 4.750% due 07/03/20	64,186	0.02
EUR	50,000	United Utilities Water 4.250% due 24/01/20	42,786	0.02
USD	311,000	Vedanta Resources Plc 8.750% due 15/01/14	188,492	0.07
EUR	200,000	Vodafone Group 3.625% due 29/11/12	183,364	0.07
GBP	257,142	W & DB Issuer plc 6.369% due 15/07/20	241,465	0.09
EUR	50,000	WPP Group 6.625% due 12/05/16	46,080	0.02
			<u>22,098,753</u>	<u>8.59</u>
		United States (7.61%)		
GBP	140,000	AES Corp 8.375% due 01/03/11	174,990	0.07
EUR	150,000	AIG 5.000% due 26/06/17	78,649	0.03
	400,000	8.000% due 22/05/38	60,000	0.02
	150,000	4.000% due 20/09/11	82,500	0.03

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	300,000	American General Finance Group 4.625% due 22/06/11	171,769	0.07
	200,000	AT&T Inc 6.125% due 02/04/15	195,101	0.08
	500,000	Bank of America 4.750% due 23/05/17	443,203	0.17
	350,000	Bank of America Corp 4.750% due 06/05/19	291,792	0.11
	200,000	BMW US Capital LLC 5.000% due 28/05/15	185,154	0.07
	350,000	BNP Paribas Capital Trust 6.342% due 29/01/49	316,807	0.12
	100,000	Cargill Inc 6.250% due 24/07/15	95,802	0.04
USD	40,000	CCH I Holdings LLC 11.000% due 01/10/15	18,795	0.01
EUR	176,000	Central European Distribution 8.000% due 25/07/12	160,160	0.06
USD	20,000	Chesapeake Energy Corp 6.375% due 15/06/15	12,708	0.00
EUR	220,000	6.250% due 15/01/17	187,000	0.07
	570,000	Citibank Credit Card Issuance Trust 5.375% due 11/04/11	552,331	0.21
	410,000	Citigroup Inc 4.250% due 25/02/30	195,824	0.08
	150,000	4.750% due 31/05/17	124,997	0.05
USD	15,000	Citizens Communications Co 7.875% due 15/01/27	8,009	0.00
	30,000	7.125% due 15/03/19	16,979	0.01
EUR	1,850,000	Commerzbank Capital Funding 5.012% due 29/03/49	1,106,300	0.43
USD	50,000	Community Health Systems Inc 8.875% due 15/07/15	33,816	0.01
	70,000	Complete Production Services Inc 8.000% due 15/12/16	47,343	0.02
	50,000	CSMC Commercial Mortgage Trust 2.858% due 15/04/21	30,665	0.01
	50,000	2.908% due 15/04/21	30,338	0.01
	250,000	3.218% due 15/04/21	151,103	0.06
EUR	500,000	Daimlerchrysler Na 4.125% due 18/11/09	494,398	0.19
	650,000	4.375% due 16/03/10	638,195	0.25
USD	20,000	Davita Inc 6.625% due 15/03/13	13,526	0.01
	40,000	DRS Technologies Inc 6.625% due 01/02/16	28,762	0.01
	70,000	Dynegy Holdings Inc 7.750% due 01/06/19	39,868	0.02
	20,000	Echostar DBS 7.750% due 31/05/15	12,067	0.00

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
	50,000	Echostar DBS Corp 7.000% due 01/10/13	30,702	0.01
	50,000	Edison Mission Energy 7.200% due 15/05/19	31,324	0.01
	1,320,000	Energy Future Holdings Corp 11.250% due 01/11/17	794,077	0.31
	10,000	10.875% due 01/11/17	6,425	0.00
EUR	166,000	Eurohypo Capital Funding Trust 6.445% due 23/05/33	117,362	0.05
USD	1,019,115	Fannie Mae Pool 5.500% due 01/02/36	724,179	0.28
	299,999	4.500% due 01/09/38	202,076	0.08
	1,000,000	4.500% due 01/03/38	673,588	0.26
	300,000	FHLMC TBA Oct 30 Gold Single 5.500% due 01/12/99	212,442	0.08
	2,700,000	FNMA TBA Oct 30 Single Family 5.500% due 01/12/99	1,916,781	0.75
EUR	100,000	Fortune Brands 3.500% due 30/01/09	99,339	0.04
USD	120,000	Freeport-McMoRan Copper & Gold Inc 8.375% due 01/04/17	84,149	0.03
	15,000	Freescale Semiconductor Inc 8.875% due 15/12/14	7,368	0.00
	1,630,000	General Motors Acceptance Corp 8.000% due 01/11/31	437,804	0.17
	20,000	Georgia Gulf Corp 9.500% due 15/10/14	8,757	0.00
EUR	100,000	Goldman Sachs Group 3.750% due 04/02/13	77,588	0.03
	1,650,000	4.750% due 12/10/21	917,966	0.36
USD	30,000	Graham Packaging Co 8.500% due 15/10/12	19,756	0.01
	15,000	9.875% due 15/10/14	9,291	0.00
	40,000	HCA Inc 6.500% due 15/02/16	22,568	0.01
	80,000	9.625% due 15/11/16	54,106	0.02
	20,000	Hertz Corp 8.875% due 01/01/14	12,281	0.00
	15,000	10.500% due 01/01/16	8,917	0.00
	123,565	HSBC Home Equity Loan Trust 2.781% due 20/01/35	72,387	0.03
EUR	400,000	HVB Funding Trust 7.055% due 29/03/49	341,563	0.13
USD	75,000	Idearc Inc 8.000% due 15/11/16	14,550	0.01
EUR	300,000	JP Morgan Chase & Co 3.875% due 31/03/18	244,665	0.10
	300,000	JP Morgan Chase Bank 5.250% due 08/05/13	282,012	0.11
	350,000	Kraft Foods Inc 5.750% due 20/03/12	341,450	0.13

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
		Lehman Brothers Holdings Inc		
	2,200,000	4.625% due 14/03/19	2,750	0.00
USD	200,000	3.589% due 19/08/65	14	0.00
		MBNA Credit Card Master Note		
EUR	50,000	4.500% due 17/01/14	45,206	0.02
		Merrill Lynch & Co Inc		
	950,000	6.750% due 21/05/13	814,021	0.32
		MGM Mirage Inc		
USD	105,000	7.625% due 15/01/17	53,821	0.02
		Millipore Corp		
EUR	220,000	5.875% due 30/06/16	198,000	0.08
		Morgan Stanley Group Inc		
	350,000	3.750% due 01/03/13	226,023	0.09
	250,000	3.375% due 20/07/12	156,426	0.06
	250,000	12.991% due 20/12/08	234,750	0.09
		NBP Capital Trust		
	350,000	8.320% due 29/06/49	325,225	0.13
		New York Life Global Funding		
	350,000	4.375% due 19/01/17	284,328	0.11
		NRG Energy		
USD	20,000	7.250% due 01/02/14	13,206	0.01
	30,000	7.375% due 01/02/16	19,222	0.01
	35,000	7.375% due 15/01/17	22,675	0.01
		Parker Hannifin Corp		
EUR	50,000	4.125% due 11/11/15	46,200	0.02
		Pemex Project Funding Master Trust		
	983,000	5.500% due 24/02/25	754,256	0.29
		Philip Morris International		
	150,000	5.875% due 04/09/15	145,905	0.06
		Qwest Communications International Inc		
USD	5,000	7.500% due 15/02/14	3,079	0.00
		Reynolds American Inc		
	60,000	6.750% due 15/06/17	39,914	0.02
		RH Donnelley Corp		
	10,000	8.875% due 15/10/17	2,420	0.00
		SemGroup LP		
	60,000	8.750% due 15/11/15	4,271	0.00
		Service Corp International		
	60,000	7.500% due 01/04/27	32,677	0.01
		SLM Corp		
	130,000	5.050% due 14/11/14	56,455	0.02
	50,000	5.625% due 01/08/33	17,798	0.01
	130,000	5.000% due 01/10/13	57,381	0.02
	470,000	5.375% due 15/05/14	207,454	0.08
EUR	120,000	4.750% due 17/03/14	82,454	0.03
	200,000	5.158% due 15/12/10	140,000	0.05
	100,000	5.108% due 15/06/09	92,750	0.04
		Station Casinos Inc		
USD	55,000	7.750% due 15/08/16	21,242	0.01
		Steel Dynamics		
	20,000	7.375% due 01/11/12	13,028	0.01

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
	40,000	Steel Dynamics Inc 6.750% due 01/04/15	24,490	0.01
	50,000	Sungard Data Systems Inc 10.250% due 15/08/15	30,880	0.01
	80,000	Tenet Healthcare Corp 7.375% due 01/02/13	51,828	0.02
	20,000	Terex Corp 7.375% due 15/01/14	12,957	0.01
	20,000	TI Acquisitions Inc 10.500% due 15/01/15	11,248	0.00
EUR	101,000	TRW Automotive Inc 6.375% due 15/03/14	77,517	0.03
USD	10,000	TXU Corp 5.550% due 15/11/14	5,313	0.00
	40,000	6.500% due 15/11/24	18,136	0.01
	515,000	6.550% due 15/11/34	225,279	0.09
EUR	150,000	U.S. Bank National Association 4.375% due 28/02/17	129,000	0.05
USD	60,000	U.S. West Communications Inc 6.875% due 15/09/33	28,726	0.01
EUR	1,120,000	UniCredito Italian Capital Trust 4.028% due 29/10/49	774,609	0.30
USD	34,000	Visteon Corp 12.250% due 31/12/16	14,523	0.01
	13,000	8.250% due 01/08/10	7,682	0.00
	60,000	Windstream Corp 8.625% due 01/08/16	39,405	0.02
	500,000	ZFS Finance USA Trust I - Pref - 5.875% due 09/05/32	242,801	0.09
			<u>19,571,769</u>	<u>7.61</u>
		Total Long Term Bonds and Notes	<u>240,892,863</u>	<u>93.64</u>
		Short Term Investments (0.19%)		
		France (0.19%)		
EUR	500,000	France, Republic of 0.000% due 18/12/08	495,550	0.19
		Total Transferable Securities	<u>241,388,413</u>	<u>93.83</u>
		Collective Investment Schemes (2.29%)		
		Ireland (2.29%)		
	5,890	Russell Investment Company III plc The Euro Cash Fund - Class A Shares	5,890,183	2.29
	3	Russell Investment Company III plc The U.S. Dollar Cash Plus Fund - Class A Shares	2,140	0.00
		Total Collective Investment Schemes	<u>5,892,323</u>	<u>2.29</u>
		Total Investments excluding Financial Derivative Instruments	<u>247,280,736</u>	<u>96.12</u>

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

Financial Derivative Instruments ((0.13)%)

Open Futures Contracts (0.12%)

Notional Amount EUR	Average Cost Price EUR		Unrealised Gain (Loss) EUR	Fund %
(12,150,324)	117.70	145 of U.S. Treasury Notes 10 Year Futures Short Futures Contracts Expiring December 2008	317,751	0.13
4,481,388	114.45	55 of U.S Treasury Notes 5 Year Futures Long Futures Contracts Expiring December 2008	(86,776)	(0.04)
(2,415,890)	111.99	17 of U.K. Treasury Bond Futures Short Futures Contracts Expiring December 2008	(3,452)	0.00
2,690,350	103.48	36 of Germany Federal Republic Bonds 2 Year Futures Long Futures Contracts Expiring December 2008	31,415	0.01
5,822,050	109.85	111 of Germany Federal Republic Bonds 5 Year Futures Long Futures Contracts Expiring December 2008	40,684	0.01
17,875,160	115.32	204 of German Federal Republic Bonds 10 Year Futures Long Futures Contracts Expiring December 2008	16,710	0.01
Unrealised gain on open futures contracts			406,560	0.16
Unrealised loss on open futures contracts			(90,228)	(0.04)
Net unrealised gain (loss) on open futures contracts			316,332	0.12

Open Forward Foreign Currency Exchange Contracts ((0.20)%)

Settlement Date	Amount Bought	Amount Sold	Unrealised Gain (Loss) EUR	Fund %
05/11/2008	DKK 12,200,000	EUR 1,635,981	(305)	0.00
05/11/2008	DKK 1,745,499	EUR 234,060	(37)	0.00
05/11/2008	DKK 239,070	EUR 32,053	(1)	0.00
05/11/2008	EUR 2,217,420	SEK 21,023,357	76,079	0.03
05/11/2008	EUR 282,950	HUF 65,650,000	13,231	0.01
09/10/2008	EUR 2,590,907	GBP 2,067,000	(31,649)	(0.01)
09/10/2008	EUR 3,447,347	USD 5,439,000	(421,959)	(0.16)
05/11/2008	EUR 3,145,292	PLN 10,274,567	122,654	0.05
05/11/2008	EUR 709,774	USD 1,000,000	228	0.00
05/11/2008	EUR 1,980,239	SEK 19,020,000	42,951	0.02
05/11/2008	EUR 2,685,972	USD 4,234,220	(318,398)	(0.12)
05/11/2008	EUR 2,579,211	GBP 2,056,921	(29,191)	(0.01)
05/11/2008	EUR 2,146,744	DKK 16,024,800	(1,729)	0.00
05/11/2008	EUR 6,245,190	USD 9,887,822	(770,666)	(0.30)
05/11/2008	EUR 470,750	GBP 374,939	(4,713)	0.00
05/11/2008	EUR 3,238,657	USD 5,084,271	(368,862)	(0.14)
05/11/2008	EUR 9,093,683	GBP 7,219,930	(61,984)	(0.02)
05/11/2008	EUR 2,520,254	USD 3,952,892	(284,501)	(0.11)

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
05/11/2008	EUR	318,394	USD	500,000	(36,378)	(0.02)
05/11/2008	EUR	629,089	GBP	500,000	(4,966)	0.00
05/11/2008	EUR	910,501	USD	1,350,000	(47,385)	(0.02)
05/11/2008	EUR	1,022,481	USD	1,510,000	(48,932)	(0.02)
05/11/2008	EUR	986,214	USD	1,420,000	(21,340)	(0.01)
05/11/2008	EUR	610,000	USD	868,762	(6,426)	0.00
05/11/2008	EUR	140,845	USD	200,000	(1,064)	0.00
05/11/2008	EUR	1,990,000	USD	2,898,037	(66,288)	(0.03)
05/11/2008	EUR	2,944,179	USD	4,240,000	(64,293)	(0.03)
09/10/2008	EUR	537,537	USD	774,000	(13,086)	(0.01)
05/11/2008	EUR	2,082,434	USD	3,040,000	(74,583)	(0.03)
09/10/2008	EUR	3,774,096	USD	5,439,000	(95,211)	(0.04)
05/11/2008	EUR	126,080	GBP	100,000	(731)	0.00
05/11/2008	EUR	149,573	GBP	119,054	(1,401)	0.00
05/11/2008	EUR	204,499	USD	300,000	(8,365)	0.00
05/11/2008	EUR	208,398	USD	300,000	(4,465)	0.00
09/10/2008	GBP	48,000	EUR	60,181	721	0.00
05/11/2008	GBP	3,735,291	EUR	4,688,513	48,248	0.02
05/11/2008	GBP	1,112,007	EUR	1,397,380	12,768	0.00
05/11/2008	GBP	1,980,000	EUR	2,498,171	12,688	0.00
09/10/2008	GBP	54,000	EUR	68,110	403	0.00
09/10/2008	GBP	43,000	EUR	54,179	378	0.00
05/11/2008	GBP	270,836	EUR	339,841	3,609	0.00
05/11/2008	SEK	18,070,000	EUR	1,908,413	(67,888)	(0.03)
05/11/2008	SEK	19,748,815	EUR	2,087,063	(75,542)	(0.03)
05/11/2008	SEK	2,240,000	EUR	236,804	(8,648)	0.00
09/10/2008	USD	774,000	EUR	513,363	37,260	0.02
09/10/2008	USD	99,000	EUR	67,877	2,552	0.00
05/11/2008	USD	2,967,129	EUR	2,050,000	55,312	0.02
05/11/2008	USD	1,460,000	EUR	1,031,146	4,790	0.00
09/10/2008	USD	105,000	EUR	66,351	8,346	0.00
05/11/2008	USD	2,813,761	EUR	1,990,000	6,490	0.00
09/10/2008	USD	5,439,000	EUR	3,777,346	91,961	0.03
05/11/2008	USD	420,000	EUR	284,187	13,822	0.01
09/10/2008	USD	774,000	EUR	537,075	13,549	0.01
09/10/2008	USD	132,000	EUR	83,512	10,393	0.00
05/11/2008	USD	3,389,052	EUR	2,138,304	266,381	0.10
05/11/2008	USD	19,966,294	EUR	12,601,006	1,565,980	0.61
09/10/2008	USD	340,000	EUR	218,811	23,065	0.01
09/10/2008	USD	123,000	EUR	87,243	259	0.00
09/10/2008	USD	141,000	EUR	99,643	664	0.00
Unrealised gain on open forward foreign currency exchange contracts					2,434,781	0.94
Unrealised loss on open forward foreign currency exchange contracts					(2,940,987)	(1.14)
Net unrealised gain (loss) on open forward foreign currency exchange contracts					(506,206)	(0.20)

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

Interest Rate Swaps (0.06%)

<u>Ccy</u>	<u>Notional Amount</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
EUR	9,000,000	19/11/2010	144,204	0.06
EUR	2,000,000	03/08/2009	(6,257)	0.00
Interest rate swaps at fair value gain			144,204	0.06
Interest rate swaps at fair value loss			(6,257)	0.00
Interest Rate Swaps at fair value			137,947	0.06

Credit Default Swaps ((0.11)%)

<u>Ccy</u>	<u>Notional Amount</u>	<u>Security</u>	<u>Termination Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
EUR	400,000	CDX S 23726320	20/06/2013	(8,063)	0.00
EUR	800,000	CDX S 23726343	20/06/2013	(16,125)	(0.01)
EUR	200,000	CDSS KAUPTHING BANKI HF iTRAXX EUROPE	20/12/2008	(7,146)	0.00
EUR	500,000	S7 0.3% 20/06/2012 Countrywide Home Loans	20/06/2012	3,038	0.00
USD	1,000,000	4.000% 20/03/2011 Banca Italia	20/06/2012	(70,989)	(0.03)
EUR	320,000	4.889% 02/08/2012 Banca Italia	20/06/2010	(31,875)	(0.01)
EUR	190,000	4.889% 02/08/2011	20/06/2009	(10,123)	(0.01)
EUR	700,000	CDSL SODEXHO ALLIANCE	20/03/2013	15	0.00
EUR	700,000	CDSL ADECCO Countrywide Home Loans	20/03/2013	4,002	0.00
USD	510,000	4.000% 20/03/2012	20/06/2012	(34,830)	(0.01)
EUR	631,000	CDS OWP060296	20/09/2012	(47,145)	(0.02)
USD	350,000	CDS L 2645151	20/09/2013	12,951	0.01
EUR	800,000	CDS S 2580764	20/06/2013	(16,125)	(0.01)
EUR	200,000	CDS L 2407264	20/09/2015	879	0.00
EUR	1,950,000	CDS 0WP121932	20/06/2013	(27,821)	(0.01)
EUR	2,005,000	CDS 0WP122575	20/06/2013	(28,606)	(0.01)
Credit default swaps at positive fair value			20,884	0.01	
Credit default swaps at negative fair value			(298,848)	(0.12)	
Credit default swaps at fair value			(277,964)	(0.11)	
Total Financial Derivative Instruments at fair value			(329,891)	(0.13)	

	<u>Fair Value EUR</u>	<u>Fund %</u>
Total Investments (95.99%).....	246,950,845	95.99
Other Net Assets (3.69%)	9,498,766	3.69
Adjustment From Bid Market Prices To Last Traded Market Prices (0.32%)	808,332	0.32
Net Assets (100.00%)	257,257,943	100.00

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Schedule of Investments - continued

30 September 2008

<u>Analysis of total assets (unaudited)</u>	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	91.12
Transferable securities and money market instruments other than those admitted to an official stock exchange listing or traded in another regulated market	0.40
Collective investment schemes	2.24
Exchange traded financial derivative instruments	0.15
Over the counter financial derivative instruments	0.99
Other assets	5.10
	<u>100.00</u>

The brokers for the open futures contracts are:

Goldman Sachs
JP Morgan Chase
UBS

The counterparties for the open forward foreign currency exchange contracts are:

Barclays
Cantor Fitzgerald
Citibank
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC Bank
JP Morgan Chase Bank
Morgan Stanley
National Australia Bank
Royal Bank of Scotland
UBS

The counterparties for the credit default swaps are:

Deutsche Bank
Royal Bank of Scotland

The counterparty for the interest rate swaps is Deutsche Bank

The proportion of the investments of the Euro Fixed Income Fund in rights or securities eligible to the French Plan d'Epargne en Actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

Russell Investment Company II plc
The Euro Fixed Income Fund

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the period ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost EUR</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds EUR</u>
Russell Investment Company III plc		Russell Investment Company III plc	
The Euro Cash Fund		The Euro Cash Fund	
Class A Income Shares	28,027,155	Class A Shares	30,953,000
Germany, Republic of		Bundesrepublik Deutschland	
3.500% due 12/04/13	22,201,565	4.250% due 12/10/12	13,319,792
Germany, Republic of		Germany, Republic of	
4.250% due 04/01/14	11,697,514	4.000% due 04/01/18	12,498,588
Germany, Republic of		Germany, Republic of	
4.000% due 04/01/18	11,283,894	3.500% due 12/04/13	11,383,086
Germany, Republic of		Germany, Republic of	
3.750% due 04/01/15	11,280,410	5.375% due 04/01/10	11,332,799
FNMA TBA Jul 30 Single Family		FNMA TBA Jul 30 Single Family	
5.500% due 01/12/99	9,691,019	5.500% due 01/12/99	9,705,855
Bundesrepublik Deutschland		Germany, Republic of	
4.250% due 12/10/12	9,434,437	3.500% due 10/10/08	8,740,362
Germany, Republic of		Germany, Republic of	
4.250% due 04/07/14	7,176,627	3.750% due 04/01/15	8,154,068
Austria, Republic of		Netherlands, Government of	
5.250% due 04/01/11	6,546,960	4.500% due 15/07/17	6,684,830
FNMA TBA Jun 30 Single Family		FNMA TBA May 30 Single Family	
5.500% due 01/12/99	6,318,643	5.500% due 01/12/99	6,334,581
FNMA TBA May 30 Single Family		France, Government of	
5.500% due 01/12/99	6,209,618	4.750% due 25/10/12	6,263,446
France, Government of		FNMA TBA Apr 30 Single Family	
3.000% due 12/07/08	5,986,380	5.500% due 01/12/99	6,222,570
Germany, Republic of		FNMA TBA Jun 30 Single Family	
4.250% due 04/07/18	5,893,616	5.500% due 01/12/99	6,182,502
France, Government of		Germany, Republic of	
4.000% due 25/04/18	5,892,060	4.500% due 04/07/09	5,995,920
Bundesrepublik Deutschland		France, Government of	
1.500% due 15/04/16	5,502,927	3.000% due 12/07/08	5,991,300
Bundesrepublik Deutschland		Austria, Republic of	
4.250% due 04/07/17	5,009,095	5.250% due 04/01/11	5,849,352
Netherlands, Kingdom of		France, Government of	
2.750% due 15/01/09	4,958,150	4.000% due 25/04/18	5,611,173
Germany, Republic of		Bundesrepublik Deutschland	
4.250% due 04/07/39	4,735,853	1.500% due 15/04/16	5,563,146
Germany, Republic of		Germany, Republic of	
5.250% due 04/01/11	4,118,540	3.750% due 04/01/17	5,242,664
Germany, Republic of		Germany, Republic of	
4.750% due 04/07/34	3,362,829	5.250% due 04/01/11	5,050,303

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 ***The Global Bond (Euro Hedged) Fund***

Manager's Report

Money Managers

Colchester Global Investors Limited
Drake Capital Management LLC
Loomis, Sayles & Company L.P.
Pacific Investment Management Company LLC

Investment Objective

The investment objective of the 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 OECD and which may have fixed or floating rates.

Fund Performance

The Fund returned -1.7 per cent during the period on a gross-of-fees basis verses a benchmark return of -0.1 per cent.*

Market Comment

During the first half of the period, the economy showed signs of a slow down and yields rose on inflation concerns and hawkish comments on monetary policy by Central Banks. The unprecedented rise in commodity prices earlier this year was a major benefactor to rising inflation and the U.S. Dollar continued to weaken against most of the major currencies due to the poor U.S. economic outlook. Corporate bonds recovered some of the ground lost during a difficult first quarter of the year and outperformed U.S. treasuries. However, concerns that liquidity problems at some of the biggest financial institutions might not yet have concluded weighed on investor sentiment.

The third quarter of 2008 was one of the most turbulent in history. The unprecedented market events began with the nationalisation of mortgage facilitators Fannie Mae and Freddie Mac. This was followed by Lehman Brothers filing for bankruptcy, throwing the market into further turmoil. This led to a merger between Bank of America and Merrill Lynch and the rescue of AIG by the U.S. Federal Reserve. The quarter ended on further bad news as the U.S. bailout plan designed to clean up banks toxic debt was rejected and a temporary ban on short-selling of financials was imposed; the combination of the two was detrimental to investor confidence and saw most of the world's major indices fall sharply.

The U.S. Dollar strengthened towards the end of the quarter as commodity prices retreated resulting in a sell off of weaker currencies. Furthermore, commodity-related and emerging market currencies also weakened due to accelerated inflation and high commodity prices.

Credit and high yield spreads again widened, reflecting the more vigilant overall outlook. Financials was the worst performing sector as banks continued to struggle with house-related losses.

General Comment on Managers/Performance

The Fund underperformed the benchmark during the period as the majority of managers struggled in the volatile market conditions.

Colchester Global Investors Limited was by the far the best-performing manager, delivering stellar performance over the period. Its investment style, that inherently has a bias to governments vs. credit, did very well in this market environment. Moreover, its currency strategy also contributed positively to performance, in particular the overweight to the Yen (which outperformed all major currencies over the quarter as risk aversion drove the Yen higher).

Pacific Investment Management Company LLC was the worst-performing manager as its swap spread exposure provided a headwind to performance as short-dated swaps saw significant widening. The position in AIG, was a significant hit to performance. Also diversified exposure to financials in general has detracted from performance as spreads widened in the sector. Furthermore, the managers asset backed securities and collateralised mortgage obligations overweight came under pressure given liquidity issues in the market.

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

Manager's Report - continued

Outlook

The Fund remains well positioned to benefit from diverse returns in the coming quarter given its broad allocation of assets.

Past performance is no indication of current or future performance.

* Benchmark Source: Lehman Brothers Global Aggregate Euro Hedged Index

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

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	EUR	(Audited)	EUR
	EUR	EUR	EUR
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	664,937,127	751,694,934	868,281,989
Unrealised gain on open futures contracts	631,170	1,934,401	911,644
Unrealised gain on forward foreign currency exchange contracts	7,508,663	13,064,111	25,777,340
Options purchased at fair value	827,405	952,991	1,588,426
Interest rate swaps at fair value	1,600,476	4,657,225	2,681,056
Credit default swaps at fair value	883,529	224,022	311,079
Swaptions at fair value	123,408	243,996	629,876
	<u>676,511,778</u>	<u>772,771,680</u>	<u>900,181,411</u>
Cash at bank (Note 5)	11,154,328	47,596,495	15,660,522
Cash held with brokers for open futures contracts	1,758,041	740,581	3,254,381
Cash held with counterparties for swap contracts	2,298,437	728,343	-
Debtors:			
Receivable for investments sold	47,801,977	31,383,622	27,937,236
Receivable for fund shares issued	560,460	37,948	2,359
Dividends receivable	285	-	-
Interest receivable	8,596,668	8,216,705	10,481,449
	<u>748,681,974</u>	<u>861,475,374</u>	<u>957,517,359</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(819,590)	(1,611,479)	(542,640)
Unrealised loss on forward foreign currency exchange contracts	(12,946,970)	(8,829,103)	(11,901,623)
Options written at fair value	(153,005)	(273,760)	(526)
Interest rate swaps at fair value.....	(6,529,662)	(9,581,700)	(4,234,339)
Credit default swaps at fair value	(367,778)	(348,758)	(18,167)
Swaptions at fair value	(481,480)	(279,199)	(559,715)
	<u>(21,298,485)</u>	<u>(20,923,999)</u>	<u>(17,257,010)</u>
Creditors – amounts falling due within one year:			
Cash due to brokers for options contracts	(1,134,191)	(1,145,365)	(74,365)
Payable for investments purchased	(212,884,657)	(196,518,840)	(192,317,241)
Payable for fund shares redeemed	(623,317)	(18,790)	(2,413)
Management fees payable	(359,301)	(460,273)	(478,245)
Custodian and Trustee fees payable	(6,547)	(7,974)	(11,523)
Sub-custodian fees payable	(29,776)	(50,360)	(30,151)
Administration fees payable	(10,929)	(13,533)	(22,206)
Interest payable	-	(19,849)	-
Miscellaneous fees payable	(38,647)	(54,096)	(192,628)
	<u>(236,385,850)</u>	<u>(219,213,079)</u>	<u>(210,385,782)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	<u>512,296,124</u>	<u>642,262,295</u>	<u>747,131,577</u>
Adjustment from bid market prices to last traded market prices (Note 6)	<u>1,187,254</u>	<u>796,171</u>	<u>643,191</u>

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

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

Balance Sheet - continued

As at 30 September 2008

	30 September 2008 EUR	31 March 2008 (Audited) EUR	30 September 2007 EUR
Net assets attributable to redeemable participating shareholders (at last traded market prices)	<u>513,483,378</u>	<u>643,058,466</u>	<u>747,774,768</u>
Net asset value per share*			
Class A (EUR 1,302,767 divided by 1,054 shares in issue)	<u>EUR 1,236.02</u>	<u>EUR 1,268.17</u>	<u>EUR 1,258.90</u>
Class B (EUR 322,494,263 divided by 249,064 shares in issue)	<u>EUR 1,294.82</u>	<u>EUR 1,323.50</u>	<u>EUR 1,310.42</u>
Class DH-B (USD 56,082,462 divided by 5,178,436 shares in issue)	<u>USD 10.83</u>	<u>USD 11.17</u>	<u>USD 7.78</u>
Class F (EUR 1,757,074 divided by 1,590 shares in issue)	<u>EUR 1,105.08</u>	<u>EUR 1,134.27</u>	<u>EUR 1,128.78</u>
Class I (GBP 57,272,792 divided by 3,687,881 shares in issue)	<u>GBP 15.53</u>	<u>GBP 16.04</u>	<u>GBP 19.89</u>
Class I Income (GBP 38,358,470 divided by 3,105,949 shares in issue)	<u>GBP 12.35</u>	<u>GBP 13.03</u>	<u>GBP 16.52</u>
Class MZ Income (EUR 26,645,470 divided by 2,612,441 shares in issue)	<u>EUR 10.20</u>	<u>EUR 10.62</u>	<u>EUR 10.73</u>

* See Note 12 for comparative figures

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

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

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Income		
Dividends	167,344	423,305
Bond interest	12,958,775	35,026,360
Bank interest	97,165	330,154
Short term interest income	220,320	1,223,808
Securities lending income (Note 4)	201,685	250,112
Miscellaneous Income	1,944	61,399
	<u>13,647,233</u>	<u>37,315,138</u>
Net gain (loss) on investment activities	(18,381,007)	(32,901,003)
Total investment income (expense)	<u>(4,733,774)</u>	<u>4,414,135</u>
Expenses (Note 3)		
Management fees		
Class A	(9,640)	(25,605)
Class B	(1,578,353)	(4,500,074)
Class DH-B	(206,212)	(618,603)
Class F	(17,443)	(52,565)
Class I	(259,282)	(657,414)
Class I Income	(170,741)	(435,922)
Class MZ Income	(56,091)	(109,379)
Custodian and trustee fees	(41,130)	(137,073)
Sub-custodian fees	(64,902)	(124,835)
Administration fees	(69,138)	(150,990)
Audit fees	(21,524)	(36,300)
Professional fees	(11,487)	(63,865)
Registration fees	(5,693)	(19,565)
Marketing fees	(36,638)	(93,902)
Miscellaneous fees	(24,635)	(17,701)
Total operating expenses	<u>(2,572,909)</u>	<u>(7,043,793)</u>
Net income (expense)	(7,306,683)	(2,629,658)
Finance costs		
Distributions (Note 15)	(11,615,061)	(36,522,630)
Profit (loss) for the financial period/year before withholding tax	<u>(18,921,744)</u>	<u>(39,152,288)</u>
Withholding tax (Note 7)	(42,728)	(30,318)
Profit (loss) for the financial period/year after withholding tax	(18,964,472)	(39,182,606)
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>391,083</u>	<u>207,236</u>

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

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

Profit and Loss Account - continued

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(18,573,389)</u>	<u>(38,975,370)</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
The Global Bond (Euro Hedged) Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(18,573,389)	(38,975,370)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	(120,935,120)	(226,260,248)
Deemed distributions on accumulation shares (Note 15)	9,933,421	32,031,587
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(129,575,088)	(233,204,031)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>643,058,466</u>	<u>876,262,497</u>
End of period/year	<u><u>513,483,378</u></u>	<u><u>643,058,466</u></u>

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

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

Schedule of Investments

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
Transferable Securities (124.30%)				
Long Term Bonds and Notes (120.04%)				
Aruba (0.11%)				
UFJ Finance Aruba				
USD	800,000	8.750% due 13/11/49	<u>565,265</u>	<u>0.11</u>
Australia (2.99%)				
Australia, Government of				
AUD	13,240,000	6.000% due 15/02/17	7,759,940	1.51
FMG Finance Property Ltd				
USD	220,000	10.625% due 01/09/16	153,490	0.03
National Australia Bank				
	1,600,000	5.350% due 12/06/13	1,094,433	0.21
New South Wales Treasury Corp				
AUD	6,510,000	6.000% due 01/05/12	3,667,441	0.72
Puma Global Trust No. 5				
USD	441,875	2.881% due 21/02/38	307,846	0.06
Queensland Treasury Corp				
AUD	2,130,000	6.000% due 14/10/15	1,202,755	0.23
NZD	2,410,000	7.125% due 18/09/17	<u>1,182,537</u>	<u>0.23</u>
			<u>15,368,442</u>	<u>2.99</u>
Austria (0.41%)				
Oesterreichische Kontrollbank				
JPY	311,000,000	1.800% due 22/03/10	<u>2,112,823</u>	<u>0.41</u>
Bermuda (0.16%)				
Noble Group Ltd				
USD	670,000	8.500% due 30/05/13	393,514	0.08
White Mountains Re Group				
	875,000	7.506% due 29/05/49	<u>408,926</u>	<u>0.08</u>
			<u>802,440</u>	<u>0.16</u>
Brazil (0.04%)				
Isa Capital do Brasil SA				
	280,000	7.875% due 30/01/12	<u>191,364</u>	<u>0.04</u>
Canada (1.50%)				
Bell Aliant Regional Communications Income Fund				
CAD	1,765,000	6.170% due 26/02/37	877,593	0.17
Bell Canada				
	450,000	5.000% due 15/02/17	245,348	0.05
	155,000	6.550% due 01/05/29	78,111	0.01
	75,000	7.300% due 23/02/32	39,793	0.01
	115,000	6.100% due 16/03/35	56,388	0.01
Bombardier Inc				
EUR	50,000	7.250% due 15/11/16	45,000	0.01
Broadway Credit Card Trust				
CAD	1,200,000	5.234% due 17/06/11	800,959	0.16
Canada Housing Trust				
	1,300,000	4.800% due 15/06/12	901,585	0.18

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
USD	90,000	Canadian Pacific Railway 5.750% due 15/03/33.....	49,720	0.01
	185,000	5.950% due 15/05/37.....	107,809	0.02
CAD	100,000	Citigroup Finance Canada 5.500% due 21/05/13.....	61,337	0.01
	300,000	HSBC Finance Corp 3.470% due 03/05/12.....	195,670	0.04
USD	840,000	Kinder Morgan Finance Co 5.700% due 05/01/16.....	514,292	0.10
CAD	1,200,000	Ontario, Province of Canada 6.200% due 02/06/31.....	917,526	0.18
	1,800,000	4.700% due 02/06/37.....	1,141,729	0.22
	500,000	Quebec, Province of 5.000% due 01/12/38.....	324,342	0.06
USD	455,000	Rogers Communications Inc 7.500% due 15/08/38.....	322,808	0.06
CAD	915,000	Shaw Communications Inc 5.700% due 02/03/17.....	548,544	0.11
EUR	500,000	Toronto Dominion Bank 5.375% due 14/05/15.....	467,998	0.09
			<u>7,696,552</u>	<u>1.50</u>
		Cayman Islands (1.31%)		
USD	1,250,000	Blue City Investments Ltd 6.602% due 07/11/16.....	738,173	0.14
	1,490,000	Embraer Overseas Ltd 6.375% due 24/01/17.....	981,205	0.19
	700,000	Mizuho Finance (Cayman) Ltd 8.375% due 29/12/49.....	427,709	0.08
GBP	400,000	Norinchukin Finance (Cayman) Ltd 5.625% due 28/09/16.....	457,946	0.09
USD	575,000	Odebrecht Finance Ltd 7.500% due 18/10/17.....	372,513	0.07
	2,080,000	Petrobras International Finance 5.875% due 01/03/18.....	1,345,869	0.26
	2,200,000	Swire Pacific MTN Financing Ltd 6.250% due 18/04/18.....	1,485,317	0.29
	259,502	Systems 2001 Asset Trust LLC 6.664% due 15/09/13.....	180,892	0.04
	300,000	UOB Cayman Islands Ltd 5.796% due 15/03/16.....	194,848	0.04
	858,000	Vale Overseas Ltd 6.875% due 21/11/36.....	543,702	0.11
			<u>6,728,174</u>	<u>1.31</u>
		Colombia (0.19%)		
COP	2,830,000,000	Colombia, Republic of 12.000% due 22/10/15.....	966,446	0.19
		Finland (0.28%)		
EUR	1,500,000	Sampo Housing Loan Bank plc 2.500% due 23/09/10.....	1,434,933	0.28

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

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

Schedule of Investments - continued

30 September 2008

Principal Amount			Fair Value EUR	Fund %
France (2.56%)				
Alcatel				
	110,000	6.375% due 07/04/14	88,550	0.02
ASF				
	200,000	5.625% due 04/07/22	180,610	0.04
BNP Paribas Covered Bonds				
	500,000	4.750% due 28/05/13	492,941	0.10
Bouygues				
GBP	450,000	5.500% due 06/10/26	454,805	0.09
France Telecom				
EUR	1,100,000	7.250% due 28/01/13	1,144,049	0.22
	750,000	3.625% due 14/10/15	638,691	0.12
USD	700,000	8.500% due 01/03/31	540,653	0.11
France, Republic of				
EUR	1,067,787	3.150% due 25/07/32	1,224,004	0.24
	1,900,000	5.750% due 25/10/32	2,161,017	0.42
	500,000	4.750% due 25/04/35	499,526	0.10
	200,000	4.000% due 25/04/55	173,188	0.03
GCE Covered Bonds				
	1,000,000	5.250% due 17/09/10	999,730	0.20
Lafarge SA				
	400,000	5.375% due 26/06/17	332,369	0.06
	570,000	4.750% due 23/03/20	428,591	0.08
PPR				
	550,000	4.000% due 29/01/13	500,669	0.10
Société Générale				
USD	700,000	5.922% due 29/04/49	409,119	0.08
Veolia Environnement				
EUR	85,000	4.000% due 12/02/16	75,274	0.01
USD	100,000	6.000% due 01/06/18	68,266	0.01
EUR	620,000	5.125% due 24/05/22	543,369	0.11
Vivendi SA				
	300,000	3.875% due 15/02/12	277,246	0.05
USD	1,200,000	5.750% due 04/04/13	835,280	0.16
	100,000	6.625% due 04/04/18	68,527	0.01
Wendel Investissement				
EUR	400,000	4.875% due 26/05/16	279,679	0.05
	750,000	4.375% due 09/08/17	489,129	0.10
WPP Finance SA				
	300,000	5.250% due 30/01/15	266,235	0.05
			13,171,517	2.56
Germany (8.95%)				
Bertelsmann				
	1,515,000	3.625% due 06/10/15	1,285,071	0.25
Deutsche Bank AG				
USD	500,000	6.000% due 01/09/17	336,300	0.07
Germany, Federal Republic of				
EUR	3,620,000	4.000% due 13/04/12	3,653,103	0.71
	631,000	3.750% due 04/01/17	620,721	0.12
	6,110,000	6.250% due 04/01/24	7,262,981	1.41
	4,300,000	5.625% due 04/01/28	4,821,118	0.94

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

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

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
	750,000	4.750% due 04/07/28.....	761,243	0.15
	1,200,000	6.250% due 04/01/30.....	1,449,422	0.28
	300,000	5.500% due 04/01/31.....	333,228	0.06
	800,000	4.750% due 04/07/34.....	810,920	0.16
	9,406,000	4.000% due 04/01/37.....	8,509,953	1.66
	900,000	4.250% due 04/07/39.....	848,520	0.17
		Hypothekennank In Essen		
	4,933,000	3.000% due 28/09/09.....	4,849,402	0.94
		Kreditanstalt fur Wiederaufbau		
JPY	305,000,000	1.850% due 20/09/10.....	2,079,760	0.41
EUR	3,425,000	2.500% due 11/10/10.....	3,318,071	0.65
NZD	2,370,000	6.500% due 15/11/11.....	1,126,056	0.22
JPY	156,000,000	1.350% due 20/01/14.....	1,049,394	0.20
NZD	2,720,000	6.375% due 17/02/15.....	1,286,723	0.25
JPY	223,000,000	2.600% due 20/06/37.....	1,539,914	0.30
			<u>45,941,900</u>	<u>8.95</u>
		Hong Kong (0.22%)		
		Hong Kong & China Gas Co		
USD	1,630,000	6.250% due 07/08/18.....	1,118,540	0.22
		Hungary (1.30%)		
		Hungary, Republic of		
HUF	1,137,000,000	6.750% due 24/02/17.....	4,248,217	0.82
	673,000,000	6.500% due 24/06/19.....	2,453,628	0.48
			<u>6,701,845</u>	<u>1.30</u>
		Iceland (0.33%)		
		Iceland Housing Finance Fund		
ISK	85,605,257	3.750% due 15/04/34.....	579,516	0.11
	165,656,493	3.750% due 15/06/44.....	1,109,170	0.22
			<u>1,688,686</u>	<u>0.33</u>
		India (0.26%)		
		ICICI Bank Ltd		
USD	900,000	3.328% due 12/01/10.....	622,276	0.12
	1,450,000	6.375% due 30/04/22.....	712,514	0.14
			<u>1,334,790</u>	<u>0.26</u>
		Indonesia (0.19%)		
		Indonesia, Republic of		
	1,485,000	7.750% due 17/01/38.....	951,482	0.19
		Ireland (0.84%)		
		Lusitano Mortgages plc		
EUR	1,622,556	5.238% due 15/12/35.....	1,588,476	0.31
		SC Germany Auto 2006-1		
	1,600,000	4.645% due 10/07/19.....	1,527,703	0.30
		Talisman Finance Ltd		
	497,170	5.163% due 22/04/17.....	476,141	0.09
		TransCapitalInvest Ltd		
USD	700,000	8.700% due 07/08/18.....	446,089	0.09

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
	500,000	VIP Finance Ireland 9.125% due 30/04/18.....	259,495	0.05
			<u>4,297,904</u>	<u>0.84</u>
		Italy (2.92%)		
		F-E Green Srl		
EUR	553,176	5.152% due 30/10/18.....	534,053	0.10
		Intesa Sanpaolo SpA		
GBP	400,000	5.500% due 19/12/16.....	481,656	0.09
EUR	700,000	8.047% due 29/06/49.....	595,152	0.12
		Intesabci		
	843,551	5.245% due 28/08/23.....	819,282	0.16
		Italy, Republic of		
	11,000,000	4.500% due 01/05/09.....	11,024,420	2.15
		Siena Mortgages SpA		
	925,409	5.188% due 16/12/38.....	889,889	0.17
		Unicredito Italiano		
	800,000	3.950% due 01/02/16.....	673,920	0.13
			<u>15,018,372</u>	<u>2.92</u>
		Japan (10.67%)		
		Bank of Tokyo Mitsubishi UFJ		
	200,000	3.500% due 16/12/15.....	187,553	0.04
		Development Bank of Japan		
JPY	69,000,000	1.400% due 20/06/12.....	468,632	0.09
		Japan Finance for Municipal Enterprises		
	118,000,000	1.350% due 26/11/13.....	796,554	0.16
	490,000,000	1.900% due 22/06/18.....	3,368,667	0.66
		Japan, Government of		
	370,000,000	1.200% due 20/03/12.....	2,502,532	0.49
	207,000,000	1.500% due 20/03/12.....	1,414,883	0.28
	1,380,000,000	1.100% due 20/09/12.....	9,298,050	1.81
	270,000,000	1.600% due 20/09/13.....	1,860,099	0.36
	245,760,000	0.800% due 10/12/15.....	1,548,477	0.30
	305,000,000	0.800% due 10/03/16.....	1,918,462	0.37
	102,600,000	1.000% due 10/06/16.....	652,651	0.13
	2,338,605,000	1.100% due 10/12/16.....	14,913,783	2.90
	164,320,000	1.200% due 10/06/17.....	1,049,006	0.20
	71,470,000	1.200% due 10/12/17.....	455,060	0.09
	580,000,000	1.500% due 20/12/17.....	3,910,521	0.76
	660,400,000	1.400% due 10/06/18.....	4,262,440	0.83
	480,000,000	2.500% due 20/09/35.....	3,345,377	0.65
		Resona Bank Ltd		
USD	1,200,000	5.850% due 29/09/49.....	628,328	0.12
		Sumitomo Mitsui Banking		
EUR	900,000	4.375% due 27/10/14.....	882,363	0.17
JPY	200,000,000	1.700% due 31/12/49.....	1,347,377	0.26
			<u>54,810,815</u>	<u>10.67</u>
		Jersey, Channel Islands (0.23%)		
		HAUS		
EUR	98,079	3.400% due 10/12/37.....	97,286	0.02

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
	200,000	HBOS Capital Funding 4.939% due 29/05/49	120,838	0.02
	700,000	HSBC Capital Funding 5.369% due 24/12/49	582,927	0.12
	600,000	UBS AG 4.280% due 29/04/49	373,264	0.07
			<u>1,174,315</u>	<u>0.23</u>
		Korea, Republic of (0.50%)		
	300,000	Export Import Bank of Korea 5.750% due 22/05/13	270,432	0.05
USD	600,000	Korea Development Bank 4.750% due 20/07/09	427,177	0.08
JPY	80,000,000	National Agricultural Corp 0.995% due 21/05/09	536,403	0.11
USD	1,935,000	SK Telecom 6.625% due 20/07/27	1,352,304	0.26
			<u>2,586,316</u>	<u>0.50</u>
		Luxembourg (3.38%)		
		European Investment Bank		
AUD	2,320,000	5.375% due 24/01/11	1,286,080	0.25
USD	3,000,000	2.625% due 16/05/11	2,127,828	0.41
NZD	2,500,000	7.000% due 18/01/12	1,202,113	0.23
JPY	515,000,000	1.250% due 20/09/12	3,472,276	0.68
NZD	5,040,000	6.500% due 10/09/14	2,391,136	0.47
AUD	2,420,000	6.125% due 23/01/17	1,362,233	0.26
		Evraz Group		
USD	300,000	8.875% due 24/04/13	162,318	0.03
		Gaz Capital SA		
JPY	200,000,000	2.890% due 15/11/12	1,129,122	0.22
USD	300,000	7.343% due 11/04/13	193,287	0.04
	500,000	7.510% due 31/07/13	359,880	0.07
	200,000	8.146% due 11/04/18	124,586	0.02
		PSB Finance		
	75,000	9.625% due 23/05/12	37,711	0.01
		RSHB Capital SA		
	350,000	7.125% due 29/05/18	185,584	0.04
		Telecom Italia Capital		
	755,000	4.950% due 30/09/14	453,258	0.09
	370,000	6.375% due 15/11/33	191,974	0.04
		TMK Capital SA		
	200,000	10.000% due 29/07/11	119,784	0.02
		Tyco Electronics Group		
	1,000,000	5.950% due 15/01/14	714,431	0.14
		Tyco International Group		
	1,000,000	6.000% due 15/11/13	697,604	0.14
		VTB Capital SA		
EUR	1,300,000	8.250% due 30/06/11	1,121,900	0.22
			<u>17,333,105</u>	<u>3.38</u>

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
Mexico (2.75%)				
Axtel SAB de CV				
USD	610,000	7.625% due 01/02/17	386,154	0.08
United Mexican States				
MXN	45,290,000	7.500% due 03/06/27	2,657,544	0.52
	147,520,000	10.000% due 20/11/36	11,062,766	2.15
			<u>14,106,464</u>	<u>2.75</u>
Netherlands (1.09%)				
ABN Amro Bank NV				
EUR	200,000	4.310% due 28/02/49	119,391	0.02
Bite Finance International				
	570,000	8.448% due 15/03/14	427,500	0.08
Cemex Finance Europe BV				
	1,050,000	4.750% due 05/03/14	779,999	0.15
Clondalkin Acquisition BV				
	50,000	6.958% due 15/12/13	40,000	0.01
Delphinus 2002 I BV				
	289,086	5.213% due 25/04/92	288,132	0.06
Delphinus BV				
	483,845	5.325% due 25/06/66	477,555	0.09
Dutch MBS BV				
	133,221	5.208% due 02/11/35	132,588	0.02
	1,027,763	5.067% due 02/07/37	994,820	0.19
GMAC International Finance				
	750,000	5.750% due 21/05/10	497,084	0.10
Hermes Series II BV				
	144,151	5.227% due 18/04/12	143,260	0.03
Hermes Series V BV				
	101,029	5.227% due 18/10/34	99,444	0.02
Hermes Series VII BV				
	94,821	5.204% due 18/11/37	94,215	0.02
Koninklijke KPN NV				
USD	200,000	8.000% due 01/10/10	149,202	0.03
EUR	100,000	6.500% due 15/01/16	98,259	0.02
	450,000	4.750% due 17/01/17	391,174	0.08
Netherlands, Kingdom of				
	400,000	4.000% due 15/01/37	356,572	0.07
OI European Group BV				
	350,000	6.875% due 31/03/17	299,250	0.06
Swafe I BV				
	14,236	5.208% due 02/02/32	14,224	0.00
Wolters Kluwer NV				
	200,000	5.125% due 27/01/14	188,835	0.04
			<u>5,591,504</u>	<u>1.09</u>
New Zealand (2.51%)				
ANZ National International Ltd				
USD	1,000,000	6.200% due 19/07/13	706,731	0.14
Inter-American Development Bank				
NZD	2,720,000	6.000% due 15/12/17	1,249,803	0.24

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>			<u>Fair Value EUR</u>	<u>Fund %</u>
		New Zealand, Government of		
	4,870,000	6.500% due 15/04/13.....	2,401,040	0.47
	6,020,000	4.500% due 15/02/16.....	3,882,215	0.75
	9,590,000	6.000% due 15/12/17.....	4,660,676	0.91
			<u>12,900,465</u>	<u>2.51</u>
		Norway (2.43%)		
		DNB Nor Bank ASA		
GBP	200,000	6.012% due 29/03/49.....	197,087	0.04
		Norway, Kingdom of		
NOK	19,500,000	6.000% due 16/05/11.....	2,430,531	0.47
	39,960,000	6.500% due 15/05/13.....	5,232,925	1.02
	25,800,000	5.000% due 15/05/15.....	3,242,850	0.63
	11,510,000	4.250% due 19/05/17.....	1,387,699	0.27
			<u>12,491,092</u>	<u>2.43</u>
		Philippines (0.42%)		
		Asian Development Bank		
JPY	320,000,000	2.350% due 21/06/27.....	2,162,164	0.42
		Poland (2.91%)		
		Poland, Government of		
PLN	25,310,000	4.750% due 25/04/12.....	7,163,843	1.40
	20,820,000	6.250% due 24/10/15.....	6,257,637	1.22
	5,100,000	5.750% due 23/09/22.....	1,501,979	0.29
			<u>14,923,459</u>	<u>2.91</u>
		Qatar (0.15%)		
		Ras Laffan Liquefied Natural Gas Co Ltd		
USD	750,000	5.298% due 30/09/20.....	477,829	0.09
	500,000	5.838% due 30/09/27.....	306,895	0.06
			<u>784,724</u>	<u>0.15</u>
		South Africa (0.33%)		
		South Africa, Republic of		
ZAR	7,600,000	7.500% due 15/01/14.....	611,792	0.12
EUR	1,360,000	4.500% due 05/04/16.....	1,105,639	0.21
			<u>1,717,431</u>	<u>0.33</u>
		Spain (0.23%)		
		Instituto de Credito Oficial		
AUD	2,150,000	5.500% due 11/10/12.....	1,171,450	0.23
		Sweden (0.37%)		
		Stadshypotek AB		
SEK	4,000,000	6.000% due 15/06/11.....	414,205	0.08
		Swedbank Mortgage AB		
	15,000,000	4.000% due 15/06/11.....	1,466,936	0.29
			<u>1,881,141</u>	<u>0.37</u>
		Switzerland (0.78%)		
		Credit Suisse		
EUR	640,000	6.125% due 05/08/13.....	623,275	0.12
		Eurofima		
AUD	2,340,000	5.625% due 24/10/16.....	1,261,022	0.25

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	2,160,000	6.250% due 28/12/18.....	1,209,210	0.23
		UBS AG		
USD	600,000	5.875% due 20/12/17.....	379,278	0.07
	900,000	5.750% due 25/04/18.....	557,274	0.11
			<u>4,030,059</u>	<u>0.78</u>
		United Arab Emirates (0.56%)		
		Abu Dhabi National Energy		
	1,640,000	7.250% due 01/08/18.....	1,138,258	0.22
		DP World Ltd		
	3,300,000	6.850% due 02/07/37.....	1,739,357	0.34
			<u>2,877,615</u>	<u>0.56</u>
		United Kingdom (2.77%)		
		Barclays Bank plc		
	2,200,000	5.450% due 12/09/12.....	1,561,744	0.30
		Canara Bank		
	2,315,000	6.365% due 28/11/21.....	1,440,272	0.28
		Credit Suisse International		
	500,000	10.125% due 14/06/10.....	256,292	0.05
		FCE Bank plc		
EUR	350,000	7.125% due 15/01/13.....	239,602	0.05
		HBOS Treasury Services Plc		
USD	1,200,000	5.920% due 29/09/49.....	503,841	0.10
		HSBC Holdings plc		
	3,300,000	6.500% due 02/05/36.....	1,945,857	0.38
		Hutchison Whampoa		
GBP	450,000	5.625% due 24/11/26.....	440,137	0.09
		Imperial Tobacco Finance plc		
EUR	250,000	4.375% due 22/11/13.....	217,732	0.04
		Ineos Group Holdings		
	285,000	7.875% due 15/02/16.....	150,337	0.03
		Lloyds TSB Bank		
	700,000	4.385% due 29/05/49.....	447,879	0.09
		Pearson Dollar Finance		
USD	1,000,000	6.250% due 06/05/18.....	683,396	0.13
		Punch Taverns Finance		
GBP	200,000	6.639% due 15/10/32.....	197,654	0.04
		Rexam		
USD	1,445,000	6.750% due 01/06/13.....	1,025,928	0.20
		Smile		
EUR	14,163	5.324% due 22/11/27.....	14,116	0.00
		U.K. Treasury Stock		
GBP	50,000	4.750% due 07/06/10.....	64,203	0.01
	618,000	4.250% due 07/03/36.....	747,557	0.14
		United Kingdom, Government of		
	1,750,000	4.750% due 07/03/20.....	2,246,504	0.44
	800,000	4.250% due 07/06/32.....	957,711	0.19
	100,000	4.500% due 07/12/42.....	126,146	0.02
		Vodafone		
EUR	1,075,000	5.375% due 06/06/22.....	979,669	0.19
			<u>14,246,577</u>	<u>2.77</u>

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

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

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
		United States (63.33%)		
USD	887,571	ABFC 2006-HEI Trust 3.267% due 25/01/37	596,034	0.12
	312,345	ABFC 2006-Opt2 Trust 3.267% due 25/10/36	217,484	0.04
	371,084	ABSC Manufactured Housing Contract 5.019% due 16/04/30	252,268	0.05
	2,500,000	Access Group Inc 4.093% due 27/10/25	1,759,802	0.34
	1,696,490	Ace Securities Corp Home Equity Loan Trust 4.182% due 25/11/33	944,363	0.18
	78,647	3.387% due 25/11/35	55,621	0.01
	48,871	Adjustable Rate Mortgage Trust 3.537% due 25/05/35	22,368	0.00
	58,580	5.139% due 25/09/35	33,044	0.01
GBP	655,000	Ahold Finance USA 6.500% due 14/03/17	783,764	0.15
EUR	1,600,000	AIG 8.000% due 22/05/38	240,000	0.05
USD	15,000	Albertsons Inc 7.750% due 15/06/26	9,816	0.00
	855,000	6.625% due 01/06/28	493,160	0.10
	625,000	7.450% due 01/08/29	395,752	0.08
	1,642,218	Alliance & Leicester 3.447% due 25/07/37	705,155	0.14
	1,500,000	Allstate Life Global Funding II Trusts 3.461% due 21/05/10	1,062,187	0.21
	500,000	Allstate Life Global Funding Trusts 5.375% due 30/04/13	343,624	0.07
	800,000	American Express Bank FSB 3.489% due 26/04/10	528,538	0.10
	100,000	3.839% due 29/05/12	64,694	0.01
	1,100,000	5.500% due 16/04/13	716,725	0.14
	160,000	American Express Co 6.150% due 28/08/17	96,929	0.02
	900,000	American Express Credit Corp 3.986% due 02/03/09	627,267	0.12
	500,000	5.109% due 27/05/10	334,746	0.07
	56,000	2.738% due 15/09/11	39,665	0.01
	725,540	2.988% due 15/02/12	498,741	0.10
	300,000	3.549% due 24/02/12	180,500	0.04
	840,000	2.768% due 15/03/12	586,538	0.11
	587,000	2.738% due 16/04/12	408,914	0.08
GBP	1,100,000	6.625% due 24/09/12	1,304,433	0.25
USD	300,000	5.875% due 02/05/13	196,842	0.04
	1,500,000	American Express Issuance Trust 3.038% due 15/09/11	992,004	0.19
	56,076	American Home Mortgage Assets 3.397% due 25/05/46	25,668	0.00
	77,776	3.417% due 25/10/46	21,485	0.00

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	American Home Mortgage Investment Trust		
1,757,399	3.507% due 25/09/45	822,002	0.16
1,930,222	3.397% due 25/05/47	811,309	0.16
	American International Group Inc		
700,000	5.850% due 16/01/18	250,143	0.05
200,000	6.250% due 15/03/37	22,813	0.00
700,000	8.175% due 15/05/58	79,832	0.02
EUR	500,000 4.875% due 15/03/67	75,000	0.01
	AmeriCredit Automobile Receivables Trust		
USD	349,811 5.310% due 06/01/11	248,968	0.05
	Ameriquest Mortgage Securities Inc		
3,510,442	3.407% due 25/05/35	2,415,484	0.47
329,527	3.437% due 25/07/35	230,185	0.04
826,810	3.467% due 25/09/35	575,638	0.11
472,724	3.257% due 25/10/36	329,101	0.06
	Anadarko Petroleum Corp		
600,000	3.219% due 15/09/09	422,123	0.08
	Argent Securities Inc		
653,086	3.407% due 25/10/35	439,793	0.09
2,220,494	3.467% due 25/10/35	1,496,300	0.29
	BA Credit Card Trust		
450,000	2.718% due 15/03/12	304,637	0.06
	Badger Tob Asset Securitisation Corp		
400,000	6.375% due 01/06/32	269,408	0.05
	Banc America Funding 2006-J Trust		
81,183	6.129% due 20/01/47	39,077	0.01
	Banc of America Commercial Mortgage Inc		
1,545,175	4.772% due 11/07/43	1,076,982	0.21
	Bank of America		
1,600,000	5.650% due 01/05/18	959,433	0.19
	Bank of America Commercial Mortgage		
508,908	5.421% due 10/04/49	347,307	0.07
	Bank of America Commercial Mortgage Trust 2007-3		
650,000	5.838% due 10/06/49	393,264	0.08
	Bank of America Corp		
900,000	3.404% due 12/05/10	632,344	0.12
900,000	3.760% due 23/06/10	629,191	0.12
	Bank of America Credit Card Trust		
3,500,000	2.718% due 15/11/11	2,410,480	0.47
	Bank of America Funding Corp		
338,204	5.986% due 20/10/46	157,215	0.03
	Bank of America Mortgage Trust 2006-2		
144,523	6.000% due 25/07/46	97,405	0.02
	Bank One Issuance Trust		
933,000	2.808% due 15/03/12	648,102	0.13
	Bear Stearns Adjustable Rate Mortgage Trust		
316,288	4.750% due 25/10/35	221,110	0.04
	Bear Stearns Alt-A Trust		
332,821	5.577% due 25/11/35	176,776	0.03
	Bear Stearns Arm Trust		
62,200	4.487% due 25/08/33	42,492	0.01

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	72,947	4.644% due 25/10/33..... Bear Stearns ARM Trust	49,980	0.01
	46,110	4.630% due 25/05/34..... Bear Stearns Arm Trust	31,513	0.01
	826,138	4.125% due 25/03/35.....	546,307	0.11
	373,455	4.125% due 25/03/35.....	254,396	0.05
	545,292	4.150% due 25/08/35..... Bear Stearns Companies Inc	365,607	0.07
	4,400,000	7.250% due 01/02/18..... Bear Stearns Mortgage Funding Trust	3,014,594	0.59
	1,978,797	3.367% due 25/12/46..... Biogen Idec Inc	865,765	0.17
	1,400,000	6.000% due 01/03/13..... Bristol-Myers Squibb	984,133	0.19
EUR	550,000	4.625% due 15/11/21..... Buckeye Technologies Inc	466,248	0.09
USD	400,000	5.875% due 01/06/47..... California State Public Works Board	215,296	0.04
	100,000	5.000% due 01/04/23..... California Statewide Financing Authority	69,120	0.01
	90,000	5.625% due 01/05/29..... Carmax Auto Owner Trust	54,458	0.01
	1,131,738	3.188% due 15/04/11..... Caterpillar Financial Asset Trust	797,816	0.16
	580,121	5.570% due 25/05/10..... Caterpillar Financial Services	414,490	0.08
	1,200,000	4.001% due 25/06/10.....	829,409	0.16
	1,100,000	4.226% due 24/06/11..... Charter One Bank NA	754,013	0.15
	1,750,000	2.845% due 24/04/09..... Chase Credit Card Master Trust	1,243,147	0.24
	400,000	3.288% due 15/02/11..... Chase Credit Card Owner Trust	284,226	0.06
	628,000	2.838% due 15/02/11.....	446,573	0.09
	699,000	2.938% due 15/09/11..... Chase Issuance Trust	491,719	0.10
	550,000	2.718% due 15/06/11.....	381,854	0.07
	500,000	2.958% due 15/06/12.....	339,343	0.07
	1,254,000	2.588% due 15/10/12.....	828,050	0.16
	560,000	2.828% due 15/11/12.....	354,968	0.07
	3,000,000	2.858% due 15/11/12.....	1,957,933	0.38
	1,359,000	2.638% due 15/04/13..... Chesapeake Energy Corp	878,123	0.17
	450,000	7.625% due 15/07/13.....	305,948	0.06
	180,000	6.500% due 15/08/17.....	112,128	0.02
	1,140,000	6.875% due 15/11/20..... CHL Mortgage Pass Through Trust	693,909	0.13
	44,935	6.250% due 25/09/36.....	24,803	0.00
	96,004	6.250% due 25/10/36..... Chrysler Financial Co	52,072	0.01
	1,588,000	5.000% due 03/08/12.....	808,196	0.16

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	770,562	CIT Equipment Collateral Trust 5.070% due 20/02/10.....	549,095	0.11
		CIT Group		
EUR	300,000	4.250% due 22/09/11.....	169,107	0.03
	150,000	3.800% due 14/11/12.....	82,299	0.02
GBP	1,200,000	5.500% due 01/12/14.....	857,141	0.17
EUR	150,000	4.250% due 17/03/15.....	79,368	0.02
	150,000	4.650% due 19/09/16.....	78,035	0.02
GBP	550,000	5.500% due 20/12/16.....	381,701	0.07
		Citibank Credit Card Issuance Trust		
EUR	1,000,000	5.375% due 11/04/11.....	969,001	0.19
USD	2,800,000	2.707% due 09/01/12.....	1,867,774	0.36
		Citicorp Mortgage Securities Trust		
	93,458	6.000% due 25/06/36.....	60,982	0.01
		Citigroup Commercial Mortgage Trust		
	300,000	5.889% due 10/12/49.....	182,051	0.04
		Citigroup Funding		
	1,400,000	3.852% due 07/05/10.....	939,856	0.18
		Citigroup Inc		
	3,200,000	5.500% due 11/04/13.....	1,988,506	0.39
	3,030,000	5.000% due 15/09/14.....	1,653,890	0.32
	1,000,000	6.125% due 15/05/18.....	589,473	0.11
		Citigroup Mortgage Loan Trust		
	163,339	4.663% due 25/03/34.....	110,375	0.02
	352,809	4.248% due 25/08/35.....	239,225	0.05
	290,912	4.748% due 25/08/35.....	196,798	0.04
	711,542	3.247% due 25/09/36.....	499,185	0.10
	90,372	6.014% due 25/09/37.....	44,863	0.01
		Citizens Communications Co		
	250,000	6.250% due 15/01/13.....	166,634	0.03
USD	365,000	6.625% due 15/03/15.....	215,676	0.04
	695,000	7.125% due 15/03/19.....	393,354	0.08
	80,000	9.000% due 15/08/31.....	43,570	0.01
		City of San Antonio TX		
	800,000	4.500% due 15/05/32.....	468,097	0.09
		CMS Energy Corp		
	800,000	3.741% due 15/01/13.....	501,192	0.10
		CNH Equipment Trust		
	335,636	5.200% due 15/06/10.....	239,581	0.05
		Comcast Cable Communications		
	255,000	6.750% due 30/01/11.....	184,135	0.04
		Comcast Corp		
	500,000	5.300% due 15/01/14.....	326,263	0.06
	800,000	5.875% due 15/02/18.....	507,817	0.10
		Community Health Systems Inc		
	600,000	8.875% due 15/07/15.....	405,795	0.08
		Consolidated Edison of New York		
	400,000	5.850% due 01/04/18.....	270,356	0.05
		Corning Inc		
	1,710,000	7.250% due 15/08/36.....	1,079,174	0.21

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Countrywide Alternative Loan Trust		
99,812	5.250% due 25/06/35.....	58,720	0.01
648,400	3.537% due 20/11/35.....	294,456	0.06
85,158	4.355% due 25/11/35.....	39,850	0.01
42,579	4.895% due 25/11/35.....	20,255	0.00
173,656	6.000% due 25/04/37.....	77,130	0.01
86,884	6.250% due 25/08/37.....	37,205	0.01
69,543	3.398% due 20/07/46.....	30,446	0.01
77,499	3.383% due 20/12/46.....	33,514	0.01
	Countrywide Asset-Backed Certificates		
303,177	3.547% due 25/12/36.....	155,032	0.03
	Credit Suisse First Boston Mortgage Securities Trust		
56,313	7.393% due 25/11/32.....	36,823	0.01
	Credit Suisse Mortgage Capital Certificates		
91,592	6.500% due 26/07/36.....	51,769	0.01
	CSX Corp		
160,000	5.600% due 01/05/17.....	99,212	0.02
395,000	6.250% due 15/03/18.....	254,520	0.05
1,024,000	6.000% due 01/10/36.....	554,035	0.11
	CWABS Inc		
1,097,519	3.417% due 25/08/35.....	755,414	0.15
	CWALT Inc		
139,538	5.500% due 25/03/35.....	88,501	0.02
	CWMBS Inc		
152,901	5.500% due 25/07/33.....	106,711	0.02
33,841	4.723% due 25/08/34.....	19,040	0.00
156,709	5.250% due 25/01/35.....	108,199	0.02
77,562	6.250% due 25/09/36.....	53,551	0.01
44,495	6.250% due 25/09/36.....	28,375	0.01
1,334,378	3.498% due 20/03/46.....	391,236	0.08
	Cytec Industries		
1,000,000	6.000% due 01/10/15.....	689,824	0.13
	Delta Airlines Inc		
1,173,345	6.821% due 10/08/22.....	689,146	0.13
383,580	8.021% due 10/08/22.....	191,155	0.04
	Dex Media West LLC		
1,250,000	9.875% due 15/08/13.....	551,739	0.11
	DSL A Mortgage Loan Trust		
1,999,351	3.210% due 19/04/48.....	537,798	0.10
	Edison Mission Energy		
500,000	7.625% due 15/05/27.....	288,328	0.06
	Embarq Corp		
175,000	7.995% due 01/06/36.....	89,093	0.02
	Energy Transfer Partners		
485,000	6.700% due 01/07/18.....	327,283	0.06
	Erac USA Finance		
600,000	5.800% due 15/10/12.....	388,227	0.08
1,652,000	6.375% due 15/10/17.....	934,790	0.18
810,000	7.000% due 15/10/37.....	406,146	0.08
	Exelon		
1,000,000	4.900% due 15/06/15.....	626,875	0.12

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Fannie Mae Pool		
514,547	5.500% due 01/11/26.....	367,123	0.07
786,002	5.500% due 01/12/26.....	560,803	0.11
364,608	5.500% due 01/06/27.....	260,085	0.05
28,108	5.500% due 01/08/27.....	20,050	0.00
167,684	5.500% due 01/10/27.....	119,613	0.02
1	5.500% due 01/04/37.....	1	0.00
1,000,000	5.500% due 01/12/99.....	708,584	0.14
	Federal Home Loan Mortgage Corp		
152,406	2.838% due 15/12/30.....	106,845	0.02
665,782	6.000% due 15/04/32.....	69,337	0.01
116,630	5.819% due 01/04/37.....	83,329	0.02
1,290,572	5.854% due 01/04/37.....	934,920	0.18
1,525,000	5.500% due 01/12/99.....	1,092,465	0.21
	Federal Home Loan PC Pool J00866		
330,429	5.500% due 01/01/21.....	237,410	0.05
	Federal Home Loan Pool B18471		
640,786	5.500% due 01/05/20.....	460,398	0.09
	Federal Home Loan Pool G08247		
583,673	6.500% due 01/01/38.....	426,543	0.08
	Federal Home Loan Pool G10867		
236,983	5.156% due 01/08/35.....	169,905	0.03
	Federal Home Loan Pool G18107		
598,604	6.000% due 01/03/21.....	434,069	0.08
	Federal National Mortgage Association		
1,152,238	6.000% due 25/06/33.....	186,171	0.04
336,423	3.327% due 25/03/34.....	231,127	0.04
1,087,906	4.668% due 25/05/35.....	798,137	0.16
1,003,015	3.267% due 25/12/36.....	686,989	0.13
99,985	6.500% due 01/08/37.....	73,058	0.01
66,471	6.000% due 25/04/43.....	48,064	0.01
99,513	6.000% due 25/02/44.....	71,922	0.01
496,088	6.000% due 25/07/44.....	357,887	0.07
3,000,000	5.000% due 01/12/99.....	2,077,696	0.40
	Federal National Mortgage Association Guaranteed		
129,821	3.857% due 25/09/23.....	91,949	0.02
721,326	3.557% due 25/09/42.....	504,717	0.10
	FHLMC TBA Oct 30 Gold Single		
16,600,000	5.500% due 01/12/99.....	11,755,112	2.29
	First Franklin Mortgage Loan Asset Backed Certificates		
882,765	3.477% due 25/09/35.....	615,093	0.12
	First Franklin Mortgage Loan Trust		
36,641	3.427% due 25/05/35.....	26,009	0.01
	First Horizon Mortgage Pass Through Trust		
67,942	4.593% due 25/12/33.....	45,439	0.01
57,616	5.357% due 25/08/35.....	35,422	0.01
	FNMA Pool 127597		
105,569	7.500% due 01/12/31.....	81,104	0.02
	FNMA Pool 252381		
35,396	5.500% due 01/04/14.....	25,676	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
124,406	FNMA Pool 254528 8.000% due 01/09/32.....	95,866	0.02
983,181	FNMA Pool 255412 6.000% due 01/10/34.....	711,188	0.14
24,612	FNMA Pool 431329 5.500% due 01/09/13.....	17,848	0.00
25,831	FNMA Pool 433782 5.500% due 01/08/13.....	18,731	0.00
25,420	FNMA Pool 455230 5.500% due 01/09/13.....	18,434	0.00
51,257	FNMA Pool 495098 7.500% due 01/05/29.....	39,489	0.01
81,654	FNMA Pool 500316 7.500% due 01/06/29.....	62,907	0.01
162,335	FNMA Pool 560852 8.000% due 01/01/31.....	125,199	0.02
207,921	FNMA Pool 567042 8.000% due 01/12/30.....	160,357	0.03
120,862	FNMA Pool 604949 7.500% due 01/10/31.....	92,853	0.02
84,690	FNMA Pool 616461 7.500% due 01/12/31.....	65,064	0.01
307,190	FNMA Pool 703443 5.000% due 01/05/18.....	219,415	0.04
37,098	FNMA Pool 709360 5.000% due 01/07/18.....	26,498	0.01
574,513	FNMA Pool 735061 6.000% due 01/11/34.....	415,577	0.08
690,109	FNMA Pool 735502 6.000% due 01/04/35.....	499,194	0.10
321,921	FNMA Pool 745112 6.500% due 01/10/35.....	235,943	0.05
173,016	FNMA Pool 745122 5.500% due 01/09/20.....	124,849	0.02
125,037	FNMA Pool 793180 5.500% due 01/07/19.....	90,228	0.02
429,616	FNMA Pool 800171 4.942% due 01/12/34.....	309,777	0.06
1,261,665	FNMA Pool 805413 5.500% due 01/01/35.....	897,517	0.17
3,407,419	FNMA Pool 835755 5.000% due 01/08/35.....	2,367,534	0.46
532,066	FNMA Pool 845497 6.000% due 01/06/21.....	386,309	0.07
363,254	FNMA Pool 869093 6.500% due 01/03/33.....	267,529	0.05
2,273,271	FNMA Pool 942283 6.000% due 01/08/37.....	1,641,004	0.32
3,600,000	FNMA TBA Oct 15 Single Family 5.000% due 01/12/99.....	2,544,493	0.50
1,385,000	6.000% due 01/12/99.....	1,004,191	0.20

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
USD	20,000,000	6.500% due 01/12/99	14,598,823	2.84
		FNMA TBA Oct 30 Single Family		
	9,000,000	5.000% due 01/12/99	6,243,102	1.22
	35,165,000	5.500% due 01/12/99	24,964,304	4.86
	37,250,000	6.000% due 01/12/99	26,858,819	5.23
		FNMA, Pool 735228		
	2,038,273	5.500% due 01/02/35	1,449,976	0.28
		FNMA, Pool 745093		
	4,594,888	5.500% due 01/12/35	3,266,644	0.64
		FNMA, Pool 745418		
	1,940,579	5.500% due 01/04/36	1,379,616	0.27
		FNMA, Pool 823358		
	1,004,991	6.061% due 01/02/35	719,493	0.14
		FNMA, Pool 841068		
	1,255,060	1.000% due 01/11/34	900,435	0.18
		FNMA, Pool 928381		
	1,432,941	5.500% due 01/06/37	1,018,185	0.20
		Ford Credit Auto Owner Trust		
	1,000,000	3.388% due 15/01/11	704,353	0.14
	800,000	3.908% due 15/06/12	554,769	0.11
		Ford Motor Co		
	985,000	1.000% due 29/11/13	485,506	0.09
		FPL Group Capital		
	400,000	3.696% due 17/06/11	289,874	0.06
		Freddie Mac Gold Pool		
	748,229	4.500% due 01/02/18	525,284	0.10
		Freddie Mac REMICS		
	1,025,844	4.500% due 15/02/17	732,596	0.14
		GE Capital Commercial Mortgage Corp		
	2,165,722	4.229% due 10/12/37	1,506,516	0.29
		GE Capital Credit Card Master Note Trust		
	504,000	2.788% due 15/06/13	329,702	0.06
		General Electric Capital		
	250,000	6.750% due 15/03/32	148,558	0.03
		General Electric Capital Corp		
JPY	87,000,000	1.450% due 10/11/11	524,131	0.10
	149,100,000	1.000% due 21/03/12	906,549	0.18
USD	1,300,000	5.875% due 14/01/38	682,323	0.13
		General Mills		
	1,900,000	2.921% due 22/01/10	1,334,075	0.26
		General Motors Acceptance Corp		
	500,000	6.875% due 15/09/11	158,825	0.03
		Georgia Pacific Corp		
	1,540,000	7.125% due 15/01/17	978,500	0.19
		GNMA I TBA Oct 30 Single Family		
	26,500,000	6.000% due 01/12/99	19,143,009	3.73
		GNMA I Pool TBA OCT 30 Single Family		
	5,000,000	6.500% due 01/12/99	3,643,035	0.71
		GNMA II Pool 003556		
	160,641	5.500% due 20/05/34	114,264	0.02

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

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

Schedule of Investments - continued

30 September 2008

	Principal Amount		Fair Value EUR	Fund %
	161,918	GNMA II Pool 003678 5.500% due 20/02/35.....	115,143	0.02
	808,582	GNMA II Pool 004006 6.000% due 20/07/37.....	584,071	0.11
	32,783	GNMA II POOL 008971 5.625% due 20/09/26.....	23,627	0.00
	28,819	GNMA II, Pool 008699 5.625% due 20/09/25.....	20,763	0.00
	121,529	GNMA Pool 003637 5.500% due 20/11/34.....	86,444	0.02
	360,230	GNMA Pool 003819 5.500% due 20/02/36.....	256,109	0.05
	75,000	Goldman Sachs Group Inc 5.150% due 15/01/14.....	43,852	0.01
	135,000	5.000% due 01/10/14.....	80,162	0.02
EUR	1,400,000	5.314% due 23/05/16.....	993,381	0.19
USD	1,000,000	5.625% due 15/01/17.....	505,312	0.10
	500,000	5.950% due 18/01/18.....	293,655	0.06
	600,000	6.150% due 01/04/18.....	355,183	0.07
GBP	550,000	7.250% due 10/04/28.....	575,989	0.11
	2,045,675	Greenpoint Mortgage Funding Trust 3.387% due 25/01/37.....	880,337	0.17
	1,852	Greenwich Capital Acceptance Inc 7.061% due 25/06/24.....	1,308	0.00
	1,500,000	Greenwich Capital Commercial Funding Corp 5.444% due 10/03/39.....	902,479	0.18
	16,401	GS Mortgage Securities Corp 6.000% due 25/03/32.....	11,417	0.00
	2,137,982	4.539% due 25/09/35.....	1,300,186	0.25
	85,995	GSR Mortgage Loan Trust 4.511% due 25/03/33.....	57,710	0.01
	668,222	5.178% due 25/01/36.....	417,230	0.08
	665,000	Hanesbrands Inc 6.508% due 15/12/14.....	392,945	0.08
	132,492	Harborview Mortgage Loan Trust 5.150% due 19/05/33.....	88,583	0.02
	205,282	3.705% due 19/12/36.....	80,521	0.02
	1,401,536	3.210% due 19/04/38.....	384,462	0.07
	2,066,010	3.230% due 19/09/46.....	890,737	0.17
	1,899,841	3.180% due 25/01/47.....	822,129	0.16
	470,000	HCA Inc 5.750% due 15/03/14.....	260,990	0.05
	200,000	6.375% due 15/01/15.....	112,128	0.02
	410,000	6.500% due 15/02/16.....	231,321	0.04
	180,000	7.690% due 15/06/25.....	95,243	0.02
	75,000	7.580% due 15/09/25.....	39,337	0.01
	400,000	Health Care REIT 5.875% due 15/05/15.....	250,656	0.05
	1,150,197	HFC Home Equity Loan Asset Backed Certificates 3.271% due 20/11/36.....	786,851	0.15

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>	
805,000	Hilcorp Energy 7.750% due 01/11/15	492,863	0.10	
835,000	Home Depot Inc 5.875% due 16/12/36	417,885	0.08	
113,293	Home Equity Mortgage Trust 5.500% due 25/01/37	19,284	0.00	
1,240,000	Host Hotels & Resorts LP 6.875% due 01/11/14	763,606	0.15	
433,866	Household Automotive Trust 5.610% due 17/08/11	306,096	0.06	
448,000	Household Credit Card Master Note Trust I 2.628% due 15/06/12	301,953	0.06	
500,000	Household Finance Corp 4.750% due 15/07/13	320,252	0.06	
2,273,721	HSBC Bank USA National Association 1.000% due 28/11/11	1,061,874	0.21	
1,250,000	Huntington Auto Trust 3.488% due 15/11/10	878,777	0.17	
750,000	Huntsman LLC 11.500% due 15/07/12	544,620	0.11	
31,664	Indymac MBS Inc 5.048% due 25/12/34	18,378	0.00	
1,000,000	International Business Machines 5.700% due 14/09/17	689,622	0.13	
85,000	International Paper Co 5.850% due 30/10/12	57,648	0.01	
805,000	7.950% due 15/06/18	563,131	0.11	
700,000	Iron Mountain Inc 8.625% due 01/04/13	490,870	0.10	
200,377	JP Morgan Alternative Loan Trust 5.550% due 25/10/36	111,364	0.02	
400,000	JP Morgan Chase & Co 6.000% due 15/01/18	259,672	0.05	
1,100,000	JP Morgan Chase Capital XXII 6.450% due 02/02/37	567,399	0.11	
400,000	JP Morgan Chase Commercial Mortgage Securities Trust 5.429% due 12/12/43	247,345	0.05	
175,000	6.007% due 15/06/49	106,601	0.02	
46,816	JP Morgan Mortgage Trust 3.257% due 25/07/30	33,201	0.01	
58,470	4.376% due 25/11/33	40,532	0.01	
189,489	5.021% due 25/02/35	117,400	0.02	
EUR	800,000	JPMorgan Chase & Co 4.625% due 31/01/11	764,382	0.15
USD	1,080,000	Kla-Tencor Corp 6.900% due 01/05/18	714,900	0.14
1,050,000	Kraft Foods Inc 6.875% due 01/02/38	688,183	0.13	
700,000	Kroger Co 5.500% due 01/02/13	485,048	0.09	

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
		L3 Communications Corp		
	50,000	6.125% due 15/07/13.....	33,104	0.01
	45,000	6.125% due 15/01/14.....	29,634	0.01
	330,000	5.875% due 15/01/15.....	212,615	0.04
		LB Commercial Mortgage Trust		
	625,000	6.136% due 15/07/44.....	387,017	0.08
		Lehman Brothers Holdings Inc		
	400,000	2.951% due 25/05/10.....	35,596	0.01
	400,000	6.200% due 26/09/14.....	35,596	0.01
	660,000	5.750% due 03/01/17.....	587	0.00
	2,000,000	6.500% due 19/07/17.....	1,780	0.00
GBP	600,000	7.875% due 08/05/18.....	92,849	0.02
USD	300,000	7.500% due 11/05/38.....	267	0.00
		Level 3 Financing		
	65,000	8.750% due 15/02/17.....	33,549	0.01
		Long Beach Community College District/CA		
	800,000	5.000% due 01/05/32.....	526,628	0.10
		Long Beach Mortgage Loan Trust		
	852,174	4.452% due 25/11/32.....	481,161	0.09
	992,422	4.332% due 25/07/33.....	544,375	0.11
	371,893	3.477% due 25/08/35.....	259,676	0.05
	1,423,983	3.347% due 25/11/35.....	1,005,097	0.20
	831,673	3.487% due 25/08/45.....	571,321	0.11
		Lower Colorado River Authority		
	100,000	5.000% due 15/05/23.....	68,964	0.01
		Lucent Technologies Inc		
	50,000	6.500% due 15/01/28.....	21,714	0.00
	1,595,000	6.450% due 15/03/29.....	692,664	0.13
		Luminent Mortgage Trust		
	1,582,064	3.487% due 25/02/46.....	455,426	0.09
	873,839	3.407% due 25/10/46.....	385,189	0.07
		Mandalay Resort Group		
	900,000	6.500% due 31/07/09.....	608,692	0.12
		Mantis Reef Ltd		
	705,000	4.692% due 14/11/08.....	501,623	0.10
		Marfrig Overseas Ltd		
	1,560,000	9.625% due 16/11/16.....	888,477	0.17
		Marsh & McLennan Companies Inc		
	1,000,000	5.375% due 15/07/14.....	659,269	0.13
	2,000,000	5.750% due 15/09/15.....	1,334,695	0.26
		Master Adjustable Rate Mortgages Trust		
	58,583	4.128% due 25/07/34.....	40,266	0.01
		Master Asset Backed Securities Trust		
	345,412	3.527% due 25/05/35.....	245,012	0.05
		Master Asset Securitisation Trust		
	129,724	5.500% due 25/11/17.....	89,553	0.02
		MBNA Credit Card Master Note Trust		
EUR	2,240,000	4.150% due 19/04/10.....	2,182,704	0.42
USD	332,000	2.758% due 15/03/11.....	236,096	0.05
		Medco Health Solutions		
	1,170,000	7.125% due 15/03/18.....	844,028	0.16

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
		Merrill Lynch		
	250,000	6.000% due 17/02/09.....	172,756	0.03
	600,000	6.110% due 29/01/37.....	296,536	0.06
		Merrill Lynch & Co Inc		
	900,000	2.839% due 23/10/08.....	640,332	0.12
	100,000	2.894% due 14/08/09.....	68,658	0.01
	1,200,000	5.054% due 12/05/10.....	824,028	0.16
	3,080,000	6.875% due 25/04/18.....	1,940,006	0.38
GBP	200,000	7.750% due 30/04/18.....	235,654	0.05
USD	600,000	6.156% due 12/08/49.....	370,839	0.07
		Merrill Lynch Mortgage Investment Trust		
	475,736	4.353% due 25/10/35.....	316,013	0.06
	81,823	3.457% due 25/08/36.....	40,194	0.01
		Morgan Stanley ABS Capital I Inc		
	948,851	4.257% due 25/09/33.....	459,975	0.09
		Morgan Stanley Capital I Inc		
	700,000	5.560% due 12/03/44.....	444,759	0.09
		Morgan Stanley Inc		
	1,100,000	4.904% due 14/05/10.....	571,705	0.11
GBP	954,000	5.375% due 14/11/13.....	892,310	0.17
USD	470,000	4.750% due 01/04/14.....	177,371	0.03
	3,400,000	6.000% due 28/04/15.....	1,646,511	0.32
		Motorola Inc		
	830,000	6.625% due 15/11/37.....	430,730	0.08
		National Rural Utilities Cooperative Finance		
	300,000	4.658% due 01/07/10.....	213,558	0.04
		News America Inc		
	1,115,000	6.150% due 01/03/37.....	647,200	0.13
		NGPL Pipe Co LLC		
	1,215,000	6.514% due 15/12/12.....	866,385	0.17
	700,000	7.119% due 15/12/17.....	472,993	0.09
	100,000	7.768% due 15/12/37.....	69,812	0.01
		Nisource Finance Corp		
	985,000	6.400% due 15/03/18.....	628,446	0.12
		Nomura Asset Acceptance Corp		
	502,028	5.050% due 25/10/35.....	268,374	0.05
		Nordstrom Inc		
	1,000,000	6.250% due 15/01/18.....	662,960	0.13
		Option One Mortgage Loan Trust		
	703,038	3.537% due 25/05/35.....	489,669	0.10
	170,819	3.457% due 25/08/35.....	121,114	0.02
	165,744	3.467% due 25/11/35.....	108,276	0.02
		Owens & Minor Inc		
	1,265,000	6.350% due 15/04/16.....	876,923	0.17
		Panama Canal Railway Co		
	300,000	7.000% due 01/11/26.....	179,404	0.03
		PPG Industries Inc		
	1,000,000	6.650% due 15/03/18.....	703,070	0.14
		Pricoa Global Funding I		
	2,100,000	3.606% due 26/06/12.....	1,435,650	0.28
	400,000	3.969% due 27/09/13.....	267,405	0.05

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	1,489,000	Progress Energy 7.750% due 01/03/31	1,088,725	0.21
	100,000	Puerto Rico Sales 0.000% due 01/08/54	3,729	0.00
	310,000	Qwest Capital Funding Inc 7.250% due 15/02/11	206,350	0.04
	280,000	6.500% due 15/11/18	145,018	0.03
	840,000	6.875% due 15/07/28	415,619	0.08
	265,000	7.750% due 15/02/31	137,721	0.03
	200,000	Qwest Corp 5.625% due 15/11/08	140,960	0.03
	500,000	Rabobank Capital Funding III Trust 5.254% due 29/12/49	306,818	0.06
	87,793	Rali Series Trust 6.000% due 25/04/36	38,243	0.01
	2,765,026	3.407% due 25/05/47	1,218,466	0.24
EUR	800,000	RBS Capital Trust 4.243% due 29/12/49	517,566	0.10
USD	100,000	Regional Transportation Authority 5.750% due 01/06/14	77,896	0.02
	94,899	Residential Accredit Loans Inc 4.600% due 25/04/34	60,162	0.01
	66,452	4.750% due 25/04/34	42,302	0.01
	276,714	Residential Asset Securities Corp 3.477% due 25/07/35	185,547	0.04
	344,307	3.327% due 25/04/36	242,034	0.05
	921,216	6.250% due 25/09/37	536,646	0.10
	217,416	Residential Asset Securitization Trust 3.607% due 25/01/46	96,000	0.02
	85,029	Residential Funding Mortgage Securities I 6.500% due 25/03/32	57,223	0.01
	68,797	5.207% due 25/09/35	42,078	0.01
	20,380	Residential Funding Mortgage Securities II 3.317% due 25/02/36	14,423	0.00
	1,000,000	Reynolds American Inc 7.250% due 01/06/13	731,572	0.14
	1,415,000	6.750% due 15/06/17	941,295	0.18
	155,000	RH Donnelley Corp 6.875% due 15/01/13	43,036	0.01
	2,000,000	Ryder System Inc 6.000% due 01/03/13	1,359,096	0.26
	1,195,000	Sappi Papier Holdings AG 7.500% due 15/06/32	600,816	0.12
	1,485,693	Saxon Asset Securities Trust 3.457% due 25/11/37	1,013,496	0.20
	309,668	2.659% due 25/10/46	215,662	0.04
	1,000,000	SBC Communications Inc 4.125% due 15/09/09	706,298	0.14
	449,016	Securitized Asset Backed Receivables 3.407% due 25/10/35	315,456	0.06
	1,114,543	3.507% due 25/10/35	746,248	0.15

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

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

Schedule of Investments - continued

30 September 2008

<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
664,254	Sequoia Mortgage Trust 3.538% due 20/07/33	390,667	0.08
205,000	SLM Corp 4.000% due 15/01/10	114,566	0.02
35,000	5.400% due 25/10/11	17,442	0.00
325,000	5.375% due 15/01/13	151,550	0.03
1,310,000	5.000% due 01/10/13	578,222	0.11
25,000	5.375% due 15/05/14	11,035	0.00
500,000	8.450% due 15/06/18	242,053	0.05
187,865	Small Business Administration Participation Certificates 6.640% due 01/02/11	136,848	0.03
315,534	6.344% due 01/08/11	228,928	0.04
1,577,309	6.290% due 01/01/21	1,151,359	0.22
339,050	5.090% due 01/10/25	237,390	0.05
1,982,200	Soundview Home Loan Trust 3.467% due 25/12/35	1,310,337	0.25
1,614,399	3.437% due 25/03/36	1,133,283	0.22
185,213	3.327% due 25/05/36	130,771	0.03
1,458,235	Specialty Underwriting & Residential Finance Mortgage 3.437% due 25/09/36	965,131	0.19
124,309	Specialty Underwriting & Residential Finance Trust 3.247% due 25/06/37	88,004	0.02
1,554,000	Sprint Nextel Corp 6.000% due 01/12/16	851,870	0.17
300,000	Stone Energy Corp 8.250% due 15/12/11	198,626	0.04
1,948,380	Structured Asset Investment Loan Trust 3.887% due 25/01/33	1,225,531	0.24
369,887	3.447% due 25/07/35	262,745	0.05
1,650,707	3.397% due 25/08/35	1,158,097	0.23
727,844	3.247% due 25/09/36	507,803	0.10
80,713	Structured Asset Mortgage Investments 3.397% due 25/07/46	35,354	0.01
269,463	Structured Asset Mortgage Investments II 3.380% due 19/03/34	172,458	0.03
400,000	Structured Asset Mortgage Investments II Inc 3.427% due 25/09/47	78,557	0.02
61,014	Structured Asset Securities Corp 4.180% due 25/02/34	37,286	0.01
128,703	4.590% due 25/04/34	81,810	0.02
450,000	Supervalu Inc 7.500% due 15/11/14	310,754	0.06
698,694	TBW Mortgage Backed Trust 3.317% due 25/01/37	471,969	0.09
725,000	Tesoro Corp 6.500% due 01/06/17	412,914	0.08
800,000	Time Warner Inc 5.850% due 01/05/17	501,784	0.10
1,495,000	6.500% due 15/11/36	808,256	0.16
360,000	Tobacco Settlement Authority of Iowa 6.500% due 01/06/23	219,565	0.04

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

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

Schedule of Investments - continued

30 September 2008

	<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
		Tobacco Settlement Funding Corp		
	710,000	5.250% due 01/06/13.....	506,116	0.10
	200,000	5.500% due 01/06/17.....	145,622	0.03
	95,000	6.000% due 01/06/23.....	64,683	0.01
	100,000	5.875% due 15/05/39.....	61,047	0.01
		Triad Auto Receivables Owner Trust		
	595,594	5.350% due 14/03/11.....	422,564	0.08
		TXU Corp		
	125,000	5.550% due 15/11/14.....	66,410	0.01
	1,210,000	6.500% due 15/11/24.....	548,621	0.11
	510,000	6.550% due 15/11/34.....	223,092	0.04
		Tyco International Ltd		
	1,000,000	7.000% due 15/12/19.....	686,458	0.13
		U.S. Treasury Notes		
	650,000	4.750% due 28/02/09.....	468,967	0.09
	2,090,000	4.000% due 15/08/18.....	1,509,072	0.29
		U.S. West Communications Inc		
	60,000	7.200% due 10/11/26.....	31,396	0.01
		Union Pacific Corp		
	794,000	5.650% due 01/05/17.....	524,599	0.10
	228,000	5.375% due 01/06/33.....	127,882	0.02
		Unitedhealth Group Inc		
	2,500,000	3.384% due 21/06/10.....	1,721,875	0.34
	2,100,000	5.800% due 15/03/36.....	1,134,212	0.22
		Universal City Development Partners		
	195,000	11.750% due 01/04/10.....	134,139	0.03
		US Bancorp		
	1,100,000	3.739% due 28/04/09.....	778,844	0.15
		Verizon Communications		
	1,000,000	4.350% due 15/02/13.....	664,066	0.13
	400,000	6.100% due 15/04/18.....	262,958	0.05
		Verizon New York Inc		
	200,000	6.875% due 01/04/12.....	142,379	0.03
		Wachovia Bank NA		
EUR	1,400,000	6.000% due 23/05/13.....	919,888	0.18
		Wachovia Corp		
USD	1,200,000	5.500% due 01/05/13.....	706,786	0.14
		WaMu Mortgage Pass Through Certificates		
	690,693	4.569% due 25/09/33.....	491,634	0.10
	2,000,000	4.569% due 25/09/33.....	1,424,388	0.28
	84,548	5.469% due 25/02/37.....	50,514	0.01
		WaMu Mortgage Pass Through Certificates		
	1,569,732	3.387% due 25/01/47.....	439,574	0.09
		WaMu Mortgage Pass Through Certificates		
	74,846	3.555% due 25/02/47.....	28,062	0.01
		Washington Mutual Mortgage Pass Through Certificates		
	157,164	3.795% due 25/07/46.....	61,183	0.01
		Washington Mutual Preferred Funding Trust II		
	2,000,000	6.665% due 31/12/49.....	1,780	0.00
		Wells Fargo & Co		
GBP	1,205,000	4.625% due 02/11/35.....	1,129,704	0.22

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

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

Schedule of Investments - continued

30 September 2008

Principal Amount			Fair Value EUR	Fund %
USD	16,718	Wells Fargo Home Equity 3.437% due 25/10/35.....	11,528	0.00
	811,235	Wells Fargo Mortgage Backed Securities 4.500% due 25/11/18.....	561,926	0.11
	65,417	6.000% due 25/08/36.....	43,163	0.01
	1,978,070	Wells Fargo Mortgage Backed Securities Trust 4.950% due 25/03/36.....	1,244,009	0.24
	760,000	White Mountains Re Group Ltd 6.375% due 20/03/17.....	477,847	0.09
	948,718	Yell Group 1.000% due 09/08/11.....	585,543	0.11
	700,000	Yum! Brands Inc 6.250% due 15/03/18.....	462,082	0.09
			<u>325,177,327</u>	<u>63.33</u>
		Virgin Islands, United States (0.07%)		
	250,000	Tristan Oil Ltd 10.500% due 01/01/12.....	154,843	0.03
	320,000	10.500% due 01/01/12.....	192,076	0.04
			<u>346,919</u>	<u>0.07</u>
		Total Long Term Bonds and Notes	<u>616,404,417</u>	<u>120.04</u>
Nominal Amount			Fair Value EUR	Fund %
		Short Term Investments (4.26%)		
		Australia (0.28%)		
		Perpetual Trustee Swan 2007-1E		
AUD	551,141	2.889% due 12/06/38.....	372,076	0.07
	848,919	7.450% due 12/05/37.....	454,907	0.09
		Puma Global Trust No. 1		
USD	892,588	3.371% due 25/03/34.....	630,587	0.12
			<u>1,457,570</u>	<u>0.28</u>
		Belgium (0.74%)		
		Belgium, Kingdom of		
EUR	3,824,000	3.750% due 28/03/09.....	3,818,818	0.74
		Germany (1.27%)		
		Germany, Federal Republic of		
	6,488,000	3.250% due 17/04/09.....	6,490,005	1.27
		United States (1.97%)		
		American Home Mortgage Investment Trust		
USD	1,136,293	5.660% due 25/09/45.....	549,436	0.11
		Argent Securities Inc		
	1,016,256	3.327% due 25/04/36.....	702,241	0.14
		Bank One Issuance Trust		
	1,000,000	3.860% due 15/06/11.....	711,878	0.14
		Bear Stearns Adjustable Rate Mortgage Trust		
	454,822	5.010% due 25/01/35.....	289,101	0.06
		Bear Stearns Alternative A Trust		
	133,684	6.250% due 25/08/36.....	59,454	0.01

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

Schedule of Investments - continued

30 September 2008

<u>Nominal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
600,000	Chase Issuance Trust 3.600% due 16/05/11	426,599	0.08
250,000	Clear Channel Communications Inc 4.250% due 15/05/09	167,301	0.03
825,822	Countrywide Alternative Loan Trust 3.855% due 25/12/35	359,231	0.07
226,338	Countrywide Home Loan Mortgage Pass Through Trust 4.128% due 19/11/33	143,504	0.03
900,000	Echostar DBS Corp 5.750% due 01/10/08	640,729	0.13
1,200,000	Florida State Board of Education 4.750% due 01/06/37	728,406	0.14
571,280	Ford Credit Auto Owner Trust 2.776% due 15/06/09	406,121	0.08
152,826	Harborview Mortgage Loan Trust 3.220% due 19/01/38	65,489	0.01
154,192	Indymac MBS Inc 3.447% due 25/07/35	71,556	0.01
477,061	3.477% due 25/06/37	142,720	0.03
600,000	SLC Student Loan Trust 3.269% due 15/06/17	414,872	0.08
1,250,454	SLM Student Loan Trust 2.940% due 25/10/12	881,580	0.17
1,084,534	Thornburg Mortgage Securities Trust 2.602% due 25/06/37	723,567	0.14
886,477	Triad Auto Receivables Owner Trust 3.487% due 12/10/11	619,268	0.12
1,763,209	Wachovia Auto Loan Owner Trust 2006-1 4.038% due 21/03/11	1,242,876	0.24
500,000	WaMu Mortgage Pass Through Certificates 4.134% due 25/08/34	353,510	0.07
698,662	Wells Fargo Mortgage Backed Securities Trust 5.594% due 25/07/36	400,921	0.08
		10,100,360	1.97
	Total Short Term Investments	21,866,753	4.26
	Total Transferable Securities	638,271,170	124.30
<u>Principal Amount</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Money Market Instruments (1.69%)		
1,250,000	U.S. Treasury Bills 1.550% due 28/11/08*	887,600	0.17
6,500,000	1.030% due 11/12/08*	4,614,077	0.90
4,500,000	0.710% due 26/12/08*	3,193,159	0.62
		8,694,836	1.69

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>			
Collective Investment Schemes (3.50%)			
Ireland (2.64%)			
	Russell Investment Company III plc		
13,336	The Euro Cash Fund - Class A Shares	13,335,388	2.60
	Russell Investment Company III plc		
330	The U.S. Dollar Cash Plus Fund - Class A Shares	235,093	0.04
		<u>13,570,481</u>	<u>2.64</u>
Luxembourg (0.86%)			
	IXIS International Funds LUX I		
51,208	Loomis Sayles Emerging Debt and Currencies	4,400,640	0.86
	Total Collective Investment Schemes	<u>17,971,121</u>	<u>3.50</u>
	Total Investments excluding Financial Derivative Instruments	<u>664,937,127</u>	<u>129.49</u>

Financial Derivative Instruments ((1.89)%)

Credit Default Swaps (0.10%)

<u>Ccy</u>	<u>Notional Amount</u>	<u>Security</u>	<u>Termination Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
USD	600,000	CDS S SWPC37645	20/12/2008	(189)	0.00
USD	1,000,000	CDS L SWPC96G16	20/09/2014	1,625	0.00
USD	1,000,000	CDS L SWPC96Z64	20/03/2018	19,978	0.01
USD	1,000,000	CDS L SWPC06L68	20/03/2014	1,942	0.00
USD	2,100,000	CDS L SWPC01S39	20/03/2018	58,097	0.01
USD	2,000,000	CDS L SWPC30H97	20/03/2013	19,789	0.00
USD	1,000,000	CDS L SWPC02E73	20/12/2013	13,087	0.00
USD	1,000,000	CDS L SWPC01H98	20/12/2019	10,417	0.00
USD	1,000,000	CDS S SWPC96C44	20/09/2015	(12,986)	0.00
USD	400,000	CDS S SWPC95X68	20/06/2015	(3,158)	0.00
USD	1,000,000	CDS S SWPC95B52	20/12/2015	(3,420)	0.00
USD	1,000,000	CDS S SWPC201A2	20/06/2018	(9,710)	0.00
USD	900,000	CDS S SWPC01Z72	20/09/2013	(10,714)	0.00
USD	1,000,000	CDS S SWPC22928	20/09/2015	(5,980)	0.00
USD	400,000	CDS L SWPC97C34	20/09/2018	83,257	0.02
USD	1,000,000	CDS L SWPC30103	20/03/2018	14,715	0.00
USD	1,000,000	CDS L SWPC00Q17	20/03/2018	39,599	0.01
USD	1,000,000	CDS L SWPC00X76	20/06/2018	91,281	0.02
USD	1,000,000	CDS L SWPC96F25	20/06/2015	43,927	0.01
USD	500,000	CDS L SWPC02G14	20/06/2018	130,156	0.03
USD	600,000	CDS L SWPC30855	20/12/2012	16,719	0.00
USD	200,000	CDS L SWPC95A51	20/09/2018	41,932	0.01
USD	1,700,000	CDS S SWPC97D41	20/06/2009	(40,046)	(0.01)
USD	3,300,000	CDX L SWPC95R32	20/06/2018	17,937	0.00
USD	300,000	CDS SWSC36811	20/03/2009	(14,240)	0.00
USD	500,000	CDS SWSC85487	20/03/2009	(26,739)	(0.01)
USD	1,300,000	CDS SWLC49020	20/03/2013	9,961	0.00
USD	300,000	CDS SWLC38411	20/06/2012	19,593	0.00
EUR	200,000	CDS SWPC59615R	20/06/2012	3,504	0.00
EUR	200,000	CDS SWPC64730R	20/06/2012	832	0.00
EUR	200,000	CDS SWPC70851R	20/06/2012	2,595	0.00

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

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

Schedule of Investments - continued

30 September 2008

<u>Ccy</u>	<u>Notional Amount</u>	<u>Security</u>	<u>Termination Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
EUR	200,000	CDS SWPC59631R	20/06/2012	1,842	0.00
EUR	200,000	CDS L SWPC59656	20/06/2012	10,088	0.00
USD	400,000	CDS SWLC50507	20/06/2012	431	0.00
JPY	900,000	CDS L SWPC59193	20/06/2012	72,210	0.02
JPY	200,000	CDS S SWPC70687	20/06/2012	(400)	0.00
USD	1,200,000	CDS L SWPC30G98	20/09/2013	35,118	0.01
USD	500,000	CDS L SWPC96G24	20/06/2013	1,077	0.00
USD	500,000	CDS L SWPC06N58	20/06/2018	16,782	0.00
USD	400,000	CDS L SWPC30H89	20/09/2013	18,079	0.00
USD	500,000	CDS L SWPC97S29	20/08/2013	31,135	0.01
USD	100,000	CDS S SWPC00G42	20/06/2018	(75)	0.00
USD	1,600,000	CDS S SWPC01L28	20/12/2008	(568)	0.00
USD	700,000	CDS L SWPC00W51	20/06/2013	5,688	0.00
USD	1,000,000	CDS L SWPC30F99	20/06/2013	10,216	0.00
EUR	2,500,000	CDX S SWPCN6041	20/06/2018	(94,506)	(0.02)
USD	3,100,000	CDX L SWPC95N28	20/06/2013	21,853	0.01
USD	2,100,000	CDX L SWPC95N77	20/06/2013	14,847	0.00
USD	300,000	CMBX S SWPC46570	25/07/2045	(89,657)	(0.02)
USD	100,000	CDS L SWPC59185	20/06/2012	1,013	0.00
USD	2,000,000	CDS 1571657P	20/09/2012	(24,431)	0.00
USD	1,000,000	CDS 1572008P	20/09/2012	(30,959)	(0.01)
USD	100,000	CDS SWLC59128	20/06/2017	2,207	0.00
Credit default swaps at fair value gain				883,529	0.17
Credit default swaps at fair value loss				(367,778)	(0.07)
Total Credit Default Swaps				515,751	0.10

Interest Rate Swaps ((0.96)%)

<u>Ccy</u>	<u>Notional Amount</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
GBP	4,000,000	17/09/2013	(32,591)	(0.01)
USD	600,000	20/03/2009	(78,714)	(0.01)
EUR	17,300,000	17/09/2013	(448,881)	(0.09)
EUR	6,200,000	15/12/2014	(186,056)	(0.04)
EUR	2,000,000	20/03/2018	2,794	0.00
EUR	9,500,000	15/09/2009	19,445	0.00
EUR	8,800,000	16/12/2011	74,143	0.01
USD	1,600,000	20/12/2017	73,020	0.01
AUD	6,700,000	15/03/2010	43,799	0.01
AUD	6,700,000	15/03/2010	43,333	0.01
EUR	300,000	20/12/2016	18,000	0.00
EUR	1,300,000	20/12/2016	78,000	0.02
JPY	460,000,000	20/03/2012	47,949	0.01
EUR	300,000	20/12/2016	19,635	0.00
JPY	1,080,000,000	20/06/2016	(244,995)	(0.05)
JPY	810,000,000	20/06/2016	(182,514)	(0.03)
JPY	560,000,000	20/12/2027	(224,778)	(0.04)
JPY	180,000,000	20/06/2027	31,116	0.01
JPY	180,000,000	20/06/2027	30,573	0.01
GBP	100,000	15/12/2035	1,741	0.00
EUR	3,100,000	18/06/2034	65,868	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Ccy</u>	<u>Notional Amount</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
USD	200,000	20/03/2009	(9,055)	0.00
GBP	1,000,000	18/06/2013	(11,894)	0.00
GBP	200,000	18/06/2034	(18,752)	0.00
USD	1,300,000	20/03/2018	(48,443)	(0.01)
USD	200,000	20/03/2018	7,943	0.00
GBP	2,500,000	15/12/2036	(490,598)	(0.10)
AUD	9,900,000	15/06/2015	181,073	0.04
AUD	3,400,000	15/06/2015	62,328	0.01
AUD	1,200,000	15/01/2010	(2,595)	0.00
AUD	5,900,000	15/06/2010	(50,978)	(0.01)
AUD	17,300,000	15/06/2010	(135,479)	(0.03)
USD	800,000	17/12/2015	32,149	0.01
GBP	100,000	18/03/2016	302	0.00
EUR	1,300,000	18/03/2011	3,095	0.00
EUR	14,000,000	18/03/2011	42,735	0.01
GBP	1,200,000	18/03/2014	16,410	0.00
USD	900,000	17/12/2038	(47,484)	(0.01)
GBP	3,900,000	17/09/2013	(34,034)	(0.01)
GBP	1,300,000	17/09/2013	(9,141)	0.00
JPY	120,000,000	17/12/2017	(20,749)	0.00
EUR	1,900,000	18/03/2019	(14,858)	0.00
EUR	1,200,000	18/03/2039	(86,758)	(0.02)
GBP	2,500,000	18/03/2014	(3,045)	0.00
GBP	300,000	20/03/2018	(108)	0.00
EUR	2,100,000	19/03/2010	(7,898)	0.00
USD	1,300,000	20/06/2013	223,843	0.04
GBP	600,000	18/03/2039	73,475	0.01
EUR	1,100,000	10/04/2012	(32,186)	(0.01)
EUR	500,000	28/03/2012	(14,655)	0.00
EUR	2,600,000	20/06/2018	(77,685)	(0.01)
EUR	800,000	30/03/2012	(23,448)	0.00
EUR	200,000	15/12/2011	(4,858)	0.00
EUR	14,900,000	19/09/2009	(135,430)	(0.03)
EUR	1,500,000	15/03/2012	(42,449)	(0.01)
GBP	1,600,000	15/09/2010	(6,341)	0.00
CAD	3,000,000	20/12/2013	(79,069)	(0.01)
CAD	500,000	20/09/2011	(13,411)	0.00
USD	34,800,000	17/12/2018	(1,418,016)	(0.28)
USD	10,500,000	17/12/2023	(453,653)	(0.09)
USD	400,000	17/12/2038	(22,013)	0.00
CAD	1,600,000	20/12/2013	(41,366)	(0.01)
CAD	600,000	20/09/2011	(16,093)	0.00
CAD	200,000	20/12/2013	(5,195)	0.00
EUR	6,700,000	18/03/2014	(14,521)	0.00
JPY	230,000,000	17/06/2013	8,480	0.00
USD	20,000,000	17/06/2010	143,869	0.03
CAD	1,400,000	20/09/2037	4,207	0.00
AUD	400,000	15/06/2010	3,560	0.00
JPY	70,000,000	21/09/2011	(1,433)	0.00
JPY	520,000,000	20/06/2016	(133,793)	(0.03)
JPY	480,000,000	17/06/2013	17,367	0.00

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Schedule of Investments - continued

30 September 2008

<u>Ccy</u>	<u>Notional Amount</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
AUD	2,600,000	15/06/2014	22,070	0.00
EUR	500,000	18/03/2039	(35,215)	(0.01)
USD	10,100,000	17/12/2018	(414,964)	(0.08)
USD	6,800,000	17/12/2038	(376,984)	(0.07)
JPY	540,000,000	17/12/2017	(92,418)	(0.02)
USD	1,300,000	17/12/2018	(51,544)	(0.01)
JPY	170,000,000	17/12/2017	(29,489)	(0.01)
GBP	900,000	17/09/2013	(6,442)	0.00
GBP	2,800,000	18/03/2014	(1,134)	0.00
SEK	1,000,000	18/03/2014	(301)	0.00
EUR	2,300,000	18/03/2014	(9,359)	0.00
GBP	2,400,000	18/03/2014	(927)	0.00
EUR	4,900,000	18/03/2039	(341,471)	(0.07)
EUR	4,600,000	18/03/2014	(8,860)	0.00
GBP	6,000,000	18/03/2014	(7,308)	0.00
GBP	800,000	18/03/2039	(18,690)	0.00
EUR	6,700,000	18/03/2014	(17,484)	0.00
GBP	700,000	18/03/2012	(434)	0.00
JPY	1,160,000,000	17/12/2015	101,920	0.02
JPY	1,070,000,000	17/06/2013	37,091	0.01
JPY	320,000,000	17/06/2013	11,491	0.00
USD	13,500,000	05/02/2009	(97,520)	(0.02)
USD	4,500,000	05/02/2009	(32,443)	(0.01)
USD	1,000,000	21/05/2009	(16,759)	0.00
USD	900,000	20/03/2009	(43,903)	(0.01)
USD	700,000	20/03/2018	27,195	0.01
USD	700,000	20/03/2018	12,568	0.00
USD	500,000	20/03/2018	17,890	0.00
Interest rate swaps at fair value gain			1,600,476	0.29
Interest rate swaps at fair value loss			(6,529,662)	(1.25)
Interest rate swaps at fair value			(4,929,186)	(0.96)

Open Forward Foreign Currency Exchange Contracts ((1.06)%)

<u>Settlement Date</u>	<u>Amount Bought</u>	<u>Amount Sold</u>	<u>Unrealised Gain (Loss) EUR</u>	<u>Fund %</u>
04/12/2008	AED 7,700,000	USD 2,120,336	(16,889)	0.00
16/04/2009	AED 2,705,778	USD 751,000	(9,942)	0.00
30/10/2008	AUD 90,000	USD 72,075	(808)	0.00
09/10/2008	AUD 406,000	USD 323,302	(2,213)	0.00
09/10/2008	AUD 371,000	USD 295,349	(1,965)	0.00
03/10/2008	AUD 166,000	USD 140,751	(6,986)	0.00
30/10/2008	AUD 96,000	USD 79,776	(2,917)	0.00
02/12/2008	BRL 5,184,758	USD 2,789,754	(94,715)	(0.02)
02/12/2008	BRL 1,185,040	USD 696,263	(63,248)	(0.01)
02/12/2008	BRL 341,443	USD 179,000	(2,889)	0.00
02/12/2008	BRL 360,612	USD 189,000	(3,016)	0.00
02/10/2008	BRL 682,590	USD 366,000	(8,638)	0.00
02/12/2008	BRL 682,590	USD 373,817	(17,108)	0.00
02/12/2008	BRL 29,440	USD 15,961	(623)	0.00

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

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

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/10/2008	CAD	1,840,000	EUR	1,231,096	32	0.00
17/10/2008	CHF	11,660,000	EUR	7,317,066	85,628	0.02
17/10/2008	CHF	4,490,000	USD	4,132,536	(86,823)	(0.02)
13/11/2008	CNY	3,954,150	USD	580,000	(4,741)	0.00
06/05/2009	CNY	7,619,227	USD	1,166,000	(48,494)	(0.01)
17/05/2010	CNY	2,061,270	USD	333,000	(25,264)	(0.01)
17/05/2010	CNY	1,832,490	USD	297,000	(23,148)	(0.01)
06/05/2009	CNY	1,897,141	USD	289,000	(11,132)	0.00
06/05/2009	CNY	1,844,765	USD	281,000	(10,809)	0.00
06/05/2009	CNY	2,177,920	USD	328,000	(10,098)	0.00
06/05/2009	CNY	2,178,740	USD	328,000	(10,014)	0.00
06/05/2009	CNY	2,229,192	USD	336,000	(10,533)	0.00
06/05/2009	CNY	4,105,638	USD	633,000	(29,470)	(0.01)
06/05/2009	CNY	2,279,550	USD	350,000	(15,327)	0.00
15/07/2009	CNY	2,328,450	USD	361,000	(18,045)	0.00
15/07/2009	CNY	2,309,100	USD	358,000	(17,895)	0.00
15/07/2009	CNY	2,093,813	USD	325,000	(16,496)	0.00
15/07/2009	CNY	773,700	USD	120,000	(6,029)	0.00
15/07/2009	CNY	773,700	USD	120,000	(6,029)	0.00
15/07/2009	CNY	1,581,559	USD	246,000	(12,825)	0.00
15/07/2009	CNY	224,560	USD	35,000	(1,872)	0.00
15/07/2009	CNY	218,212	USD	34,000	(1,811)	0.00
15/07/2009	CNY	699,344	USD	109,000	(5,829)	0.00
15/07/2009	CNY	2,015,208	USD	312,000	(15,308)	0.00
17/10/2008	CZK	47,900,000	EUR	1,949,980	2,917	0.00
17/10/2008	EUR	22,652,530	AUD	39,730,000	385,838	0.07
17/10/2008	EUR	589,369	AUD	1,040,000	6,500	0.00
17/12/2008	EUR	2,337,003	CAD	3,545,000	(35,104)	(0.01)
27/01/2009	EUR	1,085,596	CAD	1,630,000	(5,490)	0.00
17/10/2008	EUR	5,813,476	CAD	8,830,000	(94,601)	(0.02)
17/10/2008	EUR	1,838,127	CHF	2,900,000	(3,023)	0.00
17/10/2008	EUR	6,741,897	CZK	163,730,000	66,577	0.01
17/12/2008	EUR	8,448,037	GBP	6,782,000	(149,816)	(0.03)
17/12/2008	EUR	1,846,717	GBP	1,472,000	(19,405)	0.00
17/12/2008	EUR	561,784	GBP	446,000	(3,631)	0.00
17/10/2008	EUR	412,934	GBP	330,000	(5,691)	0.00
17/10/2008	EUR	1,964,749	HKD	22,040,000	(53,523)	(0.01)
17/10/2008	EUR	8,627,397	HUF	2,084,700,000	32,508	0.01
17/10/2008	EUR	119,450	HUF	28,680,000	1,207	0.00
17/10/2008	EUR	1,802,184	ISK	238,000,000	203,946	0.04
17/10/2008	EUR	394,847	JPY	58,200,000	4,231	0.00
17/12/2008	EUR	19,545,859	JPY	2,941,300,000	(317,969)	(0.06)
17/12/2008	EUR	11,730,736	JPY	1,770,500,000	(226,191)	(0.04)
17/10/2008	EUR	2,149,946	JPY	325,250,000	(33,004)	(0.01)
17/10/2008	EUR	7,496,848	MXN	118,930,000	(182,794)	(0.04)
17/10/2008	EUR	14,948,670	NOK	123,390,000	127,412	0.02
17/10/2008	EUR	596,907	NOK	4,940,000	3,528	0.00
17/10/2008	EUR	31,459,795	NZD	67,700,000	(624,003)	(0.12)
17/10/2008	EUR	1,190,532	NZD	2,540,000	(13,203)	0.00
17/10/2008	EUR	20,336,026	PLN	67,600,000	416,937	0.08

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

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

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/10/2008	EUR	472,820	PLN	1,590,000	4,309	0.00
17/12/2008	EUR	1,417,153	SEK	13,440,000	49,291	0.01
17/10/2008	EUR	1,675,828	SGD	3,460,000	(45,279)	(0.01)
03/10/2008	EUR	272,000	USD	379,810	1,634	0.00
03/10/2008	EUR	173,000	USD	241,236	1,277	0.00
03/10/2008	EUR	174,000	USD	242,615	1,295	0.00
03/10/2008	EUR	6,669,300	USD	9,805,472	(310,691)	(0.06)
03/10/2008	EUR	1,400,000	USD	2,058,308	(65,199)	(0.01)
03/10/2008	EUR	15,975,800	USD	23,488,420	(744,351)	(0.15)
03/10/2008	EUR	559,700	USD	808,044	(15,504)	0.00
03/10/2008	EUR	347,600	USD	495,407	(5,054)	0.00
03/10/2008	EUR	245,400	USD	347,177	(1,737)	0.00
03/10/2008	EUR	352,000	USD	496,912	(1,725)	0.00
03/10/2008	EUR	404,500	USD	573,338	(3,629)	0.00
03/10/2008	EUR	637,300	USD	905,890	(7,555)	0.00
03/10/2008	EUR	803,400	USD	1,157,964	(20,892)	(0.01)
03/10/2008	EUR	1,350,000	USD	1,943,123	(33,205)	(0.01)
03/10/2008	EUR	320,000	USD	461,328	(8,395)	0.00
03/10/2008	EUR	1,210,000	USD	1,744,397	(31,743)	(0.01)
03/10/2008	EUR	124,871,000	USD	182,773,683	(5,235,819)	(1.02)
03/10/2008	EUR	783,500	USD	1,149,199	(34,553)	(0.01)
03/10/2008	EUR	586,300	USD	856,393	(23,320)	(0.01)
03/10/2008	EUR	906,000	USD	1,323,382	(36,045)	(0.01)
03/10/2008	EUR	20,000,000	USD	28,807,000	(506,164)	(0.10)
17/12/2008	EUR	74,988,036	USD	106,555,000	(585,985)	(0.11)
17/10/2008	EUR	71,995,505	USD	102,500,000	(862,124)	(0.17)
17/10/2008	EUR	6,415,435	USD	9,410,000	(273,251)	(0.05)
17/10/2008	EUR	546,978	USD	790,000	(14,559)	0.00
17/12/2008	GBP	420,000	EUR	530,169	2,284	0.00
17/12/2008	GBP	400,000	EUR	506,586	513	0.00
03/10/2008	GBP	345,000	USD	641,010	(18,518)	0.00
03/10/2008	GBP	70,000	USD	129,430	(3,309)	0.00
03/10/2008	GBP	235,000	USD	434,813	(11,320)	0.00
17/10/2008	HKD	129,240,000	EUR	11,351,644	483,272	0.09
05/12/2008	IDR	14,663,000,000	USD	1,585,189	(31,934)	(0.01)
17/12/2008	ISK	192,834,537	EUR	1,533,000	(253,803)	(0.05)
17/12/2008	ISK	142,000,000	USD	1,532,484	(144,935)	(0.03)
17/12/2008	JPY	190,000,000	EUR	1,267,165	15,984	0.00
17/10/2008	JPY	1,852,940,000	EUR	11,931,697	504,504	0.10
03/10/2008	JPY	351,251,000	USD	3,299,681	6,688	0.00
20/10/2008	JPY	112,406,000	USD	1,074,463	(8,940)	0.00
09/02/2009	KRW	3,296,830	USD	3,226	(340)	0.00
19/11/2008	MXN	1,209,188	USD	113,965	(3,247)	0.00
19/05/2009	MXN	1,209,188	USD	110,802	(2,757)	0.00
12/11/2008	MYR	629,674	USD	202,000	(13,022)	0.00
12/11/2008	MYR	577,200	USD	185,000	(11,819)	0.00
12/11/2008	MYR	369,523	USD	118,172	(7,378)	0.00
12/11/2008	MYR	2,088,493	USD	638,000	(20,492)	0.00
12/11/2008	MYR	1,656,000	USD	511,901	(20,520)	0.00
12/11/2008	MYR	1,242,340	USD	383,853	(15,268)	0.00

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

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

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
12/11/2008	MYR	948,304	USD	291,186	(10,365)	0.00
12/11/2008	PHP	21,000,000	USD	475,543	(20,625)	0.00
12/11/2008	PHP	21,600,000	USD	485,393	(18,563)	0.00
06/02/2009	PHP	1,400,000	USD	31,049	(923)	0.00
06/02/2009	PHP	1,400,000	USD	31,063	(933)	0.00
06/02/2009	PHP	1,200,000	USD	26,667	(829)	0.00
06/02/2009	PHP	4,600,000	USD	102,885	(3,647)	0.00
06/02/2009	PHP	1,900,000	USD	42,860	(1,765)	0.00
06/02/2009	PHP	1,900,000	USD	42,889	(1,785)	0.00
06/02/2009	PHP	2,400,000	USD	54,201	(2,273)	0.00
06/02/2009	PHP	3,000,000	USD	67,690	(2,797)	0.00
06/02/2009	PHP	2,400,000	USD	53,655	(1,886)	0.00
06/02/2009	PHP	1,200,000	USD	26,774	(905)	0.00
06/02/2009	PHP	1,200,000	USD	26,679	(837)	0.00
06/02/2009	PHP	1,200,000	USD	26,584	(770)	0.00
06/02/2009	PHP	2,400,000	USD	53,180	(1,548)	0.00
06/02/2009	PHP	1,200,000	USD	26,572	(762)	0.00
06/02/2009	PHP	1,200,000	USD	26,557	(751)	0.00
06/02/2009	PHP	1,200,000	USD	26,287	(559)	0.00
06/02/2009	PHP	2,459,030	USD	53,667	(1,004)	0.00
19/11/2008	PLN	427,055	USD	193,636	(11,767)	0.00
06/05/2009	PLN	10,808,945	USD	4,899,350	(324,921)	(0.06)
19/11/2008	PLN	50,000	USD	23,157	(1,722)	0.00
19/11/2008	PLN	50,000	USD	23,156	(1,721)	0.00
19/11/2008	PLN	407,068	USD	195,141	(18,714)	0.00
19/11/2008	PLN	54,000	USD	23,339	(675)	0.00
05/11/2008	RUB	37,359,960	USD	1,500,792	(37,476)	(0.01)
19/11/2008	RUB	12,690,000	USD	511,590	(14,548)	0.00
16/04/2009	SAR	2,264,299	USD	613,000	(6,420)	0.00
17/10/2008	SEK	15,250,000	EUR	1,578,126	(22,825)	(0.01)
17/10/2008	SGD	19,590,000	EUR	9,399,691	344,956	0.07
21/11/2008	SGD	598,402	USD	426,000	(4,681)	0.00
21/11/2008	SGD	613,704	USD	436,691	(4,658)	0.00
12/11/2008	SGD	1,849,991	USD	1,295,421	413	0.00
21/11/2008	SGD	135,860	USD	100,000	(3,391)	0.00
21/11/2008	SGD	135,910	USD	100,000	(3,367)	0.00
21/11/2008	SGD	281,427	USD	205,474	(5,839)	0.00
21/11/2008	SGD	680,102	USD	502,783	(18,533)	0.00
06/10/2008	SGD	160,000	USD	117,113	(3,691)	0.00
06/10/2008	SGD	160,000	USD	117,156	(3,721)	0.00
06/10/2008	SGD	880,000	USD	641,797	(18,643)	0.00
06/10/2008	SGD	300,000	USD	218,187	(5,924)	0.00
06/10/2008	SGD	286,000	USD	208,080	(5,700)	0.00
06/10/2008	SGD	63,991	USD	46,382	(1,151)	0.00
09/02/2009	TWD	2,200,000	USD	72,048	(2,492)	0.00
09/02/2009	TWD	4,100,000	USD	134,316	(4,675)	0.00
09/02/2009	TWD	2,100,000	USD	68,641	(2,285)	0.00
09/02/2009	TWD	2,100,000	USD	68,684	(2,315)	0.00
09/02/2009	TWD	4,100,000	USD	134,075	(4,504)	0.00
09/02/2009	TWD	4,100,000	USD	133,987	(4,442)	0.00

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

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

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
09/02/2009	TWD	3,101,932	USD	100,256	(2,570)	0.00
09/02/2009	TWD	4,400,000	USD	142,349	(3,744)	0.00
16/10/2008	USD	1,855,259	AUD	2,160,192	108,027	0.02
30/10/2008	USD	3,955	AUD	5,000	10	0.00
03/10/2008	USD	79,958	AUD	96,000	3,015	0.00
30/10/2008	USD	75,494	AUD	96,000	(122)	0.00
02/12/2008	USD	470,000	BRL	845,765	26,037	0.01
02/12/2008	USD	145,000	BRL	257,883	9,140	0.00
02/12/2008	USD	152,000	BRL	271,016	9,332	0.00
02/12/2008	USD	157,000	BRL	287,860	6,757	0.00
02/12/2008	USD	24,000	BRL	44,004	1,033	0.00
02/12/2008	USD	82,000	BRL	148,871	4,066	0.00
02/12/2008	USD	110,000	BRL	199,760	5,434	0.00
02/12/2008	USD	75,000	BRL	136,800	3,487	0.00
02/12/2008	USD	79,000	BRL	144,175	3,644	0.00
02/12/2008	USD	688,197	BRL	1,293,810	17,987	0.00
02/12/2008	USD	129,000	BRL	235,103	6,068	0.00
02/12/2008	USD	428,000	BRL	796,294	14,220	0.00
02/12/2008	USD	428,000	BRL	800,360	12,742	0.00
02/12/2008	USD	288,000	BRL	524,592	13,651	0.00
02/12/2008	USD	343,000	BRL	635,579	12,331	0.00
02/12/2008	USD	266,000	BRL	492,898	9,563	0.00
02/12/2008	USD	361,000	BRL	669,114	12,913	0.00
02/10/2008	USD	378,166	BRL	682,590	17,300	0.00
02/06/2009	USD	15,474	BRL	29,440	633	0.00
03/10/2008	USD	1,476,765	CAD	1,554,000	10,721	0.00
03/10/2008	USD	57,999	CAD	60,000	1,112	0.00
17/12/2008	USD	5,759,226	CAD	6,155,000	(33,841)	(0.01)
06/05/2009	USD	520,000	CNY	3,525,340	8,580	0.00
27/01/2009	USD	5,749,830	CZK	101,680,000	(67,374)	(0.01)
03/10/2008	USD	1,617,220	EUR	1,100,000	51,213	0.01
03/10/2008	USD	3,602,309	EUR	2,450,000	114,291	0.02
03/10/2008	USD	1,984,831	EUR	1,350,000	62,895	0.01
03/10/2008	USD	1,944,675	EUR	1,350,000	34,310	0.01
03/10/2008	USD	553,553	EUR	375,800	18,245	0.00
03/10/2008	USD	310,909	EUR	212,000	9,319	0.00
03/10/2008	USD	2,646,693	EUR	1,806,000	78,039	0.01
03/10/2008	USD	937,453	EUR	638,000	29,323	0.01
03/10/2008	USD	1,139,078	EUR	793,000	17,849	0.00
03/10/2008	USD	88,300,243	EUR	60,059,000	2,797,225	0.54
03/10/2008	USD	4,416,479	EUR	3,005,000	138,855	0.03
17/10/2008	USD	1,200,000	EUR	846,262	6,705	0.00
17/10/2008	USD	1,409,230	EUR	980,000	21,689	0.00
17/10/2008	USD	8,770,000	EUR	6,010,554	223,215	0.04
17/10/2008	USD	5,357,193	EUR	3,700,000	107,926	0.02
17/12/2008	USD	4,000,000	EUR	2,862,438	(25,443)	(0.01)
03/11/2008	USD	4,476,349	GBP	2,464,000	51,578	0.01
03/11/2008	USD	55,008	GBP	30,000	988	0.00
03/10/2008	USD	1,212,742	GBP	653,000	34,671	0.01
03/10/2008	USD	360,063	GBP	199,000	3,791	0.00

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

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

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/10/2008	USD	489,186	HKD	3,800,000	(261)	0.00
03/10/2008	USD	485,303	JPY	51,140,000	2,507	0.00
20/10/2008	USD	11,439,809	JPY	1,236,609,000	(172,128)	(0.03)
20/10/2008	USD	165,118	JPY	17,631,000	(1,022)	0.00
17/12/2008	USD	2,138,242	JPY	230,000,000	(36,740)	(0.01)
19/11/2008	USD	113,454	MXN	1,209,188	2,884	0.00
12/11/2008	USD	431,000	MYR	1,472,943	1,000	0.00
12/11/2008	USD	690,000	MYR	2,376,360	(2,184)	0.00
09/10/2008	USD	333,014	NZD	476,000	10,924	0.00
12/11/2008	USD	795,000	PHP	36,307,650	16,371	0.00
12/11/2008	USD	167,000	PHP	7,690,350	2,482	0.00
06/05/2009	USD	4,978,731	PLN	11,236,000	256,599	0.05
19/11/2008	USD	2,510,000	PLN	5,712,509	100,508	0.02
27/01/2009	USD	3,120,847	PLN	7,750,000	(58,651)	(0.01)
06/05/2009	USD	415,985	RUB	10,103,653	22,893	0.00
05/11/2008	USD	1,201,000	RUB	29,772,790	33,409	0.01
19/11/2008	USD	404,000	RUB	9,990,920	12,320	0.00
06/10/2008	USD	2,826,868	SEK	18,728,000	100,095	0.02
21/11/2008	USD	1,266,000	SGD	1,783,288	11,457	0.00
21/11/2008	USD	553,000	SGD	781,389	3,794	0.00
12/11/2008	USD	695,000	SGD	995,032	(1,465)	0.00
06/10/2008	USD	1,292,678	SGD	1,849,991	(1,048)	0.00
09/02/2009	USD	300,000	TWD	9,333,000	6,564	0.00
09/02/2009	USD	420,000	TWD	13,078,800	8,911	0.00
27/01/2009	USD	4,030,823	ZAR	33,740,000	42,334	0.01
27/01/2009	ZAR	33,740,000	USD	4,118,150	(104,271)	(0.02)
Unrealised gain on open forward foreign currency exchange contracts					7,508,663	1.38
Unrealised loss on open forward foreign currency exchange contracts					(12,946,970)	(2.44)
Net unrealised gain (loss) on open forward foreign currency exchange contracts					(5,438,307)	(1.06)

Open Futures Contracts ((0.04)%)

Notional Amount EUR	Average Cost Price EUR		Unrealised Gain (Loss) EUR	Fund %
2,054,070	96.18	12 of Eurodollar Futures Long Futures Contracts Expiring March 2010	4,805	0.00
28,682,439	96.50	167 of Eurodollar Futures Long Futures Contracts Expiring December 2009	17,807	0.00
1,662,325	94.99	7 of Euribor Futures Long Futures Contracts Expiring December 2008	-	0.00
42,154,370	95.26	177 of Euribor Futures Long Futures Contracts Expiring March 2009	139,780	0.03
9,534,928	95.35	40 of Euribor Futures Long Futures Contracts Expiring June 2009	48,572	0.01

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

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

Schedule of Investments - continued

30 September 2008

Notional Amount EUR	Average Cost Price EUR		Unrealised Gain (Loss) EUR	Fund %
8,544,150	94.94	36 of Euribor Futures Long Futures Contracts Expiring December 2009	85,950	0.02
1,423,200	94.88	6 of Euribor Futures Long Futures Contracts Expiring September 2009	17,250	0.00
(5,361,471)	97.05	33 of Canada Bankers Accept Futures Short Futures Contracts Expiring December 2008	7,399	0.00
1,437,600	95.84	6 of Euribor Futures Long Futures Contracts Expiring March 2010	975	0.00
10,207,614	97.21	59 of Eurodollar Futures Long Futures Contracts Expiring March 2009	(18,127)	0.00
25,863,409	96.88	150 of Eurodollar Futures Long Futures Contracts Expiring December 2008	(88,750)	(0.02)
(162,981)	97.36	1 of Bank Accept Futures Short Futures Contracts Expiring March 2009	603	0.00
815,040	90.56	39 of German Federal Republic Bonds 30 Year Futures Long Futures Contracts Expiring December 2008	3,120	0.00
1,856,658	112.55	36 of U.K. Treasury Bond Futures Long Futures Contract Expiring December 2008	52,383	0.01
1,139,992	101.50	20 of Australia 10 Year Treasury Bond Future Long Futures Contracts Expiring December 2008	35,566	0.01
(14,387,696)	115.48	145 of U.S. Treasury Notes 10 Year Futures Short Futures Contracts Expiring December 2008	107,003	0.02
25,315,740	104.18	243 of German Federal Republic Bonds 2 Year Futures Long Futures Contracts Expiring December 2008	48,600	0.01
12,857,964	136.96	14 of Japan Government Bonds 10 Year Futures Long Futures Contracts Expiring December 2008	54,451	0.01
(929,222)	138.57	1 of Japan Government Bonds 10 Year Futures Short Futures Contracts Expiring December 2008	6,906	0.00
3,574,920	115.32	31 of German Federal Republic Bonds 10 Year Futures Long Futures Contracts Expiring December 2008	(7,750)	0.00
(1,258,400)	114.40	11 of Germany Federal Republic Bonds 10 Year Futures Short Futures Contracts Expiring December 2008	(7,370)	0.00
(4,463,300)	111.95	56 of U.S. Treasury Notes 5 Year Futures Short Futures Contracts Expiring December 2008	(11,213)	0.00

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

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

Schedule of Investments - continued

30 September 2008

Notional Amount EUR	Average Cost Price EUR		Unrealised Gain (Loss) EUR	Fund %
5,492,500	109.85	50 of Germany Federal Republic Bonds 5 Year Futures		
		Long Futures Contracts		
		Expiring December 2008	(6,750)	0.00
(10,901,895)	109.02	100 of German Federal Republic Bonds 5 Year Futures		
		Short Futures Contracts		
		Expiring December 2008	(69,605)	(0.02)
(6,345,486)	106.11	42 of U.S. Treasury Notes 2 Year Futures		
		Short Futures Contracts		
		Expiring December 2008	(36,442)	(0.01)
(800,569)	101.83	14 of Australia Treasury Bonds 3 Year Futures		
		Short Futures Contracts		
		Expiring December 2008	(5,842)	0.00
4,935,671	117.51	59 of U.S. Treasury Notes 10 Year Futures		
		Long Futures Contracts		
		Expiring December 2008	(121,038)	(0.02)
335,359	117.77	4 of U.S. Treasury Bond Futures		
		Long Futures Contracts		
		Expiring December 2008	(1,691)	0.00
(40,796,070)	103.54	394 of German Federal Republic Bonds 2 Year Futures		
		Short Futures Contracts		
		Expiring December 2008	(329,650)	(0.07)
79,495	118.72	1 of Canada Government Bonds 10 Year Futures		
		Long Futures Contracts		
		Expiring December 2008	(1,038)	0.00
10,034,590	97.21	58 of Eurodollar Futures		
		Long Futures Contracts		
		Expiring October 2008	(114,324)	(0.02)
		Unrealised gain on open futures contracts.....	631,170	0.12
		Unrealised gain on open futures contracts.....	(819,590)	(0.16)
		Net unrealised loss on open futures contracts	(188,420)	(0.04)

Options Purchased (0.16%)

Notional Amount EUR		Fair Value EUR	Fund %
40,000	Call at 98.50 LIF ACAL UK 90 DAY LIBOR		
	Expiring December 2008	254	0.00
1,400,000	Call at 3.15 IRO USD 2 Year C RYL		
	Expiring December 2015	7,086	0.00
4,400,000	Call at 3.15 IRO USD 2 Year C RYL		
	Expiring December 2015	22,270	0.01
96,250	Put at 91.50 LIF APUT UK 90 Day LIBOR 3 09		
	Expiring March 2009	611	0.00
107,500	Put at 92 Eurodollar Futures		
	Expiring March 2009	191	0.00
43,750	Put at 91.50 LIF APUT UK 90 Day LIBOR		
	Expiring June 2009	278	0.00
35,000	Put at 89.00 U S Treasury Bonds Future		
	Expiring November 2008	389	0.00
1,300,000	Put at 1.375 OTC EPUT EUR Vs USD		
	Expiring May 2010	57,069	0.01

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

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

Schedule of Investments - continued

30 September 2008

Notional Amount EUR		Fair Value EUR	Fund %
1,300,000	Call at 1.375 OTC ECAL EUR Vs USD Expiring May 2010	95,400	0.02
1,200,000	Put at 1.375 OTC EPUT EUR Vs USD Expiring May 2010	51,850	0.01
1,200,000	Call at 1.375 OTC EUR Vs USD Expiring May 2010	91,339	0.02
45,000	Call at 98.25 LIF ACAL UK 90 day LIBOR Expiring December 2008	571	0.00
170,000	Call at 99.50 Euribor Futures Expiring September 2009	850	0.00
125,000	Call at 99.50 LIF ACAL Euribor Future Expiring June 2009	625	0.00
80,000	Put at 92 U.S. Treasury Note 10 Year Future Expiring December 2008	890	0.00
52,500	Put at 90 CME APUT Euro Expiring December 2009	93	0.00
101,000	Put at 100 U.S. Treasury Notes 10 Year Futures Expiring November 2008	1,124	0.00
112,500	Put at 94 LIF APUT Euribor Future Expiring March 2009	563	0.00
56,000	Put at 96 U.S. Treasury Bonds Futures Expiring November 2008	623	0.00
367,500	Put at 90.75 CME APUT Euro Put Expiring September 2009	654	0.00
17,500	Put at 93.50 Euribor Futures Expiring December 2008	88	0.00
76,000	Call at 122 of EUX ACAL EURO BOBL Expiring November 2008	380	0.00
23,750	Put at 90.75 LIF 90 Day APUT Expiring March 2009	452	0.00
700,000	Call at 3.45 IRO USD 2 Year Expiring August 2009	5,121	0.00
700,000	Call at 3.45 IRO USD 2 Year Expiring August 2009	5,130	0.00
2,600,000	Call at 3.45 IRO USD 2 Year Expiring August 2009	18,943	0.00
140,000	Put at 93.50 LIF APUT Euribor Future Expiring March 2009	700	0.00
162,500	Call at 99.50 MSE ACAL Bank Acc Expiring December 2008	544	0.00
70,000	Put at 99.00 U.S Treasury Notes 10 Year Future Expiring November 2008	779	0.00
227,500	Put at 93 Euribor Futures Expiring September 2009	1,137	0.00
52,000,000	Call at 3.50 IRO USD 2 Year C RYL Expiring February 2009	435,583	0.09
225,000	Put at 89 Eurodollar Futures Expiring June 2009	400	0.00
419,000	Call at 107 EUX ACAL Euro Schatz 107 Expiring November 2008	14,665	0.00
18,000	Put at 100 German Federal Republic Bonds 5 Year Futures Expiring November 2008	90	0.00
55,000	Put at 92 Euribor LIF APUT Expiring June 2009	275	0.00
35,000	Call at 125 German Federal Republic Bonds 10 Year Futures Expiring November 2008	1,050	0.00

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

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

Schedule of Investments - continued

30 September 2008

<u>Notional Amount EUR</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
54,000	Call at 117 EUR BOBL EUX 5 Year Expiring November 2008	1,890	0.00
145,000	Put at 94.625 AME APUT Euro Expiring December 2008	5,936	0.00
225,000	Put at 93.75 LIF APUT Euribor Futures Expiring March 2009	1,125	0.00
217,500	Put at 90 Eurodollar Future Expiring March 2009	387	0.00
Options purchased at fair value		827,405	0.16

Options Written ((0.03)%)

<u>Notional Amount EUR</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
(1,500,000)	Call at 4.30 IRO USD 7 Year C RYL Expiring December 2008	(28,883)	(0.01)
(500,000)	Call at 4.30 IRO USD 7 Year C RYL Expiring December 2008	(9,628)	0.00
(97,500)	Put at 95.25 Euribor Futures Expiring March 2009	(12,675)	0.00
(200,000)	Call at 4.40 IRO USD 7 Year Expiring August 2009	(4,981)	0.00
(300,000)	Call at 4.15 IRO USD 5 Year Expiring August 2009	(5,106)	0.00
(900,000)	Call at 4.40 IRO USD 7 Year Expiring August 2009	(22,534)	(0.01)
(2,600,000)	Call at 5.29 IRO 2 Year HUS Expiring June 2009	(49,989)	(0.01)
(2,600,000)	Put at 5.29 IRO EUR 2 Year HUS Expiring June 2009	(2,542)	0.00
(700,000)	Put at 5.20 IRO EUR 30 Year CBK Expiring December 2008	(1,103)	0.00
(96,250)	Put at 93.00 Sterling Interest Rate Future Expiring June 2009	(4,885)	0.00
(1,800,000)	Put at 5.65 GLM IRO 30 Year USD Expiring December 2009	(4,253)	0.00
(4,000,000)	Put at 99.20 FN 6 RYL EPUT Expiring October 2008	(1,988)	0.00
(65,000)	Put at 92 Sterling Interest Rate Futures Expiring December 2009	(1,650)	0.00
(1,750,000)	Put at 1.39 Expiring October 2008	(2,158)	0.00
(696,000)	Put at 1.71 Expiring October 2008	(309)	0.00
(720,000)	Put at 1.71 Expiring October 2008	(321)	0.00
Options written at fair value		(153,005)	(0.03)

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

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

Schedule of Investments - continued

30 September 2008

Swaptions Purchased (0.03%)

<u>Notional Amount EUR</u>	<u>Description</u>	<u>Option Type</u>	<u>Expiry Date</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
7,000,000	Put at 70 OTC EPUT FN 5.0	Put	06/11/2009	06/11/2009	50	0.00
14,700,000	Call at 4.00	Call	14/09/2009	14/09/2009	75,860	0.02
3,500,000	Call at 3.60 IRO USD	Call	02/07/2009	02/07/2009	30,069	0.01
7,000,000	Put at 75 OTC EPUT FN 5.5	Put	04/12/2009	04/12/2009	35	0.00
12,000,000	Put at 86 OTC EPUT FBF 6.5	Put	11/12/2009	11/12/2009	429	0.00
15,600,000	Put at 75 EPUT FG5. 5 MLC	Put	04/12/2009	04/12/2009	54	0.00
2,700,000	Call at 3.45 IRO USD 2 Year	Call	03/08/2009	03/08/2009	16,807	0.00
54,000,000	Put at 75 OTC EPUT FN 5.50	Put	04/12/2008	04/12/2008	23	0.00
12,000,000	Put at 81 GN6 MLC EPUT	Put	11/12/2008	11/12/2008	20	0.00
6,500,000	Put at 72 EPUT MCL FN	Put	04/12/2008	04/12/2008	61	0.00
Swaptions purchased at net fair value					123,408	0.03

Swaptions Written ((0.09)%)

<u>Notional Amount EUR</u>	<u>Description</u>	<u>Option Type</u>	<u>Expiry Date</u>	<u>Maturity Date</u>	<u>Fair Value EUR</u>	<u>Fund %</u>
(4,700,000)	Call at 4.23	Call	14/09/2009	14/09/2009	(52,043)	(0.01)
(1,500,000)	Call at 4.20 IRO USD	Call	02/07/2009	02/07/2009	(29,685)	(0.01)
(1,800,000)	Call at 4.65 IRO GLM 30 Year	Call	23/01/2009	23/01/2009	(70,921)	(0.01)
(3,000,000)	Put at 99.41 OTC DUB FN	Put	24/10/2009	24/10/2009	(1,800)	0.00
(17,000,000)	Call at 4.25	Call	02/02/2009	02/02/2009	(306,874)	(0.06)
(900,000)	Call at 4.4 IRO USD 7 Year	Call	03/08/2009	03/08/2009	(20,157)	0.00
Swaptions written at net fair value					(481,480)	(0.09)
Total Financial Derivative Instruments					(9,723,834)	(1.89)

	<u>Fair Value EUR</u>	<u>Fund %</u>
Total Investments (127.60%).....	655,213,293	127.60
Other Net Liabilities ((27.83)%)	(142,917,169)	(27.83)
Adjustment From Bid Market Prices To Last Traded Market Prices (0.23%)	1,187,254	0.23
Net Assets (100.00%)	513,483,378	100.00

* Held as collateral by the broker in connection with the margin requirements for futures contracts held by the Fund.

** Partly held as collateral by the broker in connection with the margin requirements for futures contracts held by the Fund.

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

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

Schedule of Investments

30 September 2008

<u>Analysis of total assets (unaudited)</u>	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	85.42
Transferable securities and money market instruments other than those admitted to an official stock exchange listing or traded in another regulated market	0.99
Collective investment schemes	2.40
Exchange traded financial derivative instruments	0.09
Over the counter financial derivative instruments	1.46
Other assets	9.64
	<u>100.00</u>

The brokers for the open futures contracts are:

Goldman Sachs
JP Morgan Chase

The counterparties for the open forward foreign currency exchange contracts are:

Bank of America
Barclays
Brown Brothers Harriman
Citibank
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC
JP Morgan Chase
Morgan Stanley
Royal Bank of Canada
Royal Bank of Scotland
State Street Bank
UBS
UBS Warburg

The counterparties for the swaptions are:

Bank of New York
Barclays
Citibank
Credit Suisse First Boston
Goldman Sachs
JP Morgan Chase
Merrill Lynch

The counterparties for the interest rate swaps are:

Bank of America
Bank of Nova Scotia
Barclays
BNP Paribas
Chase Securities
Citibank
Commonwealth Bank of Australia
Deutsche Bank
Goldman Sachs

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

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

Schedule of Investments - continued

30 September 2008

HSBC
JP Morgan Chase
Merrill Lynch
Morgan Stanley
Royal Bank of Canada
Royal Bank of Scotland
UBS
Union Bank of Switzerland
Useden Securities

The counterparties for the options are:

Barclays
Chase Securities
Citibank
Citigroup
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC
JP Morgan Chase
Merrill Lynch
Royal Bank of Scotland

The counterparties for the credit default swaps are:

Bank of America
Barclays
Bear Stearns
Chase Securities
Citibank
Citigroup
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC
JP Morgan Chase
Merrill Lynch
Royal Bank of Scotland
Société Générale
UBS
Union Bank of Switzerland
Wachovia

The proportion of the investments of The Global Bond (Euro Hedged) Fund in rights or securities eligible to the French Plan d'Épargne en Actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

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

Statement of Changes in the Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the period ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost EUR</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds EUR</u>
Russell Investment Company III plc		Russell Investment Company III plc	
The Euro Cash Fund		The Euro Cash Fund	
Class A Shares	99,319,895	Class A Shares	(95,544,000)
FNMA TBA June 30 Single FAM		FNMA TBA May 30 Single FAM	
6.000% due 01/12/99	193,902,080	6.000% due 01/12/99	(68,533,888)
Italy, Republic of		FNMA TBA Jul 30 Single FAM	
4.500% due 01/05/09	55,103,127	6.000% due 01/12/99	(63,604,825)
Japan, Government of		FNMA TBA Jun 30 Single FAM	
1.100% due 10/12/16	40,938,675	6.000% due 01/12/99	(61,510,636)
FNMA TBA Jun 30 Single FAM		Italy, Republic of	
5.500% due 01/12/99	28,110,629	4.500% due 01/05/09	(55,107,690)
FNMA TBA May 30 Single FAM		Japan, Government of	
5.5% due 01/12/99	27,558,637	1.100% due 10/12/16	(45,444,041)
Russell Investment Company III		FNMA TBA May 30 Single FAM	
The U.S. Dollar Cash Fund		5.500% due 01/12/99	(27,871,425)
Class A Shares	27,463,026	FNMA TBA Jun 30 Single FAM	
FNMA TBA Oct 30 Single FAM		5.500% due 01/12/99	(27,727,636)
6.000% due 01/12/99	26,729,267	Russell Investment Company III	
FNMA TBA Jul 30 Single FAM		The U.S. Dollar Cash Plus Fund	
5.500% due 01/12/99	25,359,057	Class A Shares	(27,099,209)
FNMA TBA Oct 30 Single FAM		United Kingdom, Government of	
5.500% due 01/12/99	24,533,553	4.250% due 07/03/11	(25,140,466)
Germany, Republic of		FNMA TBA Jul 30 Single FAM	
5.625% due 04/04/28	23,800,627	5.500% due 01/12/99	(24,908,367)
Japan, Government of		FNMA TBA Sep 30 Single FAM	
1.100% due 20/09/12	22,761,125	5.500% due 01/12/99	(24,143,180)
FNMA TBA Sep 30 Single FAM		Germany, Republic of	
5.500% due 01/12/99	22,450,448	5.625% due 04/01/28	(23,817,700)
FNMA TBA Aug 30 Single FAM		FNMA TBA Apr 30 Single FAM	
5.500% due 01/12/99	20,879,452	6.000% due 01/12/99	(23,275,673)
GNMA I TBA Oct 30 Single FAM		FNMA TBA Aug 30 Single FAM	
6.000% due 01/12/99	18,860,831	5.500% due 01/12/99	(21,139,751)
United Kingdom, Government of		FNMA TBA Apr 30 Single FAM	
4.250% due 07/03/11	16,816,391	5.500% due 01/12/99	(20,471,334)
GNMA I TBA Jul 30 Single FAM		Japan, government of	
6.000% due 01/12/99	16,436,670	1.100% due 20/09/12	(20,231,544)
GNMA I TBA Aug 30 Single FAM		GNMA I TBA Sep 30 Single FAM	
6.000% 01/12/99	16,264,789	6.000% due 01/12/99	(16,789,844)
Germany, Republic of		Germany, Republic of	
6.250% due 04/01/24	15,637,149	6.250% due 04/01/24	(16,735,900)
GNMA I TBA Sep 30 Single FAM		GNMA I TBA Aug 30 Single FAM	
6.000% due 01/12/99	15,256,732	6.000% due 01/12/99	(16,600,016)

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 ***The Pan European Equity Fund***

Manager's Report

Money Managers

AQR Capital Management
Blackrock International Limited
Numeric Investors L.P.
Pzena Investment Management, LLC
RCM (U.K.) Ltd.
Sourcecap International, LLC
TT International
Taube Hodson Stonex Partners Ltd.

Investment Objective

The Pan European Equity Fund (the "Fund") will seek to achieve capital appreciation by investing principally in equity securities listed on regulated markets in Europe. At least 75 per cent of the Fund's net assets will be invested in issuers based in the E.U., Norway and Iceland. 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

The Fund returned -16.1 per cent during the period on a gross-of-fees basis verses a benchmark return of -13.9 per cent.*

Market Comment

The period under review was a difficult period for equity markets globally as the credit crunch maintained its grip on markets.

Equity markets fell in the second quarter of 2008 as strong gains in the first half of the quarter evaporated when negative investor sentiment returned. Banks continued to report asset write-downs, which drove the market lower. Bleak economic updates also highlighted the dilemma facing the European Central Bank, which indicated that it may raise rates to combat rising inflation but must also consider the effect that this would have on economic growth. Inflation continued to be driven by the rising price of foodstuffs and commodities, the latter of which benefited the performance of energy and materials stocks.

The third quarter of 2008 was an unprecedented period for world equity markets. Following modest gains in August 2008, markets plummeted in September 2008. This was due to a number of extraordinary and historic events such as the bankruptcy of Lehman Brothers, AIG's rescue by the U.S. government, the part-nationalisation of the banking group Fortis and U.S. congress's rejection of a USD 700 billion financials bailout plan. Evidently, several financial stocks endured severe sell-offs. However, the financials sector outperformed as it benefited from gains earlier in the quarter. The resilience of stocks believed to be well positioned to weather the market turmoil, such as the French bank BNP Paribas, also positively contributed. The more cyclical sectors, in particular materials and energy, were amongst the worst-performing due to a fall in commodity prices brought on by weakening demand and slowing economic growth. The defensively positioned consumer staples and health care sectors performed well as investors sought protection from the turbulent market.

General Comment on Managers

The Fund underperformed its benchmark as Numeric Investors L.P. ("Numeric") and Taube Hodson Stonex Partners Ltd. ("THS") led returns lower.

Quant manager Numeric's stock selection in the financials and materials sectors was the key driver of underperformance. Notably, an overweight to the U.K. bank HBOS was negative as the stock continued to feel the effects of the subprime crisis and falling house prices.

THS's stock selection in the financials sector hindered performance. In particular, its exposure to Deutsche Postbank was particularly negative for performance as Deutsche Bank abandoned its bid for the company. THS favours specific German financial companies, such as Deutsche Postbank, as it believes they offer good value and growth prospects based on an investment theme which anticipates consumer credit growth in continental Europe.

Outlook

The Fund remains well positioned to benefit from diverse returns in the coming quarter given its broad allocation of assets.

Past performance is no indication of current or future performance.

* Benchmark source: MSCI Europe Index

Russell Investment Company II plc
The Pan European Equity Fund

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	EUR	(Audited)	EUR
	EUR	EUR	EUR
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	269,948,398	366,252,910	529,272,172
Unrealised gain on open futures contracts	194,227	1,530,316	1,155,067
Unrealised gain on forward foreign currency exchange contracts	2,056,473	2,259,416	3,766,176
Interest rate swaps at fair value	-	113,487	14,663
	<u>272,199,098</u>	<u>370,156,129</u>	<u>534,208,078</u>
Cash at bank (Note 5)	1,319,825	14,675,211	19,783,985
Cash held with brokers for open futures contracts	2,180,242	367,415	8,087,402
Cash held with counterparty for equity swaps	458,264	1,640,844	-
Debtors:			
Receivable for investments sold	2,018,123	4,151,784	20,180,282
Receivable for fund shares issued	1	156,632	16,315
Dividends receivable	614,062	1,375,646	1,233,863
Interest receivable	-	118,590	-
	<u>278,789,615</u>	<u>392,642,251</u>	<u>583,509,925</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(613,634)	(430,948)	(1,009,970)
Unrealised loss on forward foreign currency exchange contracts	(2,189,734)	(2,861,320)	(3,467,745)
Interest rate swaps at fair value	-	(115,653)	(107,492)
	<u>(2,803,368)</u>	<u>(3,407,921)</u>	<u>(4,585,207)</u>
Creditors – amounts falling due within one year:			
Payable for investments purchased	(1,446,978)	(2,823,807)	(2,931,413)
Payable for fund shares redeemed	(834,839)	(693,291)	(1,864,346)
Management fees payable	(292,855)	(385,419)	(516,950)
Custodian and Trustee fees payable	(3,814)	(5,039)	(8,720)
Sub-custodian fees payable	(76,865)	(91,672)	(46,962)
Administration fees payable	(6,356)	(8,398)	(19,801)
Miscellaneous fees payable	(19,835)	(34,260)	(181,855)
Interest payable	(73,636)	(2,024)	-
	<u>(5,558,546)</u>	<u>(7,451,831)</u>	<u>(10,155,255)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	273,231,069	385,190,420	573,354,669
Adjustment from bid market prices to last traded market prices (Note 6)	233,657	637,306	664,986
Net assets attributable to redeemable participating shareholders (at last traded market prices)	273,464,726	385,827,726	574,019,655

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

Russell Investment Company II plc
The Pan European Equity Fund

Balance Sheet - continued

As at 30 September 2008

	<u>30 September 2008</u>	<u>31 March 2008</u> <u>(Audited)</u>	<u>30 September 2007</u>
Net asset value per share*			
Class A (EUR 12,755,384 divided by 18,792 shares in issue) ...	<u>EUR 678.77</u>	<u>EUR 822.46</u>	<u>EUR 1,010.33</u>
Class B (EUR 198,153,600 divided by 278,981 shares in issue)	<u>EUR 710.28</u>	<u>EUR 857.96</u>	<u>EUR 1,059.04</u>
Class F (EUR 14,371,796 divided by 14,147 shares in issue) ...	<u>EUR 1,015.89</u>	<u>EUR 1,232.09</u>	<u>EUR 1,527.00</u>
Class I (GBP 274,803 divided by 23,116 shares in issue)	<u>GBP 11.89</u>	<u>GBP 14.52</u>	<u>GBP 15.62</u>
Class MZ Income (EUR 5,156,572 divided by 466,856 shares in issue)	<u>EUR 11.05</u>	<u>EUR 13.60</u>	<u>EUR 16.78</u>
Class PAM EU (EUR 13,499,908 divided by 1,277,060 shares in issue)	<u>EUR 10.57</u>	<u>EUR 12.85</u>	<u>EUR 15.97</u>
Class R Roll-Up (EUR 29,179,051 divided by 389,796 shares in issue)	<u>EUR 74.86</u>	<u>EUR 90.53</u>	<u>EUR 111.89</u>

* See Note 12 for comparative figures

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

Russell Investment Company II plc
The Pan European Equity Fund

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Income		
Dividends	9,653,160	16,339,090
Short term interest income	50,887	108,705
Bank interest	74,014	825,901
Securities lending income (Note 4)	257,917	1,085,226
Miscellaneous income	(6,906)	9,058
	<u>10,029,072</u>	<u>18,367,980</u>
Net gain (loss) on investment activities	(64,620,061)	(102,324,422)
Total investment expense	<u>(54,590,989)</u>	<u>(83,956,442)</u>
Expenses (Note 3)		
Management fees		
Class A	(121,502)	(422,399)
Class B	(1,258,459)	(4,101,150)
Class F	(163,885)	(397,248)
Class I	(1,823)	(39,894)
Class MZ Income	(11,937)	(27,386)
Class PAM EU	(219,685)	(1,132,193)
Class R Roll-Up	(208,277)	(444,162)
Custodian and Trustee fees	(25,792)	(100,975)
Sub-custodian fees	(151,416)	(233,648)
Administration fees	(42,986)	(118,704)
Audit fees	(14,241)	(24,200)
Professional fees	(7,390)	(43,213)
Registration fees	(4,460)	(15,256)
Marketing fees	(17,194)	(72,421)
Miscellaneous fees	(56,369)	(3,244)
Total operating expenses	<u>(2,305,416)</u>	<u>(7,176,093)</u>
Net income (expense)	(56,896,405)	(91,132,535)
Finance costs		
Distributions (Note 15)	(6,521,348)	(9,335,492)
Profit (loss) for the financial period/year before withholding tax	<u>(63,417,753)</u>	<u>(100,468,027)</u>
Withholding tax (Note 7)	(1,221,178)	(1,769,202)
Profit (loss) for the financial period/year after withholding tax	(64,638,931)	(102,237,229)
Movement in adjustment from bid market prices to last traded market prices (Note 6)	(403,649)	415,320
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(65,042,580)</u>	<u>(101,821,909)</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
The Pan European Equity Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(65,042,580)	(101,821,909)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	(53,713,391)	(121,617,709)
Deemed distributions on accumulation shares (Note 15)	<u>6,392,971</u>	<u>9,215,354</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(112,363,000)	(214,224,264)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>385,827,726</u>	<u>600,051,990</u>
End of period/year	<u><u>273,464,726</u></u>	<u><u>385,827,726</u></u>

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Transferable Securities (96.99%)		
	Common Stock (95.33%)		
	Austria (0.28%)		
	Banks		
690	Raiffeisen International Bank Holding AG	34,293	0.01
	Diversified Telecommunication		
56,715	Telekom Austria	703,266	0.26
	Oil and Gas		
380	OMV AG	11,218	0.00
	Postal Service		
550	Oesterreichische Post AG	12,996	0.01
		<u>761,773</u>	<u>0.28</u>
	Belgium (0.37%)		
	Chemicals		
1,395	Tessengerlo Chemie International NV	48,965	0.02
	Diversified Financials		
41,063	Fortis	176,283	0.07
	Diversified Manufacturing		
670	Bekaert SA	62,943	0.02
	Diversified Telecommunication		
17,841	Belgacom SA	466,453	0.17
	Food and Drug Retailing		
57	Delhaize Group	2,316	0.00
	Health Care Equipment and Supplies		
390	Omega Pharma	11,743	0.00
	Holding Companies - Diversified Operations		
535	Nationale A Portefeuille	24,728	0.01
	Metals and Mining		
10,527	Umicore	226,541	0.08
		<u>1,019,972</u>	<u>0.37</u>
	Bermuda (0.31%)		
	Transportation Equipment		
158,060	BW Gas Ltd	843,143	0.31
	Cyprus (0.11%)		
	Banks		
86,372	Marfin Popular Bank Public Co Ltd	300,575	0.11
	Czech Republic (0.09%)		
	Electric Utilities		
5,900	CEZ	256,867	0.09
	Denmark (1.96%)		
	Banks		
43,200	Danske Bank A/S	722,295	0.26
	Beverages		
32,760	Carlsberg A/S	1,747,500	0.64
	Construction and Engineering		
15,809	FLSmith & Co A/S	557,250	0.20

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Electrical Equipment		
7,950	Vestas Wind Systems	480,012	0.18
	Food and Drug Retailing		
7,075	Ostasiatiska Kompagnie	205,767	0.08
	Pharmaceuticals		
6,000	H Lundbeck A/S	80,617	0.03
10,540	Novo-Nordisk A/S	382,825	0.14
	Software		
2,450	Sim Corp A/S	201,287	0.07
	Transport		
41	AP Moeller - Maersk	248,927	0.09
5,676	D/S Norden	188,852	0.07
49,940	DSV	550,522	0.20
		5,365,854	1.96
	Finland (1.10%)		
	Diversified Telecommunication		
154,154	Nokia OYJ	1,987,045	0.73
	Internet Software and Services		
2,600	Tietoerator OYJ	26,962	0.01
	Machinery		
4,413	Konecranes OYJ	73,300	0.03
32,225	Outotec OYJ	605,185	0.22
	Metals and Mining		
4,900	Outokumpu OYJ	54,194	0.02
	Oil and Gas		
11,151	Fortum OYJ	262,718	0.09
		3,009,404	1.10
	France (16.08%)		
	Airlines		
37,330	Air France - KLM	595,227	0.22
	Auto Components		
8,434	Valeo	179,223	0.06
	Automobiles		
34,990	Peugeot SA	922,511	0.34
	Banks		
49,285	BNP Paribas	3,252,810	1.19
226,128	Credit Agricole SA	3,030,115	1.11
1,331	Societe Generale	82,409	0.03
	Beverages		
249	Remy Cointreau	8,262	0.00
	Biotechnology		
2,273	NicOx SA	17,207	0.01
	Business Support Services		
12,696	Bureau Veritas	453,120	0.17
	Chemicals		
2,514	Rhodia	27,151	0.01
	Communications Equipment		
181,559	Alcatel Lucent	489,483	0.18
	Construction and Engineering		
29,894	Alstom	1,575,862	0.58

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Construction Material		
315	Lafarge SA	23,241	0.01
	Containers and Packaging		
6,030	Belvedere SA	361,860	0.13
	Diversified Financials		
15,008	Eurazeo	885,622	0.32
5,822	Sechilienne-Sidec	232,938	0.09
	Diversified Telecommunication		
111,227	France Telecom SA	2,201,182	0.80
	Electric Utilities		
48,364	Electricite de France	2,463,420	0.90
	Electrical Equipment		
6,190	Gemalto	155,926	0.06
2,468	Nexans	152,769	0.05
21,480	Saft Groupe SA	600,581	0.22
	Electronic Equipment and Instruments		
30,024	Ingenico	530,224	0.19
	Energy Equipment and Services		
40	Areva	21,781	0.01
810	Technip SA	31,809	0.01
	Food and Drug Retailing		
60,098	Carrefour SA	1,989,244	0.73
	Food Products		
16,146	Groupe Danone	806,977	0.29
	Health Care Equipment and Supplies		
188	Biomerieux	11,318	0.00
29,253	Essilor International	1,024,001	0.38
	Hotels, Restaurants and Leisure		
12,143	Sodexo Alliance	502,720	0.18
	Household Durables		
47,221	Thomson SA	118,525	0.04
	Insurance		
5,810	CNP Assurances	461,256	0.17
	IT Consulting and Services		
5,782	Atos Origin	178,259	0.06
19,715	Cap Gemini SA	654,538	0.24
	Media		
13,402	JC Decaux SA	203,576	0.07
32,050	Lagardere SCA	1,013,742	0.37
24,284	Publicis Groupe SA	535,219	0.20
5,860	Teleperformance	114,622	0.04
118,560	Vivendi Universal	2,610,098	0.96
	Metals and Mining		
479	Eramet SA	127,500	0.04
875	Vallourec	132,169	0.05
	Multi-Line Retail		
8,206	PPR	514,393	0.19
	Multi-Utilities		
11	Suez SA	380	0.00
38,817	Veolia Environnement	1,120,065	0.41

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Oil and Gas		
9,926	Bourbon SA	346,814	0.13
48,153	Gaz de France SA	1,754,214	0.64
112,266	Total SA	4,779,164	1.75
	Personal Products		
19,234	L'Oreal	1,331,954	0.49
	Pharmaceuticals		
44,087	Sanofi-Aventis	2,052,250	0.75
	Real Estate		
54	Gecina SA	4,104	0.00
196	Unibail	27,847	0.01
	Real Estate Investment Trusts		
47,842	ANF	1,441,001	0.53
	Road and Rail		
79,047	Groupe Eurotunnel SA	653,719	0.24
	Software		
18,455	Dassault Systemes	693,539	0.25
	Speciality Retail		
4,319	Rallye	88,453	0.03
	Textile and Apparel		
452	Christian Dior SA	23,974	0.01
	Toys, Games and Hobbies		
4,333	UBISOFT Entertainment	211,450	0.08
	Transportation Equipment		
18,759	Groupe Eurotunnel SA	155,137	0.06
	Wireless Telecommunication Services		
80	Bouygues	2,540	0.00
		43,979,495	16.08
	Germany (14.44%)		
	Air Freight and Couriers		
157,288	Deutsche Post AG	2,337,300	0.85
	Airlines		
1,540	Deutsche Lufthansa AG	21,290	0.01
	Automobiles		
32,483	DaimlerChrysler AG	1,146,975	0.42
	Banks		
92,736	Commerzbank AG	964,455	0.35
3,470	Deutsche Bank AG	169,006	0.06
23,826	Deutsche Postbank AG	629,006	0.23
	Building Products		
1,634	Bauer AG	57,844	0.02
9,900	Praktiker Bau Holdings	64,449	0.02
	Chemicals		
9,158	BASF AG	309,815	0.11
98,040	Bayer AG	5,090,237	1.86
21,700	K&S AG	1,042,685	0.38
9,163	Lanxess AG	177,854	0.07
3,220	Wacker Chemie AG	325,123	0.12
	Computers and Peripherals		
2,171	Wincor Nixdorf AG	90,770	0.03

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Diversified Financials		
223	Deutsche Boerse AG	14,147	0.01
	Diversified Telecommunication		
146,294	TAG Tegernsee Immobilien und Beteiligungs AG	525,195	0.19
	Electric Utilities		
95,027	E.ON AG	3,410,519	1.25
	Electrical Equipment		
300	SGL Carbon AG	8,193	0.00
	Health Care Providers and Services		
45,568	Celesio AG	1,395,292	0.51
13,981	Fresenius AG	718,623	0.26
18,372	Fresenius Medical Care AG	670,946	0.25
	Holding Companies - Diversified Operations		
5,400	GEA Group AG	73,764	0.03
	Household Durables		
2,423	Rational AG	269,365	0.10
	Industrial Conglomerates		
35,605	Siemens AG	2,334,620	0.85
	Insurance		
36,919	Allianz SE	3,572,283	1.31
113	AMB Generali Holding AG	12,354	0.00
19,525	Hannover Rueckvers AG	509,212	0.18
14,914	Muenchener Rueckversicherungs AG	1,578,050	0.58
	Machinery		
4,597	Demag Cranes AG	127,659	0.05
11,784	Gildemeister AG	138,580	0.05
2,367	KUKA AG	40,523	0.01
7,757	Linde AG	590,230	0.22
7,659	MAN AG	363,036	0.13
	Manufacturing		
7,908	Tognum AG	108,735	0.04
	Media		
71,437	Premiere AG	670,793	0.25
	Metals and Mining		
20,000	Kloekner & Co AG	323,000	0.12
1,266	Salzgitter AG	89,911	0.03
20,791	Thyssenrupp AG	437,859	0.16
	Multi-Line Retail		
17,523	Arcandor AG	40,829	0.02
	Multi-Utilities		
20,500	RWE AG	1,400,970	0.51
	Personal Products		
28,184	Beiersdorf AG	1,260,670	0.46
	Pharmaceuticals		
7,956	Merck KGAA	599,246	0.22
21,097	Rhoen Klinikum AG	432,910	0.16
	Semiconductor Equipment and Products		
30,442	Kontron AG	217,052	0.08
13,294	Q-Cells AG	773,046	0.28
	Software		
73,871	SAP AG	2,774,964	1.02

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Textile and Apparel		
8,081	Adidas AG	303,037	0.11
	Transportation Infrastructure		
30,667	Fraport AG Frankfurt Airport Services Worldwide	1,284,641	0.47
		<u>39,497,063</u>	<u>14.44</u>
	Greece (0.45%)		
	Banks		
25,491	National Bank of Greece	720,376	0.26
	Electric Utilities		
18,519	Public Power Corp	198,894	0.07
	Hotels, Restaurants and Leisure		
1,800	OPAP SA	38,628	0.02
	Other Industrial		
21,383	Metka SA	198,862	0.07
	Pharmaceuticals		
50,200	Alapis SA	74,296	0.03
		<u>1,231,056</u>	<u>0.45</u>
	Guernsey, Channel Islands (0.21%)		
	Real Estate Holding and Development		
1,144,950	Dawnay Day Sirius Ltd	572,475	0.21
	Ireland (0.56%)		
	Banks		
5,900	Anglo Irish Bank	22,745	0.01
	Construction Material		
21,572	CRH	322,501	0.12
	Food Products		
19,076	Kerry Group	390,677	0.14
	Industrial Suppliers		
121,951	Grafton Group	389,633	0.14
	Pharmaceuticals		
107,635	United Drug	403,631	0.15
		<u>1,529,187</u>	<u>0.56</u>
	Isle Of Man (0.07%)		
800,100	Deutsche Land plc	192,907	0.07
	Italy (2.75%)		
	Aerospace and Defence		
21,870	Finmeccanica SpA	334,611	0.12
	Automobiles		
17,511	Fiat SpA	163,991	0.06
	Banks		
62,883	Banca Popolare di Milano	369,752	0.14
18,577	Banco Popolare	202,118	0.07
252,947	Intesa Sanpaolo SpA	965,625	0.35
1,323	UBI Banca SpA	20,321	0.01
333,777	UniCredito Italiano SpA	849,463	0.31
	Construction and Engineering		
317	Trevi Finanziaria Industriale	3,680	0.00

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Construction Material		
2,135	Buzzi Unicem SpA	23,058	0.01
	Electric Utilities		
209,500	Enel SpA	1,232,907	0.45
227,815	Terna Rete Elettrica Nazionale	591,180	0.22
	Energy Equipment and Services		
9,749	Prysmian SpA	133,854	0.05
28,948	Saipem SpA	608,776	0.22
	Food Products		
11,248	MARR	55,678	0.02
	Household Durables		
4,552	Indesit Co SpA	33,639	0.01
	Industrial Conglomerates		
121,999	Pirelli & C SpA	50,325	0.02
	Insurance		
7,603	Assicurazioni Generali SpA	177,682	0.07
2,555	Fondiarria - Sai Di Risparmio	30,047	0.01
1,901	Fondiarria - Sai SpA	31,176	0.01
	Machinery		
3,000	Danieli & Co SpA	30,105	0.01
	Media		
752,822	Seat Pagine Gialle SpA	51,644	0.02
	Oil and Gas Services		
13,000	Maire Tecnimont SpA	32,240	0.01
	Oil and Gas		
55,499	ENI SpA	1,037,831	0.38
	Textile and Apparel		
77,160	Bulgari SpA	483,407	0.17
	Transportation Infrastructure		
1,500	Ansaldo STS SpA	14,850	0.01
		<u>7,527,960</u>	<u>2.75</u>
	Jersey, Channel Islands (0.19%)		
	Diversified Financials		
108,630	Experian Group Ltd	506,589	0.19
	Luxembourg (1.25%)		
	Financial Services		
140,440	Gagfah SA	1,245,703	0.45
	IT Consulting and Services		
143,990	Colt Telecom Group SA	182,718	0.07
	Media		
82,619	SES SA	1,188,061	0.43
	Metals and Mining		
15,073	ArcelorMittal	529,439	0.19
4,965	ArcelorMittal	174,520	0.07
	Speciality Retail		
3,000	Oriflame Cosmetics SA	97,251	0.04
		<u>3,417,692</u>	<u>1.25</u>

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Netherlands (5.01%)		
	Aerospace and Defence		
15,625	European Aeronautic Defence and Space Co NV	187,422	0.07
	Air Freight and Couriers		
31,603	TNT NV	616,258	0.23
	Banks		
45,581	SNS Reaal Groep NV	362,825	0.13
	Beverages		
5,240	EFES Breweries International NV	65,283	0.02
	Chemicals		
2,387	Akzo Nobel NV	80,227	0.03
9,970	Koninklijke DSM NV	332,151	0.12
	Commercial Services and Supplies		
19,141	Randstad Holding NV	353,151	0.13
	Diversified Financials		
158,066	ING Groep NV	2,358,345	0.86
	Diversified Telecommunication		
87,317	Koninklijke KPN NV	889,935	0.32
	Food and Drug Retailing		
196,770	Koninklijke Ahold NV	1,599,150	0.59
48,461	OPG Groep NV	468,618	0.17
	Food Products		
4,818	CSM	85,953	0.03
105,952	Unilever NV	2,101,558	0.77
	Health Care Equipment and Supplies		
1,100	Qiagen NV	15,202	0.01
	Household Durables		
667	Hunter Douglas NV	18,322	0.01
27,279	Koninklijke Philips Electronics NV	519,938	0.19
	Insurance		
158,993	Aegon NV	985,757	0.36
	Marine		
600	Royal Vopak NV	19,800	0.01
	Media		
75,334	Reed Elsevier NV	792,740	0.29
	Metals and Mining		
200	Advanced Metallurgical Group NV	5,844	0.00
	Semiconductor Equipment and Products		
134,414	ASML Holding NV	1,666,733	0.61
	Software		
13,298	TomTom NV	170,081	0.06
		13,695,293	5.01
	Norway (2.61%)		
	Banks		
25,700	DNB NOR Bank ASA	137,401	0.05
	Chemicals		
30,640	Yara International	745,273	0.27
	Construction and Engineering		
224,900	Tomra Systems ASA	809,722	0.30
	Electronic Equipment and Instruments		
19,285	Tandberg ASA	181,362	0.07

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Energy Equipment and Services		
9,860	Fred Olsen Energy	265,060	0.10
31,150	Seadrill Ltd	443,542	0.16
48,992	Sevan Marine ASA	138,633	0.05
	Food Products		
315,100	Marine Harvest	108,515	0.04
	Gas Utilities		
94,280	Orkla ASA	599,417	0.22
	Media		
25,230	Schibsted ASA	327,348	0.12
	Oil and Gas		
71,780	Revus Energy ASA	553,170	0.20
160,828	Statoil ASA	2,687,983	0.98
	Software		
180,681	StepStone ASA	141,417	0.05
		7,138,843	2.61
	Portugal (0.61%)		
	Banks		
40,404	Banco Espirito Santo SA	349,374	0.13
	Diversified Financials		
49,392	Banco BPI	104,810	0.04
	Diversified Telecommunication		
66,170	Portugal Telecom SGPS SA	469,939	0.17
	Food Products		
129,265	Jeronimo Martins SGPS	750,383	0.27
		1,674,506	0.61
	Russia (0.26%)		
	Banks		
230,000	Sberbank of Russia	281,636	0.11
	Oil and Gas		
12,450	Gazprom	274,323	0.10
	Wireless Telecommunication Services		
10,100	Vimpel-Communications	144,814	0.05
		700,773	0.26
	Spain (4.50%)		
	Airlines		
91,875	IBERIA Lineas Aereas de Espana SA	156,187	0.06
	Banks		
230,761	Banco Bilbao Vizcaya Argentaria SA	2,644,521	0.97
123,156	Banco Santander Central Hispano SA	1,293,138	0.47
	Biotechnology		
500	Grifols SA	8,990	0.00
	Commercial Services and Supplies		
1,196	Prosegur Cia de Seguridad	29,087	0.01
	Construction and Engineering		
2,519	Acciona SA	267,644	0.10
1,373	Tecnicas Reunidas SA	40,970	0.01
	Diversified Telecommunication		
217,377	Telefonica SA	3,649,760	1.34

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Number of Shares		Fair Value EUR	Fund %
	Electric Utilities		
2,511	Union Fenosa SA	43,214	0.02
	Energy Equipment and Services		
5,460	EDP Renovaveis SA	30,085	0.01
4,309	Gamesa Corp Tecnologica SA	103,416	0.04
129,800	Iberdrola Renovables SA	395,890	0.15
50,835	Industria de Diseno Textil SA	1,509,291	0.55
	Media		
6,301	Promotora de Informaciones	29,678	0.01
	Oil and Gas		
4,954	Cia Espanola de Petroleos SA	344,055	0.12
83,493	Repsol YPF SA	1,743,334	0.64
		12,289,260	4.50
	Sweden (3.67%)		
	Airlines		
5,100	SAS AB	23,692	0.01
	Banks		
96,002	Nordea Bank AB	794,930	0.29
74,340	Svenska Handelsbanken AB	1,153,703	0.42
103,200	Swedbank AB	924,601	0.34
	Capital Goods		
55,770	Hexagon AB	439,872	0.16
	Commercial Services and Supplies		
32,105	Intrum Justitia NV	239,289	0.09
11,400	Securitas AB	89,333	0.03
	Construction and Engineering		
2,300	NCC AB	15,851	0.01
27,800	Skanska AB	219,976	0.08
	Diversified Financials		
400	Investor AB	5,197	0.00
9,800	Kinnevik Investment AB	80,547	0.03
	Diversified Telecommunication		
71,825	Ericsson (L.M.) Telefonaktiebolaget	469,335	0.17
98,650	Tele2 AB	783,114	0.28
5,500	TeliaSonera AB	21,957	0.01
	Food Products		
850	Axfood AB	16,229	0.01
	Health Care Equipment and Supplies		
48,702	Elekta AB	580,539	0.21
9,600	RaySearch Laboratories AB	16,761	0.01
	Household Durables		
52,950	Electrolux AB	431,146	0.16
	Industrial Conglomerates		
83,448	Atlas Copco AB	658,176	0.24
25,400	Scania AB	216,545	0.08
	Machinery		
600	Scania AB	5,085	0.00
	Media		
51,100	Eniro AB	124,173	0.05
3,400	Modern Times Group AB	85,223	0.03

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Retail Trade		
13,000	Mekonomen AB	102,203	0.04
	Speciality Retail		
78,400	Hennes & Mauritz AB	2,225,300	0.81
	Tobacco		
24,700	Swedish Match AB	301,995	0.11
		<u>10,024,772</u>	<u>3.67</u>
	Switzerland (11.26%)		
	Agriculture		
9,801	Syngenta AG	1,466,138	0.54
	Banks		
11,735	Bank Sarasin & Cie AG	314,058	0.11
77,830	Credit Suisse Group	2,490,617	0.91
	Chemicals		
89,683	Clariant AG	613,275	0.22
414	Sika Ltd	330,682	0.12
	Commercial Services and Supplies		
583	SGS SA	481,217	0.18
	Diversified Financials		
38	Banque Cantonale Vaudoise	8,029	0.00
67	Julius Baer Holdings Ltd	2,278	0.00
281,218	UBS AG	3,285,415	1.20
	Diversified Telecommunication		
989	Swisscom AG	208,480	0.08
	Electrical Equipment		
304,580	ABB Ltd	4,095,969	1.50
	Food Products		
57	Barry Callebaut AG	24,248	0.01
319	Lindt & Spruengli AG	743,338	0.27
134,034	Nestle SA	4,098,555	1.50
	Health Care Equipment and Supplies		
110	Straumann Holding	21,512	0.01
	Health Care Providers and Services		
1,193	Galenica AG	301,287	0.11
	Insurance		
4,421	Baloise Holdings	217,687	0.08
474	Helvetia Holding AG	83,968	0.03
3,032	Swiss Life Holding	305,324	0.11
30,440	Swiss Reinsurance	1,163,511	0.43
29	Zurich Financial Services Group	5,634	0.00
8,291	Zurich Financial Services Group	1,616,124	0.59
	Machinery		
173	Bucher Industries AG	16,235	0.01
160	Sulzer AG	11,957	0.00
	Oil and Gas		
940	Petroplus Holdings AG	25,246	0.01
	Pharmaceuticals		
41,452	Actelion Ltd	1,512,045	0.55
67,323	Novartis AG	2,500,626	0.92
31,942	Roche Holdings AG	3,565,417	1.30

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Semiconductor Equipment and Products		
9,830	STMicroelectronics NV	69,115	0.02
	Textile and Apparel		
25,155	Compagnie Financiere Richemont AG	785,173	0.29
	Transportation Infrastructure		
1,926	Flughafen Zuerich AG	439,016	0.16
		<u>30,802,176</u>	<u>11.26</u>
	United Arab Emirates (0.03%)		
	Energy Equipment and Services		
20,120	Lamprell plc	82,084	0.03
	United Kingdom (27.16%)		
	Aerospace and Defence		
347,511	BAE Systems	1,814,626	0.66
72,805	BBA Aviation plc	103,704	0.04
6,500	Cobham	15,664	0.01
141,967	Rolls- Royce Holdings	604,856	0.22
	Auto Components		
5,000	GKN	12,420	0.00
	Banks		
1,625	Alliance & Leicester	5,495	0.00
31,975	Barclays Bank	132,478	0.05
132,781	HSBC Holdings	1,517,289	0.55
76,469	Lloyds TSB Group	219,787	0.08
1,379,913	Royal Bank of Scotland Group	3,134,394	1.15
78,747	Standard Chartered	1,335,025	0.49
	Biotechnology		
72,675	Shire	814,780	0.30
	Business Support Services		
160,691	Group 4 Securicor	412,410	0.15
	Commercial Services and Supplies		
14,613	Atkins WS	134,254	0.05
147,178	Capita Group	1,303,608	0.48
251,705	Hays	254,725	0.09
319,683	Rentokil Initial	279,909	0.10
138,002	Serco Group	633,057	0.23
120,176	WPP Group plc	683,195	0.25
	Construction and Engineering		
6,168	Amec	49,701	0.02
6,100	Balfour Beatty	23,203	0.01
	Diversified Financials		
34,440	3i Group plc	309,418	0.11
74,211	Close Brothers Group plc	523,120	0.19
360,086	HBOS	559,289	0.21
4,200	Intermediate Capital Group plc	63,956	0.02
12,615	International Personal Finance	39,700	0.02
247,663	Man Group plc	1,057,535	0.39
24,700	Tullett Prebon plc	85,802	0.03
	Diversified Telecommunication		
102,451	BT Group	209,311	0.08

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Number of Shares		Fair Value EUR	Fund %
	Electric Utilities		
7,598	British Energy Group plc	73,179	0.03
56,719	Drax Group plc	541,247	0.20
302,016	International Power	1,385,438	0.50
	Food and Drug Retailing		
294,273	Morrison WM Supermarkets	965,294	0.35
256,307	Tesco	1,260,646	0.46
	Food Products		
9,500	Dairy Crest Group plc	48,220	0.02
84,707	Premier Foods plc	80,349	0.03
	Gas Utilities		
133,416	Centrica plc	530,755	0.19
	Health Care Equipment and Supplies		
2,300	SSL International	13,068	0.00
	Hotels, Restaurants and Leisure		
18,530	Carnival plc	389,860	0.14
736,251	Compass Group	3,211,570	1.18
36,500	Punch Taverns plc	62,528	0.02
	Household Durables		
73,499	Reckitt Benckiser Group plc	2,528,481	0.92
	Industrial Conglomerates		
3,600	Invensys	9,376	0.00
	Insurance		
120,398	Aviva	733,347	0.27
88,586	British Insurance Holdings	202,342	0.07
20,446	Homeserve plc	379,838	0.14
153,715	Legal & General Group	195,058	0.07
628,023	Old Mutual plc	613,642	0.23
468,351	Prudential	3,016,173	1.10
145,825	St James's Place	396,925	0.15
	IT Consulting and Services		
24,247	Axon Group	209,226	0.08
8,400	Logica CMG	11,485	0.00
	Machinery		
12,100	Charter	94,967	0.03
45,550	The Weir Group	352,299	0.13
	Media		
221,877	Aegis Group	261,141	0.10
231,480	British Sky Broadcasting Group	1,217,550	0.44
97,895	Reed Elsevier NV	686,965	0.25
223,708	Trinity Mirror plc	238,457	0.09
10,426	United Business Media	64,695	0.02
157,500	Yell Group plc	151,895	0.06
	Metals and Mining		
64,236	Anglo American plc	1,512,068	0.55
55,632	BHP Billiton	888,084	0.33
980	Lonmin	28,267	0.01
26,796	Rio Tinto plc	1,180,248	0.43
69,562	UK Coal	298,799	0.11
84,710	Xstrata plc	1,844,594	0.67

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Oil and Gas		
188,467	BG Group	2,420,275	0.89
488,900	BP	2,878,637	1.05
31,069	Cairn Energy	816,106	0.30
21,568	Petrofac	159,424	0.06
70,450	Royal Dutch Shell plc (A Shares)	1,449,509	0.53
25,641	Royal Dutch Shell plc (A Shares)	526,456	0.19
62,860	Royal Dutch Shell plc (B Shares)	1,258,723	0.46
42,895	Vedanta Resources	627,058	0.23
	Personal Products		
102,298	Unilever plc	1,970,551	0.72
	Pharmaceuticals		
128,048	Astrazeneca	3,997,208	1.46
89,522	GlaxoSmithKline	1,375,697	0.51
	Real Estate		
3,003	British Land Co	28,256	0.01
1,667,996	Dawney Day Treveria plc	142,447	0.05
3,456	Land Securities Group	54,731	0.02
145,011	Regus Group	116,389	0.05
1,027	Segro plc	5,425	0.00
	Semiconductor Equipment and Products		
30,500	Arm Holdings plc	36,768	0.01
	Software		
76,362	Sage Group plc	189,247	0.07
	Speciality Retail		
167,951	Home Retail Group	494,447	0.18
27,618	Kesa Electricals plc	38,200	0.01
15,575	WH Smith plc	74,264	0.03
	Textile and Apparel		
140,720	Burberry Group plc	695,971	0.26
42,427	Davis Service Group plc	144,421	0.05
	Tobacco		
141,321	British American Tobacco plc	3,290,725	1.21
186,120	Imperial Tobacco Group plc	4,244,142	1.55
	Trading Companies and Distributors		
88,489	Bunzl plc	736,056	0.27
	Transport		
3,300	Stagecoach Group plc	10,521	0.00
	Water Utilities		
7,974	United Utilities Group plc	70,022	0.03
	Wireless Telecommunication Services		
2,830,909	Vodafone Group plc	4,405,978	1.61
		74,268,441	27.16
	Total Common Stock	260,688,160	95.33
	Preferred Stock (0.75%)		
	France (0.04%)		
	Speciality Retail		
2,657	Casino Guichard Perrachon	108,459	0.04

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value EUR</u>	<u>Fund %</u>
	Germany (0.71%)		
	Automobiles		
7,663	Porsche AG	581,239	0.21
237	Volkswagen AG	20,723	0.01
	Health Care Providers and Services		
12,462	Fresenius AG	634,067	0.23
	Household Products		
21,188	Henkel KGaA	548,345	0.20
	Multi-Utilities		
3,300	RWE AG	169,356	0.06
		<u>1,953,730</u>	<u>0.71</u>
	Total Preferred Stock	<u>2,062,189</u>	<u>0.75</u>
	Money Market Instruments (0.91%)		
	France (0.91%)		
	France Treasury Bill		
2,500,000	Zero coupon due 23/10/08	2,493,237	0.91
	Total Money Market Instruments	2,493,237	0.91
	Total Transferable Securities	<u>265,243,586</u>	<u>96.99</u>
	Collective Investment Schemes (1.72%)		
	Ireland (1.72%)		
	Russell Investment Company III plc		
4,248	The Euro Cash Fund - Class A Shares	4,247,965	1.55
	Russell Investment Company III plc		
350	The Sterling Cash Fund - Class A Income Shares	444,943	0.16
	Russell Investment Company III plc		
17	The U.S. Dollar Cash Plus Fund - Class A Shares	11,904	0.01
	Total Collective Investment Schemes	<u>4,704,812</u>	<u>1.72</u>
	Total Investments excluding Financial Derivative Instruments	<u>269,948,398</u>	<u>98.71</u>

Financial Derivative Instruments ((0.20)%)

Open Futures Contracts ((0.15)%)

<u>Notional Amount EUR</u>	<u>Average Cost Price EUR</u>		<u>Unrealised Gain (Loss) EUR</u>	<u>Fund %</u>
557,393	118,744.29	7 of Topix Index Futures Long Futures Contracts Expiring December 2008	(47,618)	(0.02)
102,295	76,385.00	1 of S&P TSE 60 Index Futures Long Futures Contracts Expiring December 2008	(7,466)	0.00
(2,064,678)	1,086,672.62	19 of IBEX 35 Index Futures Short Futures Contracts Expiring October 2008	(16,297)	(0.01)

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Notional Amount EUR	Average Cost Price EUR		Unrealised Gain (Loss) EUR	Fund %
(333,698)	117,182.39	8 of S&P 500 EMini Index Futures Short Futures Contracts Expiring December 2008	804	0.00
(1,054,750)	602,714.09	7 of Dax Index Futures Short Futures Contracts Expiring December 2008	24,350	0.01
(1,271,727)	81,409.41	153 of OMX 30 Stock Index Futures Short Futures Contracts Expiring Oct 2008	60,680	0.02
(174,580)	1,904,000.00	2 of Hang Seng Stock Index Futures Short Futures Contracts Expiring October 2008	8,784	0.00
(3,713,860)	480,976.79	55 of Share Price Index 200 Futures Short Futures Contracts Expiring December 2008	96,339	0.04
2,307,136	505,035.26	111 of FTSE 100 Index Futures Long Futures Contracts Expiring December 2008	(180,756)	(0.07)
1,842,909	307,151.46	60 of DJ Euro Stoxx 50 Index Futures Long Futures Contracts December 2008 DEC08	(5,709)	0.00
1,108,301	671,359.47	26 of Swiss Market Index Futures Long Futures Contracts Expiring December 2008	(594)	0.00
593,700	593,700.00	4 of Dax Index Futures Long Futures Contracts Expiring December 2008	(4,900)	0.00
268,729	2,687,289.30	20 of S & P MIB Index Futures Long Futures Contracts Expiring December 2008	(113,451)	(0.04)
224,790	37,465.00	25 of EOE Dutch Stock Index Futures Long Futures Contracts Expiring October 2008	(196,246)	(0.07)
566,652	404,751.79	57 of CAC 40 Index Futures Long Futures Contracts Expiring October 2008	(29,657)	(0.01)
327,554	80,203.75	40 of OMX 30 Stock Index Futures Long Futures Contracts Expiring October 2008	(10,940)	0.00
215,780	1,078,900.00	12 of BEX 35 Index Futures Long Futures Contracts Expiring October 2008	3,270	0.00
Unrealised gain on open futures contracts			194,227	0.07
Unrealised loss on open futures contracts			(613,634)	(0.22)
Net unrealised gain (loss) on open futures contracts			(419,407)	(0.15)

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

Settlement Date	Amount Bought	Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/12/2008	AUD 2,047,000	USD 1,635,164	(19,652)	(0.01)
17/12/2008	CAD 692,000	USD 648,152	3,344	0.00
17/12/2008	CAD 1,640,000	USD 1,523,824	16,622	0.01

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/12/2008	CHF	20,710,000	EUR	13,174,828	16,507	0.01
17/12/2008	CHF	600,000	EUR	381,331	842	0.00
17/12/2008	CHF	2,400,000	EUR	1,504,709	23,983	0.01
17/12/2008	CHF	1,750,000	EUR	1,097,691	16,980	0.01
17/12/2008	CHF	20,830,000	EUR	13,071,206	196,564	0.07
17/12/2008	CHF	350,000	EUR	219,571	3,364	0.00
17/12/2008	CHF	2,550,000	EUR	1,596,731	27,504	0.01
17/12/2008	CHF	6,160,000	USD	5,491,224	28,997	0.01
17/12/2008	CHF	62,000	USD	55,615	46	0.00
17/12/2008	CHF	379,000	USD	333,941	4,558	0.00
17/12/2008	DKK	745,000	USD	138,373	1,714	0.00
17/12/2008	DKK	201,000	USD	38,207	(157)	0.00
17/12/2008	EUR	76,172	CHF	120,000	(263)	0.00
17/12/2008	EUR	112,737	CHF	180,000	(1,914)	0.00
17/12/2008	EUR	107,709	CHF	170,000	(573)	0.00
17/12/2008	EUR	133,396	CHF	210,000	(365)	0.00
17/12/2008	EUR	127,295	CHF	200,000	(96)	0.00
17/12/2008	EUR	13,162,168	CHF	20,710,000	(29,168)	(0.01)
17/12/2008	EUR	62,945	CHF	100,000	(751)	0.00
17/12/2008	EUR	63,123	CHF	100,000	(572)	0.00
17/12/2008	EUR	63,607	CHF	100,000	(89)	0.00
17/12/2008	EUR	3,165,450	CHF	5,050,000	(51,173)	(0.02)
17/12/2008	EUR	1,359,468	CHF	2,170,000	(22,724)	(0.01)
17/12/2008	EUR	1,320,561	CHF	2,105,000	(20,229)	(0.01)
17/12/2008	EUR	689,776	CHF	1,100,000	(10,874)	0.00
17/12/2008	EUR	126,126	CHF	200,000	(1,265)	0.00
17/12/2008	EUR	157,343	CHF	250,000	(1,896)	0.00
17/12/2008	EUR	125,120	CHF	200,000	(2,271)	0.00
17/12/2008	EUR	75,092	CHF	120,000	(1,343)	0.00
17/12/2008	EUR	7,805,031	CHF	12,450,000	(125,057)	(0.05)
17/12/2008	EUR	1,003,056	CHF	1,600,000	(16,072)	(0.01)
17/12/2008	EUR	123,994	GBP	100,000	(2,781)	0.00
17/12/2008	EUR	162,444	GBP	130,000	(2,363)	0.00
17/12/2008	EUR	214,187	GBP	170,000	(1,330)	0.00
17/12/2008	EUR	251,418	GBP	200,000	(2,131)	0.00
17/12/2008	EUR	277,139	GBP	220,000	(1,765)	0.00
17/12/2008	EUR	314,822	GBP	250,000	(2,115)	0.00
17/12/2008	EUR	26,360,665	GBP	20,915,000	(154,243)	(0.06)
17/12/2008	EUR	125,313	GBP	100,000	(1,461)	0.00
17/12/2008	EUR	123,514	GBP	100,000	(3,260)	0.00
17/12/2008	EUR	17,083,648	GBP	13,800,000	(411,247)	(0.15)
17/12/2008	EUR	1,669,639	GBP	1,350,000	(41,818)	(0.02)
17/12/2008	EUR	3,720,054	GBP	3,000,000	(83,185)	(0.03)
17/12/2008	EUR	377,786	GBP	300,000	(2,538)	0.00
17/12/2008	EUR	184,680	GBP	150,000	(5,482)	0.00
17/12/2008	EUR	220,794	GBP	180,000	(7,401)	0.00
17/12/2008	EUR	250,178	GBP	200,000	(3,371)	0.00
17/12/2008	EUR	18,245,235	GBP	14,720,000	(415,987)	(0.15)
17/12/2008	EUR	495,794	GBP	400,000	(11,304)	0.00
17/12/2008	EUR	439,755	GBP	350,000	(3,956)	0.00

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/12/2008	EUR	31,635	SEK	300,000	1,103	0.00
17/12/2008	EUR	23,938	SEK	230,000	529	0.00
17/12/2008	EUR	41,536	SEK	400,000	826	0.00
17/12/2008	EUR	51,922	SEK	500,000	1,035	0.00
17/12/2008	EUR	4,015,806	SEK	38,700,000	77,094	0.03
17/12/2008	EUR	30,919	SEK	300,000	386	0.00
17/12/2008	EUR	20,454	SEK	200,000	99	0.00
17/12/2008	EUR	3,602,193	SEK	34,100,000	131,648	0.05
17/12/2008	EUR	32,146	SEK	310,000	596	0.00
17/12/2008	EUR	41,322	SEK	400,000	612	0.00
17/12/2008	EUR	11,628	SEK	110,000	433	0.00
17/12/2008	EUR	84,507	SEK	800,000	3,087	0.00
17/12/2008	EUR	31,683	SEK	300,000	1,150	0.00
17/12/2008	EUR	2,841,249	SEK	26,930,000	100,434	0.04
17/12/2008	EUR	506,935	SEK	4,800,000	18,412	0.01
17/12/2008	EUR	31,511	SEK	300,000	979	0.00
17/12/2008	EUR	26,204	SEK	250,000	760	0.00
17/12/2008	EUR	941,000	USD	1,378,960	(37,026)	(0.01)
17/12/2008	EUR	13,000	USD	18,454	(88)	0.00
17/12/2008	GBP	200,000	EUR	249,210	4,339	0.00
17/12/2008	GBP	100,000	EUR	125,311	1,464	0.00
17/12/2008	GBP	20,915,000	EUR	26,401,995	112,914	0.04
17/12/2008	GBP	700,000	EUR	884,333	3,089	0.00
17/12/2008	GBP	3,480,000	EUR	4,310,014	101,742	0.04
17/12/2008	GBP	2,900,000	EUR	3,589,553	86,910	0.03
17/12/2008	GBP	1,000,000	EUR	1,237,869	29,877	0.01
17/12/2008	GBP	2,450,000	EUR	3,031,773	74,205	0.03
17/12/2008	GBP	21,015,000	EUR	26,017,486	624,197	0.23
17/12/2008	GBP	3,100,000	EUR	3,836,681	93,332	0.03
17/12/2008	GBP	3,350,000	EUR	4,144,998	101,951	0.04
17/12/2008	GBP	1,202,000	USD	2,132,348	11,465	0.00
17/12/2008	GBP	618,000	USD	1,099,731	3,484	0.00
17/12/2008	GBP	575,000	USD	1,063,750	(25,510)	(0.01)
17/12/2008	JPY	46,793,000	USD	444,336	868	0.00
17/12/2008	JPY	217,273,000	USD	2,031,918	26,200	0.01
17/12/2008	NOK	65,514,000	USD	11,248,970	(155,821)	(0.06)
17/12/2008	SEK	4,000,000	EUR	422,270	(15,168)	(0.01)
17/12/2008	SEK	39,000,000	EUR	4,120,900	(151,655)	(0.06)
17/12/2008	SEK	3,000,000	EUR	316,937	(11,611)	0.00
17/12/2008	SEK	2,375,000	EUR	250,884	(9,167)	0.00
17/12/2008	SEK	6,700,000	EUR	707,475	(25,580)	(0.01)
17/12/2008	SEK	1,100,000	EUR	113,914	(1,961)	0.00
17/12/2008	SEK	38,700,000	EUR	4,025,713	(87,000)	(0.03)
17/12/2008	SEK	18,400,000	EUR	1,943,705	(71,036)	(0.03)
17/12/2008	SEK	300,000	EUR	31,487	(954)	0.00
17/12/2008	SEK	7,931,000	USD	1,166,306	(20,020)	(0.01)
17/12/2008	USD	370,884	AUD	465,000	4,065	0.00
17/12/2008	USD	733,517	AUD	927,000	3,949	0.00
17/12/2008	USD	2,230,424	CAD	2,387,000	(15,315)	(0.01)
17/12/2008	USD	45,176	CHF	49,000	830	0.00

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Settlement Date	Amount Bought	Amount Sold	Unrealised Gain (Loss) EUR	Fund %
17/12/2008	USD 27,317	DKK 139,000	744	0.00
17/12/2008	USD 1,121,224	DKK 5,938,000	(663)	0.00
17/12/2008	USD 3,393,254	EUR 2,443,000	(36,338)	(0.01)
17/12/2008	USD 3,245,057	EUR 2,304,024	(2,471)	0.00
17/12/2008	USD 1,124,841	GBP 646,000	(21,172)	(0.01)
17/12/2008	USD 3,497,692	JPY 367,520,000	(1,282)	0.00
17/12/2008	USD 3,898,362	NOK 22,780,000	44,933	0.02
17/12/2008	USD 679,810	NOK 3,962,000	9,084	0.00
17/12/2008	USD 3,488,296	NZD 5,344,000	(35,050)	(0.01)
17/12/2008	USD 89,842	NZD 137,000	(604)	0.00
17/12/2008	USD 983,512	SEK 6,502,000	35,811	0.01
17/12/2008	USD 73,037	SEK 501,000	812	0.00
Unrealised gain on open forward foreign currency exchange contracts			2,056,473	0.75
Unrealised loss on open forward foreign currency exchange contracts			(2,189,734)	(0.80)
Net unrealised gain (loss) on open forward foreign currency exchange contracts			(133,261)	(0.05)
Total Financial Derivatives			(522,668)	(0.20)
			Fair Value EUR	Fund %
Total Investments (98.51%)			269,395,730	98.51
Other Net Liabilities (1.40%)			3,835,339	1.40
Adjustment From Bid Market Prices To Last Traded Market Prices (0.09%)			233,657	0.09
Net Assets (100.00%)			273,464,726	100.00
Analysis of total assets (unaudited)				% of total assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market				94.91
Transferable securities and money market instruments other than those admitted to an official stock exchange listing or traded in another regulated market				0.23
Collective investment schemes				1.69
Exchange traded financial derivative instruments				0.07
Over the counter financial derivative instruments				0.74
Other assets				2.36
				100.00

The brokers for the open futures contracts are:

Barclays
Morgan Stanley

The counterparties for the open forward foreign currency exchange contracts are:

Bank of America
Brown Brothers Harriman
Citibank
Credit Suisse First Boston
Deutsche Bank

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

Russell Investment Company II plc
The Pan European Equity Fund

Schedule of Investments - continued

30 September 2008

Goldman Sachs
HSBC
Morgan Stanley
Royal Bank of Scotland
State Street Bank
UBS Warburg

The proportion of the investments of the Pan European Equity Fund in rights or securities eligible to the French Plan d'Epargne en Actions (PEA) has been continuously equal to or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

Russell Investment Company II plc
The Pan European Equity Fund

Statement of Changes in Composition of Portfolio (Unaudited)

Listed below are the 20 largest cumulative investment purchases and sales during the period ended 30 September 2008

Portfolio Securities	Acquisition Cost EUR	Portfolio Securities	Disposal Proceeds EUR
Russell Investment Company III plc		Russell Investment Company III plc	
The Euro Cash Fund		The Euro Cash Fund	
Class A Shares	93,361,583	Class A Shares	(106,440,100)
Russell Investment Company III		Russell Investment Company III	
The Sterling Cash Fund		The Sterling Cash Fund	
Class A Shares	38,070,218	Class A Shares	(37,730,187)
Royal Bank of Scotland Group	4,817,504	Vodafone Group	(7,300,175)
ABB Ltd	4,610,610	Novartis AG	(5,202,633)
HBOS	4,276,177	E ON AG	(4,485,495)
Compass Group	3,517,042	France Telecom	(4,141,300)
BBVA (Bilboa Viz Arg)	3,467,114	ThyssenKrupp AG	(4,121,742)
Credit Agricole SA	3,462,716	Credit Agricole SA	(4,022,468)
Total SA	3,325,277	Total SA	(3,861,764)
Hennes & Mauritz	3,295,143	Sanofi Aventis	(3,770,512)
Novartis AG	3,197,331	Vivendi SA	(3,727,839)
Repsol YPF SA	3,136,152	Royal Bank of Scotland Group	(3,586,983)
France Telecom	3,093,410	Telefonica SA	(3,514,209)
Richemont (CIE Finance)	3,089,550	ENI	(3,478,132)
ThyssenKrupp AG	2,995,668	Anglo American	(3,180,511)
Royal Dutch Shell	2,976,242	BNP Paribas	(3,110,423)
Xstrata	2,973,339	Repsol YPF SA	(3,069,548)
SAP AG	2,936,068	Nestle SA	(3,061,912)
UBS AG	2,856,543	StatoilHydro ASA	(2,924,376)
BP Plc	2,731,873	SAP AG	(2,898,883)

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 ***The U.K. Equity Plus Fund***

Manager's Report

Money Managers

Liontrust Investment Services Limited
Resolution Asset Management Limited
River and Mercantile Asset Management LLP
Standard Life Investments
TT International

Investment Objective

The U.K. Equity Plus Fund (the "Fund") aims 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 U.K. Equity Plus 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. Money market instruments may include but are not limited to commercial paper issued by corporate entities; certificates of deposit; bankers' acceptances; Treasury bills; short corporate bonds (securities with less than one year to maturity); money market funds. The investments will be selected with a view to achieving the Fund's objective of providing total returns and focussed stock selection. In addition to investing in the foregoing instruments, the Fund may also invest up to 30 per cent of its net assets in non-U.K. equities. The Fund may also invest in new issues for which application for listing on a regulated market will be sought. Investment in money market instruments will not exceed 20 per cent of the net assets of the Fund. Investment in collective investment schemes will not exceed 10 per cent of the net assets of the Fund.

At all times, at least two thirds of the Fund's net assets will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled in the U.K..

Fund Performance

The Fund returned -16.2 per cent during the period on a gross-of-fees basis verses a benchmark return of -13.4 per cent.*

Market Comment

The FTSE All-Share Index fell 13.4 per cent during the period as a crisis in global credit markets unfolded. Despite interest rate cuts in the U.K. and U.S. and injections of liquidity into the market, banks' ability to raise capital remained at the forefront of investor concerns. Weak economic data put further pressure on the Bank of England, which had to weigh up the rise of interest rates to stem inflation against the effects of higher borrowing costs on an already contracting economy. Following a brief rally in August, markets plummeted in September following the bankruptcy of Lehman Brothers, the bailout of AIG and the rescue of HBOS by Lloyds TSB. This culminated in the U.S. Federal Reserve announcing plans for a USD 700 billion bailout of the banking sector. However, this was later rejected and markets once again sold off, resulting in a number of financial institutions around the world needing to be rescued. In particular, Bradford & Bingley were nationalised and became the latest victim of the credit crunch in the U.K.. Elsewhere, oil and mining stocks struggled as falls in the underlying commodity prices were brought on by weakening consumer demand and signs of slowing economic growth.

General Comment on Managers/Performance

In June, RCM (U.K.) Ltd. was removed from the Fund's line up and replaced with River and Mercantile Asset Management LLP ("River & Mercantile"). River & Mercantile use a quantitative screen to rank stocks that is then followed by a qualitative verification process to form a powerful 'best ideas' stock picking process.

Resolution Asset Management Limited, benefited from a minimal position in mining stocks as it believes they are overvalued and earnings are at the peak of the cycle. However, it finished in line with the benchmark due to weak stock selection in the financials sector.

TT International's underperformance was driven by stock selection in the financials sector. Its position in HBOS, which was bought based on its good discount to book value, was the one of the main detractors.

Outlook

The Fund remains well positioned to benefit from the stock-picking abilities of the managers in the Fund, and Russell currently remain confident in the manager line-up.

Past performance is no indication of current or future performance.

* Benchmark source: FTSE All-Share Index

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

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	GBP	(Audited)	GBP
	GBP	GBP	GBP
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	198,395,941	233,352,805	202,640,209
Unrealised gain on open futures contracts	-	432,002	38,004
	<u>198,395,941</u>	<u>233,784,807</u>	<u>202,678,213</u>
Cash at bank (Note 5)	2,554,694	1,867,638	6,205,272
Cash held with broker for open futures contracts	1,455,487	946,018	23,091
Debtors:			
Receivable for investments sold	1,237,597	69,463	1,237,018
Receivable for fund shares issued	303,207	498,433	-
Dividends receivable	771,564	1,615,191	623,095
	<u>204,718,490</u>	<u>238,781,550</u>	<u>210,766,689</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(336,652)	(16,482)	-
	<u>(336,652)</u>	<u>(16,482)</u>	<u>-</u>
Creditors – amounts falling due within one year:			
Payable for investments purchased	(754,052)	(356,115)	(902,789)
Payable for fund shares redeemed	(449,931)	(41,950)	-
Management fees payable	(130,969)	(143,910)	(882,126)
Performance fees payable	(583,079)	(1,493,612)	-
Custodian and Trustee fees payable	(2,772)	(3,977)	(3,007)
Sub-custodian fees payable	(8,040)	(13,030)	(882)
Administration fees payable	(4,619)	(9,351)	(7,603)
Interest payable	(30,817)	-	(11,347)
Distributions payable	-	80,551	-
Miscellaneous fees payable	(24,039)	(15,988)	8,608
	<u>(2,324,970)</u>	<u>(2,013,864)</u>	<u>(1,799,146)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	202,393,520	236,767,686	208,967,543
Adjustment from bid market prices to last traded market prices (Note 6)	185,927	298,526	174,603
	<u>202,579,447</u>	<u>237,066,212</u>	<u>209,142,146</u>
Net asset value per share*			
Class B (GBP 170,827,990 divided by 2,042,664 shares in issue)	<u>GBP 83.63</u>	<u>GBP 100.27</u>	<u>GBP 110.51</u>
Class C (EUR 4,862,369 divided by 70,235 shares in issue)	<u>EUR 69.23</u>	<u>EUR 82.26</u>	<u>EUR 103.88</u>
Class I Income (GBP 9,422,174 divided by 124,797 shares in issue)	<u>GBP 75.50</u>	<u>GBP 91.73</u>	<u>GBP 101.69</u>
Class K (USD 4,390,138 divided by 53,421 shares in issue)	<u>USD 82.18</u>	<u>USD 110.23</u>	<u>USD 124.89</u>

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

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

Balance Sheet - continued

As at 30 September 2008

	<u>30 September 2008</u>	<u>31 March 2008</u> <u>(Audited)</u>	<u>30 September 2007</u>
Class P Income (GBP 16,024,996 divided by 201,877 shares in issue).....	GBP 79.38	GBP 96.74	GBP 107.57

* See Note 12 for comparative figures

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

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

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 GBP	Year ended 31 March 2008 GBP
Income		
Dividends	4,388,157	6,743,846
Bank interest	1,969	274,232
Short term interest income.....	10,439	37,009
Securities lending income (Note 4)	2,439	30,588
Miscellaneous income	10,492	34,916
	<u>4,413,496</u>	<u>7,120,591</u>
Net gain (loss) on investment activities	(43,855,982)	(20,878,741)
Total investment income (expense)	<u>(39,442,486)</u>	<u>(13,758,150)</u>
Expenses (Note 3)		
Management fees		
Class B	(668,442)	(1,097,665)
Class C	(23,543)	(66,804)
Class I Income	(36,830)	(42,482)
Class K	(22,019)	(153,900)
Class P Income	(119,427)	(213,178)
Performance fees	392,700	(1,046,316)
Custodian and Trustee fees	(17,280)	(38,361)
Sub-custodian fees	(18,104)	(29,520)
Administration fees	(26,076)	(62,122)
Audit fees	(7,079)	(11,587)
Professional fees	(25,729)	(21,581)
Registration fees	(1,868)	(5,234)
Marketing fees	(12,192)	(31,869)
Miscellaneous fees	(22,410)	(42,949)
Total operating expenses	<u>(608,299)</u>	<u>(2,863,568)</u>
Net income (expense)	(40,050,785)	(16,621,718)
Finance costs		
Distributions (Note 15)	(3,277,632)	(3,392,310)
Profit (loss) for the financial period/year before withholding tax	<u>(43,328,417)</u>	<u>(20,014,028)</u>
Withholding tax (Note 7)	(41,247)	(57,975)
Profit (loss) for the financial period/year after withholding tax	(43,369,664)	(20,072,003)
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>(112,599)</u>	<u>59,425</u>
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(43,482,263)</u>	<u>(20,012,578)</u>

All amounts arose solely from continuing operations. 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
The U.K. Equity Plus Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 GBP	Year ended 31 March 2008 GBP
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(43,482,263)	(20,012,578)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	6,136,155	68,050,920
Deemed distributions on accumulation shares (Note 15)	2,859,343	3,040,375
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(34,486,765)	51,078,717
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>237,066,212</u>	<u>185,987,495</u>
End of period/year	<u><u>202,579,447</u></u>	<u><u>237,066,212</u></u>

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

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

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
	Transferable Securities (94.44%)		
	Common Stock (94.24%)		
	Bermuda (0.06%)		
	Metals and Mining		
40,486	Aquarius Platinum	111,438	0.06
	Finland (0.07%)		
	Metals and Mining		
58,921	Talvivaara Mining	138,170	0.07
	France (0.12%)		
	Road and Rail		
38,338	Groupe Eurotunnel SA	249,854	0.12
	Gibraltar (0.13%)		
	Hotels, Restaurants and Leisure		
146,192	Partygaming	267,897	0.13
	Ireland (0.33%)		
	Construction Material		
51,465	CRH	606,323	0.30
	Oil and Gas		
32,701	Dragon Oil	57,472	0.03
		<u>663,795</u>	<u>0.33</u>
	Jersey, Channel Islands (0.24%)		
	Oil and Gas		
228,000	Heritage Oil	486,780	0.24
	Switzerland (0.34%)		
	Pharmaceuticals		
23,199	Novartis AG	679,056	0.34
	United Arab Emirates (0.31%)		
	Energy Equipment and Services		
197,867	Lamprell plc	636,142	0.31
	United Kingdom (92.64%)		
	Aerospace and Defence		
1,147,805	BAE Systems	4,723,218	2.33
32,347	Chemring Holdings	664,084	0.33
175,609	Cobham	333,481	0.16
336,657	Meggitt	628,707	0.31
546,708	Rolls- Royce Holdings	1,835,572	0.91
22,334	Ultra Electronic Holdings	281,408	0.14
269,979	VT Group	1,403,891	0.69
	Airlines		
375,467	Easy Jet	1,181,782	0.58
	Auto Components		
135,294	GKN	264,838	0.13

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
	Banks		
442,737	Barclays Bank	1,445,536	0.71
708,449	HSBC Holdings	6,379,583	3.15
1,367,891	Lloyds TSB Group	3,098,273	1.53
2,644,032	Royal Bank of Scotland Group	4,732,817	2.34
99,168	Standard Chartered	1,324,885	0.65
	Beverages		
87,886	Diageo plc	830,083	0.41
	Biotechnology		
139,762	Shire	1,234,797	0.61
	Commercial Services and Supplies		
117,586	Aggreko	638,492	0.32
325,000	Ashtead Group	216,938	0.11
155,048	Atkins WS	1,122,547	0.55
7,683	BPP Holdings	35,111	0.02
55,610	Capita Group	388,158	0.19
177,154	De La Rue	1,591,729	0.79
27,268	Dignity	187,195	0.09
189,057	ITE Group	228,285	0.11
69,835	Mears Group	198,681	0.10
127,163	Michael Page International	292,157	0.14
73,176	Mitie Group	150,011	0.07
51,342	PayPoint	271,086	0.13
793,935	Rentokil Initial	547,815	0.27
161,393	RPS Group	392,992	0.19
242,699	Scott Wilson Group	422,903	0.21
434,858	Serco Group	1,572,011	0.78
112,698	SThree plc	201,448	0.10
201,572	Wincanton	374,924	0.19
	Construction and Engineering		
96,891	Amec	615,258	0.30
540,589	Balfour Beatty	1,620,415	0.80
483,143	Carillion	1,248,925	0.62
973,398	Galliford Try plc	425,862	0.21
58,868	Kier Group	457,993	0.23
82,399	Morgan Sindall	364,615	0.18
48,981	WSP Group	161,025	0.08
	Diversified Financials		
112,334	Ashmore Group	218,490	0.11
444,069	Cattles plc	338,603	0.17
933,210	HBOS	1,142,249	0.56
152,383	Icap	540,197	0.27
158,437	IG Group Holdings	496,700	0.25
109,184	Intermediate Capital Group plc	1,310,208	0.65
99,552	International Personal Finance	246,889	0.12
567,641	Man Group plc	1,910,112	0.94
475,000	Paragon Group of	308,750	0.15
19,871	Provident Financial Plc	166,916	0.08
244,816	Savills	634,686	0.31
83,583	Tullett Prebon plc	228,808	0.11

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
	Diversified Telecommunication		
1,330,994	BT Group	2,142,900	1.06
1,235,573	Cable & Wireless	2,038,696	1.01
221,351	Inmarsat	1,069,125	0.53
	Electric Utilities		
695,140	International Power	2,512,931	1.24
49,761	Scottish & Southern Energy	710,090	0.35
	Electrical Equipment		
282,390	Chloride Group	537,953	0.27
209,482	Laird Group	515,326	0.25
201,799	PV Crystalox Solar	310,266	0.15
	Electronic Equipment and Instruments		
408,764	Cookson Group plc	1,903,818	0.94
80,937	Rotork plc	745,835	0.37
184,461	Spectris	1,222,976	0.60
	Energy Equipment and Services		
573,739	John Wood Group	1,942,107	0.96
	Exploration and Production		
9,590	Dana Petroleum plc	113,450	0.06
11,879	Premier Oil plc	115,345	0.06
	Food and Drug Retailing		
1,312,865	Morrison WM Supermarkets	3,393,756	1.68
560,822	Tesco	2,173,746	1.07
	Food Products		
159,681	Domino's Pizza UK & IRL	308,584	0.15
6,320	Greggs	197,816	0.10
	Gas Utilities		
789,957	Centrica plc	2,476,515	1.22
	Health Care Equipment and Supplies		
34,429	SSL International	154,156	0.08
	Hotels, Restaurants and Leisure		
210,666	888 Holdings	263,859	0.13
156,260	Compass Group	537,144	0.27
554,495	Restaurant Group	684,801	0.34
85,902	Whitbread	908,843	0.45
	Household Durables		
907,281	Galiform plc	235,893	0.12
68,873	Reckitt Benckiser Group plc	1,867,147	0.92
252,004	Taylor Woodrow	88,832	0.04
	Industrial Conglomerates		
1,945,926	Fiberweb plc	972,963	0.48
194,607	Hunting plc	1,185,157	0.59
1,189,193	Invensys	2,440,819	1.20
345,179	Mouchel Parkman	1,062,288	0.52
	Insurance		
88,412	Aviva	424,378	0.21
56,812	Homeserve plc	831,728	0.41
136,186	Jardine Lloyd Thompson	600,239	0.30
1,000,000	Legal & General Group	1,000,000	0.49
665,549	Prudential	3,377,661	1.67
234,024	Royal & Sun Alliance Insurance	348,696	0.17

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
	IT Consulting and Services		
185,528	ARICOM	7,421	0.00
707,574	Dimension Data Holdings	288,337	0.14
	Leisure Equipment and Products		
3,013	Vitec Group plc	10,500	0.01
	Machinery		
580,651	Babcock International Group	2,884,384	1.42
990,956	Bodycote International	1,553,323	0.77
178,737	Charter	1,105,488	0.55
143,237	Hamworthy KSE	533,558	0.26
208,693	IMI Group	778,947	0.38
362,564	Morgan Crucible	568,319	0.28
85,048	Spirax-Sarco Engineering	769,259	0.38
213,032	The Weir Group	1,298,430	0.64
	Media		
156,471	British Sky Broadcasting Group	648,572	0.32
367,138	Daily Mail & General Trust	1,171,170	0.58
109,875	Pearson plc	658,701	0.33
216,410	Reed Elsevier NV	1,196,747	0.59
226,853	Trinity Mirror plc	190,557	0.09
53,484	United Business Media	261,537	0.13
	Metals and Mining		
82,466	Anglo American plc	1,529,744	0.76
58,490	Antofagasta Plc	233,960	0.12
226,252	BHP Billiton	2,846,250	1.41
20,145	Johnson Matthey plc	271,756	0.13
103,220	Rio Tinto plc	3,582,766	1.77
263,099	Xstrata plc	4,514,779	2.23
	Multi-Line Retail		
538,700	Kingfisher	708,929	0.35
	Oil and Gas		
328,812	Afren	213,728	0.11
431,492	BG Group	4,366,699	2.16
1,546,453	BP	7,175,542	3.54
51,118	Cairn Energy	1,058,143	0.52
36,941	JKX Oil & Gas	102,603	0.05
261,364	National Grid	1,864,832	0.92
133,033	Petrofac	774,917	0.38
285,892	Royal Dutch Shell plc (A Shares)	4,625,733	2.28
343,893	Royal Dutch Shell plc (B Shares)	5,426,632	2.68
304,439	Salamander Energy	532,007	0.26
214,340	Sibir Energy	828,424	0.41
5,464	Soco International	80,758	0.04
159,003	Tullow Oil	1,128,921	0.56
37,723	Vedanta Resources	434,569	0.21
44,623	Wellstream Holdings	454,262	0.22
	Paper and Forest Products		
80,000	Mondi plc	206,000	0.10
	Personal Products		
177,105	Unilever plc	2,688,454	1.33

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
Pharmaceuticals			
124,681	Astrazeneca	3,067,153	1.51
68,783	Dechra Pharmaceuticals	280,978	0.14
203,681	GlaxoSmithKline	2,466,577	1.22
Real Estate			
136,677	Capital & Regional	230,984	0.11
Road and Rail			
1,091,683	FirstGroup plc	5,813,212	2.87
34,484	Go Ahead Group	570,021	0.28
98,666	National Express Group	791,301	0.39
Software			
47,438	Aveva Group	543,165	0.27
2,777,877	Innovation Group	143,894	0.07
527,857	Micro Focus International	1,504,393	0.74
32,189	Royalblue Group	228,863	0.11
Speciality Retail			
258,927	HMV Group	328,190	0.16
225,161	N Brown Group	497,043	0.25
Telecommunications			
1,797,176	Spirent Communications	1,208,601	0.60
Textile and Apparel			
91,422	ASOS	320,663	0.16
64,374	Davis Service Group plc	172,683	0.09
Tobacco			
154,715	British American Tobacco plc	2,839,020	1.40
248,892	Imperial Tobacco Group plc	4,472,590	2.21
Trading Companies and Distributors			
46,204	BSS Group	105,576	0.05
10,318	Bunzl plc	67,635	0.03
Transport			
115,510	Stagecoach Group plc	290,219	0.14
Travel Agencies			
425,166	Thomas Cook Group plc	938,554	0.46
752,234	Tui Travel	1,621,064	0.80
Wireless Telecommunication Services			
5,342,480	Vodafone Group plc	6,552,552	3.23
		<u>187,678,567</u>	<u>92.64</u>
	Total Common Stock	<u>190,911,699</u>	<u>94.24</u>
Warrants (0.20%)			
United Kingdom (0.20%)			
	Groupe Eurotunnel		
121,728	Zero coupon due 30/06/11	18,226	0.01
	Groupe Eurotunnel		
2,540,701	Zero coupon due 30/06/11	380,416	0.19
		<u>398,642</u>	<u>0.20</u>
	Total Warrants	<u>398,642</u>	<u>0.20</u>
	Total Transferable Securities	<u>191,310,341</u>	<u>94.44</u>

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value GBP</u>	<u>Fund %</u>
Collective Investment Schemes (3.50%)			
Ireland (3.50%)			
	Russell Investment Company III plc		
6,959	The Sterling Cash Fund - Class A Shares	6,958,661	3.44
	Russell Investment Company III plc		
57	The Euro Cash Fund - Class A Shares	44,687	0.02
	Russell Investment Company III plc		
147	The U.S. Dollar Cash Plus Fund - Class A Shares	82,252	0.04
		<u>7,085,600</u>	<u>3.50</u>
	Total Collective Investment Schemes	<u>7,085,600</u>	<u>3.50</u>
	Total Investments excluding Financial Derivative Instruments	<u>198,395,941</u>	<u>97.94</u>

Financial Derivative Instruments ((0.17)%)

Open Futures Contracts ((0.17)%)

<u>Notional Amount GBP</u>	<u>Average Cost Price GBP</u>		<u>Unrealised Gain (Loss) GBP</u>	<u>Fund %</u>
11,973,472	5,116.87	234 of FTSE 100 Index Futures Long Futures Contracts Expiring December 2008	(336,652)	(0.17)
		Unrealised loss on open futures contracts	(336,652)	(0.17)
		Net unrealised gain (loss) on open futures contracts	<u>(336,652)</u>	<u>(0.17)</u>
		Total Financial Derivative Instruments	<u>(336,652)</u>	<u>(0.17)</u>

	<u>Fair Value GBP</u>	<u>Fund %</u>
Total Investments (97.77%)	198,059,289	97.77
Other Net Assets (2.14%)	4,334,231	2.14
Adjustment From Bid Market Prices To Last Traded Market Prices (0.09%)	<u>185,927</u>	<u>0.09</u>
Net Assets (100.00%)	<u><u>202,579,447</u></u>	<u><u>100.00</u></u>

Analysis of total assets (unaudited)

	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	93.45
Collective investment schemes	3.46
Other assets	<u>3.09</u>
	<u><u>100.00</u></u>

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

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

Schedule of Investments - continued

30 September 2008

The broker for the open futures contract is Morgan Stanley.

The proportion of the investments of the U.K. Equity Plus Fund in rights or securities eligible to the French Plan d'Epargne en actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

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

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the period ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost GBP</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds GBP</u>
Russell Investment Company III plc		Russell Investment Company III plc	
The Sterling Cash Fund		The Sterling Cash Fund	
Class A Shares	77,509,587	Class A Shares	(76,286,000)
HBOS Treasury Services plc	6,463,729	BP	(5,565,618)
Lloyds TSB Bank plc	4,487,818	Vodafone Group	(4,551,528)
Royal Bank of Scotland	3,356,756	Anglo American	(4,515,183)
FirstGroup	3,341,307	Rio Tinto	(4,417,079)
BHP Billiton	3,198,511	HBOS	(3,993,145)
Prudential	3,006,284	Barclays	(3,778,670)
Xstrata plc	2,925,515	BG Group	(3,643,455)
Barclays	2,834,119	HSBC Holdings	(3,560,446)
BP	2,585,548	Royal Bank of Scotland	(3,368,609)
British American Tobacco plc	2,461,336	GlaxoSmithKline	(3,351,572)
John Wood Group	2,441,418	Lloyds TSB Bank plc	(2,722,651)
Russell Investment Company III plc		Reckitt Benckiser Group plc	(2,712,218)
The U.S. Dollar Cash Plus Fund		Royal Dutch Shell	(2,697,361)
Class A Shares	2,420,895	Xstrata plc	(2,676,657)
Unilever plc	2,285,122	Man Group plc	(2,665,194)
BT Group	2,277,638	Vedanta Resources	(2,506,295)
HSBC Holdings	2,199,875	International Power	(2,434,880)
Cable & Wireless	2,146,984	Aviva	(2,403,854)
Babcock International Group	2,079,007	Russell Investment Company III plc	
Imperial Tobacco Group	1,942,905	The U.S. Dollar Cash Plus Fund	
Russell Investment Company III plc		Class A Shares	(2,356,263)
The Euro Cash Fund			
Class A Shares	1,924,911		

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 ***The U.S. Growth Fund***

Manager's Report

Money Managers

Marisco Capital Management, LLC
Suffolk Capital Management, LLC
Sustainable Growth Advisers, L.P.
Turner Investment Partners Inc.
Wells Capital Management

Investment Objective

The U.S. Growth Fund (the "Fund") will seek to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, American depository receipts, global depository receipts, convertibles and warrants listed, traded or dealt in on a regulated market in the U.S.

Fund Performance

The Fund returned -10.1 per cent during the period on a gross-of-fees basis verses a benchmark return of -11.3 per cent.*

Market Comment

U.S. markets declined by 11.3 per cent during the period. During the second quarter of 2008, a rate cut by the Federal Reserve ("Fed") improved investor sentiment and equities rose during the first six weeks, to peak mid-May 2008. This was led primarily by the strong performance of oil stocks and healthy corporate data. However, investor sentiment was diminished by concerns over the potential impact of the high oil price on consumer spending. Further write-downs and profit warnings from major financial institutions alongside weak economic data fuelled a sell-off which continued throughout June 2008. Key economic data such as housing, manufacturing and employment was weak during the period which underlined Fed comments that further rate cuts were unlikely in the short term due to inflation.

Following volatility related to the oil sector in July and August 2008, September's market performance defined the third quarter as global markets suffered historic losses. A steep decline in mid-September, the greatest since the 9/11 terrorist attacks, was marked by a flurry of buy-outs and government intervention not witnessed since the Great Depression. The collapse of Lehman Brothers and Bank of America's purchase of Merrill Lynch caused an anxious cascade of sell-offs. The Fed's rescue of AIG and its announcement of a rescue package restored some investor confidence. However, U.S. Congress rejected the initial Bill prompting another decline towards the end of the month. Investors moved defensively towards the consumer staples sector while cyclical sectors such as technology performed poorly.

General Comment on Managers/Performance

The Fund outperformed the benchmark.

This outperformance was driven particularly by a strong second quarter performance. This was due primarily to strong stock selection in the financial services and consumer discretionary sectors. Growth significantly outperformed value during the period and this was evident in performance. An overweight to stocks with high momentum, high earnings yield and low dividend yield drove returns. In addition, a greater exposure to mid-cap stocks contributed to the outperformance.

However, in the third quarter performance was detracted largely by negative stock selection in the technology sector. Investors who were fearful of an economic downturn fled and high growth stocks, where the potential for earnings growth below market expectations was higher.

The Fund's most aggressive growth manager was the worst performer overall, with stock selection in technology being the largest detractor. Investors' risk appetite fell sharply to avoided momentum and higher growth stocks and this particularly affected the manager's position in Apple Inc.

Outlook

The Fund remains well positioned to benefit from the stock-picking abilities of the managers in the Fund, and we currently remain confident in the manager line-up.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell 1000 Growth Index (Net of 30 per cent Withholding Tax)

Russell Investment Company II plc
The U.S. Growth Fund

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	USD	(Audited)	USD
	USD	USD	USD
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	240,573,721	380,247,411	461,997,600
Unrealised gain on open futures contracts	-	291,072	247,130
	<u>240,573,721</u>	<u>380,538,483</u>	<u>462,244,730</u>
Cash at bank (Note 5)	710,290	10,768,023	6,678,114
Cash held with broker for open futures contracts	161,978	-	-
Debtors:			
Receivable for investments sold	3,369,042	2,185,017	2,064,015
Receivable for fund shares issued	78,399	800,001	32,121
Dividends receivable	156,727	265,967	246,285
Interest receivable	90,177	109,617	141,955
	<u>245,140,334</u>	<u>394,667,108</u>	<u>471,407,220</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(540,264)	-	(24,960)
	<u>(540,264)</u>	<u>-</u>	<u>(24,960)</u>
Creditors – amounts falling due within one year:			
Cash due to brokers for open futures contracts	-	(1,241,835)	(196,484)
Payable for investments purchased	(2,480,692)	(1,226,865)	(1,697,858)
Payable for fund shares redeemed	(526,532)	(257,209)	(1,735,472)
Management fees payable	(240,946)	(365,071)	(395,920)
Custodian and Trustee fees payable	(3,258)	(4,933)	(7,786)
Sub-custodian fees payable	(21,856)	(30,258)	(24,182)
Administration fees payable	(5,430)	(8,222)	(16,470)
Miscellaneous fees payable	(30,656)	(28,875)	(38,645)
	<u>(3,849,634)</u>	<u>(3,163,268)</u>	<u>(4,137,777)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	241,290,700	391,503,840	467,269,443
Adjustment from bid market prices to last traded market prices (Note 6)	291,360	448,020	262,316
Net assets attributable to redeemable participating shareholders (at last traded market prices)	241,582,060	391,951,860	467,531,759
Net asset value per share*			
Class A Income (USD 615,572 divided by 67,636 shares in issue)	<u>USD 9.10</u>	<u>USD 10.62</u>	<u>USD 12.22</u>
Class B (USD 185,859,255 divided by 18,762,873 shares in issue)	<u>USD 9.91</u>	<u>USD 11.52</u>	<u>USD 13.21</u>
Class C (EUR 31,218,420 divided by 33,817 shares in issue)	<u>EUR 923.16</u>	<u>EUR 954.82</u>	<u>EUR 1,224.08</u>
Class I (GBP 4,738,992 divided by 614,719 shares in issue)	<u>GBP 7.71</u>	<u>GBP 8.04</u>	<u>GBP 9.00</u>

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

Russell Investment Company II plc
The U.S. Growth Fund

Balance Sheet - continued

As at 30 September 2008

	<u>30 September 2008</u>	<u>31 March 2008</u>	<u>30 September 2007</u>
Class I Income (GBP 1,576,069 divided by 204,498 shares in issue)	<u>GBP</u> <u>7.71</u>	<u>GBP</u> <u>8.04</u>	<u>GBP</u> <u>9.00</u>

* See Note 12 for comparative net assets

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

Russell Investment Company II plc
The U.S. Growth Fund

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Income		
Dividends	1,818,397	4,852,797
Bank interest	1,470	29,072
Short term interest income	24,133	433,889
Securities lending income (Note 4)	151,629	783,336
Miscellaneous income	50,605	96,937
	<u>2,046,234</u>	<u>6,196,031</u>
Net gain (loss) on investment activities	(38,778,753)	2,670,132
Total investment income (expense)	<u>(36,732,519)</u>	<u>8,866,163</u>
Expenses (Note 3)		
Management fees		
Class A Income	(7,950)	(67,300)
Class B	(1,374,722)	(3,255,999)
Class C	(462,748)	(1,576,906)
Class I	(58,216)	(289,027)
Class I Income	(17,015)	(46,152)
Custodian and Trustee fees	(26,160)	(83,781)
Sub-custodian fees	(36,591)	(69,784)
Administration fees	(43,599)	(118,867)
Audit fees	(19,302)	(21,821)
Professional fees	(7,166)	(42,889)
Registration fees	(8,572)	(10,140)
Marketing fees	(22,405)	(56,058)
Miscellaneous fees	(57,292)	(44,625)
Total operating expenses	<u>(2,141,738)</u>	<u>(5,683,349)</u>
Profit (loss) for the financial period/year before withholding tax	(38,874,257)	3,182,814
Withholding tax (Note 7)	(601,812)	(1,207,176)
Profit (loss) for the financial period/year after withholding tax	(39,476,069)	1,975,638
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>(156,660)</u>	<u>54,356</u>
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(39,632,729)</u>	<u>2,029,994</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
The U.S. Growth Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(39,632,729)	2,029,994
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	<u>(110,737,071)</u>	<u>(110,335,530)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(150,369,800)	(108,305,536)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>391,951,860</u>	<u>500,257,396</u>
End of period/year	<u><u>241,582,060</u></u>	<u><u>391,951,860</u></u>

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Transferable Securities (96.61%)		
	Common Stock (94.19%)		
	Bermuda (0.75%)		
	Energy Equipment and Services		
34,809	Weatherford International Ltd	873,358	0.36
	Health Care Equipment and Supplies		
13,000	Covidien Ltd	697,970	0.29
	Oil and Gas		
9,700	Nabors Industries Ltd	241,530	0.10
		<u>1,812,858</u>	<u>0.75</u>
	Canada (0.56%)		
	Chemicals		
11,700	Agrium Inc	656,136	0.27
5,170	Potash Corp of Saskatchewan	682,492	0.29
		<u>1,338,628</u>	<u>0.56</u>
	Germany (0.41%)		
	Software		
18,500	SAP - ADR -	988,270	0.41
	Netherlands Antilles (1.44%)		
	Energy Equipment and Services		
44,722	Schlumberger Ltd	3,486,974	1.44
	United States (91.03%)		
	Aerospace and Defence		
7,564	Boeing Co	433,720	0.18
22,748	General Dynamics Corp	1,673,570	0.69
49,880	Honeywell International Inc	2,072,514	0.86
26,709	Lockheed Martin Corp	2,929,176	1.21
19,724	Precision Castparts Corp	1,553,857	0.64
2,300	Rockwell Collins Inc	110,492	0.05
16,500	United Technologies Corp	989,505	0.41
	Air Freight and Couriers		
5,400	Fedex Corp	426,816	0.18
	Airlines		
66,076	AMR Corp	648,206	0.27
	Automobiles		
20,700	Harley Davidson Inc	769,626	0.32
	Banks		
70,018	Bank of America Corp	2,436,626	1.01
48,753	US Bancorp	1,748,283	0.72
50,197	Wells Fargo & Co	1,883,391	0.78
	Beverages		
53,400	Coca-Cola Co	2,821,122	1.17
67,500	PepsiCo Inc	4,810,050	1.99
	Biotechnology		
9,500	Amgen Inc	562,115	0.23
21,035	Celgene Corp	1,330,885	0.55
23,112	Genentech Inc	2,044,256	0.85
16,600	Genzyme Corp	1,342,276	0.55

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
75,135	Gilead Sciences Inc	3,424,653	1.42
110,000	Human Genome Sciences Inc	698,500	0.29
29,900	Invitrogen Corp	1,128,725	0.47
33,600	Savient Pharmaceuticals Inc	501,648	0.21
30,300	Sequenom Inc	806,586	0.33
48,100	Vertex Pharmaceutical	1,598,844	0.66
	Building Products		
10,292	Fastenal	508,116	0.21
	Chemicals		
9,544	Air Products & Chemicals Inc	653,669	0.27
28,000	Celanese Corp	780,920	0.33
18,000	Ecolab Inc	873,180	0.36
39,854	Monsanto Co	3,944,350	1.63
38,308	Praxair Inc	2,748,216	1.14
	Commercial Services and Supplies		
15,032	MasterCard Inc	2,665,625	1.10
	Communications Equipment		
134,574	Cisco Systems Inc	3,033,298	1.25
42,600	Corning Inc	666,264	0.27
11,356	Equinix Inc	788,788	0.33
64,980	Juniper Networks Inc	1,367,829	0.57
171,379	Qualcomm Inc	7,364,155	3.05
	Computer Services		
30,500	NetApp Inc	555,405	0.23
	Computers and Peripherals		
54,988	Apple Inc	6,249,936	2.59
91,464	Hewlett-Packard Co	4,223,807	1.75
29,032	International Business Machines Corp	3,370,325	1.39
	Construction and Engineering		
6,470	Fluor Corp	359,344	0.15
28,582	McDermott International Inc	729,698	0.30
	Diversified Financials		
23,600	American Express Co	835,676	0.35
26,579	Goldman Sachs Group Inc	3,397,328	1.41
16,929	JP Morgan Chase & Co	789,738	0.33
32,558	Morgan Stanley	747,857	0.31
40,170	State Street Corp	2,284,066	0.94
15,390	T Rowe Price Group Inc	880,924	0.36
42,859	Visa Inc	2,621,685	1.08
	Electrical Equipment		
12,600	Acuity Brands Inc	525,420	0.22
9,400	Energizer Holdings Inc	756,888	0.31
10,071	Sunpower Corp B	679,793	0.28
	Electronic Equipment and Instruments		
66,999	Thermo Fisher Scientific Inc	3,684,275	1.52
	Energy Equipment and Services		
8,688	Cameron International Corp	334,836	0.14
5,576	FMC Technologies Inc	259,507	0.11
80,535	Halliburton Co	2,600,475	1.08
22,900	National Oilwell Varco Inc	1,149,122	0.47

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Food and Drug Retailing		
141,003	CVS Caremark Corp	4,743,341	1.97
26,000	SYSCO	801,580	0.33
	Food Products		
20,780	Campbell Soup Co	801,900	0.33
31,330	General Mills Inc	2,151,431	0.89
20,000	HJ Heinz Co	997,600	0.42
	Gas Utilities		
23,040	Southwestern Energy Co	703,411	0.29
	Health Care Equipment and Supplies		
25,240	Baxter International Inc	1,656,501	0.69
2,500	Dentsply International Inc	93,825	0.04
2,950	Intuitive Surgical Inc	710,862	0.29
29,400	Medtronic Inc	1,470,588	0.61
16,600	Zimmer Holdings Inc	1,071,696	0.44
	Health Care Providers and Services		
17,290	Express Scripts Inc	1,276,521	0.53
10,700	Schein Henry Inc	574,804	0.24
	Hotels, Restaurants and Leisure		
9,287	Burger King Holdings Inc	227,532	0.09
15,456	Las Vegas Sands Corp	557,498	0.23
88,964	McDonald's Corp	5,482,851	2.27
19,670	MGM Mirage Inc	544,662	0.23
34,800	Starbucks Corp	516,780	0.21
14,956	Wynn Resorts Ltd	1,220,858	0.51
58,834	Yum! Brands Inc	1,918,577	0.79
	Household Products		
12,010	Clorox Co	751,946	0.31
14,990	Kimberly Clark Corp	970,453	0.40
26,000	Procter & Gamble Co	1,809,340	0.75
	Industrial Conglomerates		
35,000	General Electric Co	891,450	0.37
29,010	KBR Inc	440,662	0.18
17,875	Textron Inc	523,380	0.22
	Insurance		
14,700	Hartford Financial Services Group Inc	602,406	0.25
23,230	Marsh & McLennan Cos Inc	737,553	0.31
22,426	Metlife Inc	1,184,317	0.49
13,200	Prudential Financial Inc	943,800	0.39
	Internet and Catalogue Retail		
27,310	Amazon.com Inc	1,986,529	0.82
	Internet Software and Services		
11,300	eBay Inc	252,894	0.10
18,372	Google Inc	7,358,353	3.05
	IT Consulting and Services		
24,900	Automatic Data Processing Inc	1,064,226	0.44
	Machinery		
10,500	Cummins Inc	459,060	0.19
14,930	Deere & Co	739,035	0.31
26,685	SPX Corp	2,041,402	0.84

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Media		
25,680	Comcast Corp	504,099	0.21
22,261	DirecTV Group Inc	582,570	0.24
34,000	Walt Disney Co	1,043,460	0.43
	Multi-Line Retail		
32,937	Costco Wholesale Corp	2,138,270	0.88
43,570	Kohl's Corp	2,005,091	0.83
7,500	Nordstrom Inc	216,150	0.09
10,127	Target Corp	496,729	0.21
31,228	Wal-Mart Stores Inc	1,865,249	0.77
	Oil and Gas		
12,220	Apache Corp	1,274,302	0.53
28,700	Cabot Oil & Gas Corp	1,033,200	0.43
28,661	Chesapeake Energy Corp	1,027,783	0.42
19,380	Hess Corp	1,587,803	0.66
13,700	Marathon Oil Corp	542,383	0.22
21,722	Transocean Inc	2,385,727	0.99
29,210	Valero Energy Corp	884,187	0.37
8,600	XTO Energy Inc	399,986	0.16
	Paper and Forest Products		
24,200	International Paper Co	631,620	0.26
	Personal Products		
11,965	Estee Lauder Cos Inc	596,455	0.25
	Pharmaceuticals		
48,100	Abbott Laboratories	2,769,117	1.15
17,400	Johnson & Johnson	1,202,340	0.50
104,800	Mylan Laboratories Inc	1,193,672	0.49
	Real Estate		
20,332	St Joe Co	794,778	0.33
	Road and Rail		
6,880	CSX Corp	375,304	0.15
15,210	Norfolk Southern Corp	1,007,054	0.42
61,455	Union Pacific Corp	4,371,909	1.81
	Semiconductor Equipment and Products		
248,811	Applied Materials Inc	3,764,511	1.56
97,635	Broadcom Corp	1,816,011	0.75
37,300	Cypress Semiconductor Corp	193,960	0.08
12,000	First Solar Inc	2,266,920	0.94
249,784	Intel Corp	4,670,961	1.93
24,140	Kla-Tencor Corp	763,065	0.31
55,100	Maxim Integrated Products Inc	991,800	0.41
106,300	ON Semiconductor Corp	718,588	0.30
33,600	Varian Semiconductor Equipment Association Inc	844,032	0.35
41,950	Xilinx Inc	983,308	0.41
	Software		
96,298	Activision Blizzard Inc	1,482,026	0.61
44,819	Adobe Systems Inc	1,768,110	0.73
60,600	Electronic Arts Inc	2,240,988	0.93
121,000	Microsoft Corp	3,227,070	1.34
7,916	Salesforce.com Inc	381,947	0.16
27,000	Symantec Corp	527,580	0.22

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Speciality Retail		
26,010	GameStop Corp	886,161	0.37
133,980	Lowe's Cos Inc	3,172,646	1.31
114,155	Staples Inc	2,567,346	1.06
3,800	Tiffany & Co	134,900	0.06
	Textile and Apparel		
10,426	Nike Inc	697,395	0.29
	Trading Companies and Distributors		
12,500	Pioneer Natural Resources Co	650,875	0.27
	Wireless Telecommunication Services		
31,519	American Tower Corp	1,129,010	0.47
43,620	NII Holdings Inc	1,652,762	0.68
		<u>219,916,791</u>	<u>91.03</u>
	Total Common Stock	<u>227,543,521</u>	<u>94.19</u>
	Preferred Stock (1.59%)		
	Brazil (0.56%)		
	Oil and Gas		
30,672	Petroleo Brasileiro SA	<u>1,341,900</u>	<u>0.56</u>
	Hong Kong (0.21%)		
	Wireless Telecommunication Services		
10,280	China Mobile Ltd	<u>514,822</u>	<u>0.21</u>
	Israel (0.44%)		
	Pharmaceuticals		
23,100	Teva Pharmaceutical Industries Ltd	<u>1,057,518</u>	<u>0.44</u>
	Mexico (0.38%)		
	Wireless Telecommunication Services		
19,876	America Movil SAB de CV	<u>921,253</u>	<u>0.38</u>
	Total Preferred Stock	<u>3,835,493</u>	<u>1.59</u>
	Money Market Instruments (0.83%)		
	United States (0.83%)		
	United States Treasury Bill*		
2,000,000	Zero coupon due 18/12/08	<u>1,999,827</u>	<u>0.83</u>
	Total Money Market Instruments	<u>1,999,827</u>	<u>0.83</u>
	Total Transferable Securities	<u>233,378,841</u>	<u>96.61</u>
	Collective Investment Schemes (2.98%)		
	Ireland (2.98%)		
	Russell Investment Company III plc		
7,195	The U.S. Dollar Cash Plus Fund - Class A Shares	<u>7,194,880</u>	<u>2.98</u>
	Total Collective Investment Schemes	<u>7,194,880</u>	<u>2.98</u>
	Total Investments excluding Financial Derivative Instruments	<u>240,573,721</u>	<u>99.59</u>

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

Russell Investment Company II plc
The U.S. Growth Fund

Schedule of Investments - continued

30 September 2008

Financial Derivative Instruments ((0.23)%)

Open Futures Contracts ((0.23)%)

<u>Notional Amount USD</u>	<u>Average Cost Price USD</u>		<u>Unrealised Gain (Loss) USD</u>	<u>Fund %</u>
4,009,725	123,376.15	13 of S&P 500 Index Futures Long Futures Contracts Expiring December 2008	(210,475)	(0.09)
3,456,055	123,430.55	56 of S&P EMini 500 Index Futures Long Futures Contracts Expiring December 2008	(182,855)	(0.08)
1,943,974	173,569.11	56 of EMini NASDAQ 100 Index Futures Long Futures Contracts Expiring December 2008	(146,934)	(0.06)
Net unrealised gain (loss) on open futures contracts			<u>(540,264)</u>	<u>(0.23)</u>
Total Financial Derivative Instruments			<u>(540,264)</u>	<u>(0.23)</u>
			<u>Fair Value USD</u>	<u>Fund %</u>
		Total Investments (99.36%)	240,033,457	99.36
		Other Net Assets (0.52%)	1,257,243	0.52
		Adjustments From Bid Market Prices To Last Traded Market Prices (0.12%)	291,360	0.12
		Net Assets (100.00%)	<u>241,582,060</u>	<u>100.00</u>

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

Analysis of total assets (unaudited)

	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	95.20
Collective investment schemes	2.94
Other assets	1.86
	<u>100.00</u>

The broker for the open futures contracts is Citigroup.

The proportion of the investments of the U.S. Growth Fund in rights or securities eligible to the French Plan d'Epargne en actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

Russell Investment Company II plc
The U.S. Growth Fund

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the year ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost USD</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD</u>
Russell Investment Company III plc		Russell Investment Company III plc	
The U.S. Dollar Cash Plus Fund		The U.S. Dollar Cash Plus Fund	
Class A Shares	106,648,546	Class A Shares	(110,683,000)
Google Inc	8,112,069	General Electric Co	(7,662,026)
Apple Inc	6,162,387	Cisco Systems Inc	(6,465,096)
Abbott Laboratories	5,703,363	Coca Cola Co	(6,198,630)
Intel Corp	5,146,813	Apple Inc	(6,062,022)
PepsiCo Inc	4,690,067	Genentech Inc	(5,294,166)
National Oilwell Varco Inc	4,437,900	Google Inc	(5,158,027)
Broadcom Corp	4,404,467	Corning Inc	(4,946,778)
General Mills Inc	3,672,157	Qualcomm Inc	(4,763,150)
Hewlett Packard Co	3,647,078	Broadcom Corp	(4,023,230)
Staples Inc	3,326,599	Monsanto Co	(3,882,635)
Nike Inc	3,232,133	Celgene Corp	(3,808,378)
Qualcomm Inc	3,147,109	Transocean Inc	(3,770,978)
Halliburton Co	3,097,981	CSV Caremark Corp	(3,747,613)
International Business MACH Corp	2,967,687	MEMC Electronics Materials Inc	(3,552,155)
Xilinx Inc	2,863,657	Thermo Fisher Scientific Inc	(3,423,573)
Dell Inc	2,748,348	Viacom Inc	(3,350,570)
Amazon.com Inc	2,725,726	eBay Inc	(3,321,447)
Precision Castparts Corp	2,651,625	Union Pacific Corp	(3,310,712)
Bank of America Corp	2,610,536	Chesapeake Energy Corp	(3,308,337)

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 ***The U.S. Quant Fund***

Manager's Report

Money Managers

Aronson and Johnson and Ortiz L.P.
Enhanced Investment Technologies, LLC (INTEC)
Frank Russell Company
Franklin Portfolio Associates LLC
Goldman Sachs Asset Management L.P.
Jacobs Levy Equity Management Inc.

Investment Objective

The U.S. Quant Fund (the "Fund") will seek to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, American depository receipts, global depository receipts, convertibles and warrants listed, traded or dealt in on a regulated market in the U.S.

Fund Performance

The Fund returned -10.1 per cent during the period on a gross-of-fees basis verses a benchmark* return of -11.3 per cent.*

Market Comment

U.S. markets declined by 11.3 per cent during the period. During the second quarter of 2008, a rate cut by the Federal Reserve ("Fed") early in the quarter had improved investor sentiment and equities rose during the first six weeks, to peak in mid-May 2008. This was led primarily by the strong performance of oil stocks and healthy corporate data. However, investor sentiment was diminished by concerns over the potential impact of the high oil price on consumer spending. Further write-downs and profit warnings from major financial institutions alongside weak economic data fuelled a sell-off which continued throughout June 2008. Key economic data such as housing, manufacturing and employment was weak during the period which underlined Fed comments that further rate cuts were unlikely in the short term due to inflation.

Following volatility related to the oil sector in July and August 2008, September's market performance defined the third quarter as global markets suffered historic losses. A steep decline in mid-September, the greatest since the 9/11 terrorist attacks, was marked by flurry of buy-outs and government intervention not witnessed since the Great Depression. The collapse of Lehman Brothers and Bank of America's purchase of Merrill Lynch caused an anxious cascade of sell-offs. The Fed's rescue of AIG and its announcement of a rescue package restored some investor confidence. However, U.S. Congress rejected the initial Bill prompting another decline towards the end of the month. Investors moved defensively towards the consumer staples sector while cyclical sectors such as technology performed poorly.

General Comment on Managers/Performance

The Fund outperformed the benchmark.

This outperformance was driven particularly by a strong second quarter performance. This was due primarily to strong stock selection in the financial services and consumer discretionary sectors. Growth significantly outperformed value during the period and this was evident in performance. An overweight to stocks with high momentum, high earnings yield and low dividend yield drove returns. In addition, a greater exposure to mid-cap stocks contributed to the outperformance.

INTEC was added to the manager line up in the second quarter of 2008. INTEC implements a unique quantitative approach which the firm refers to as a 'volatility capture' process. The manager prefers securities with a higher volatility, which they believe provide managers with greater opportunities to add value.

Outlook

The Fund remains well positioned to benefit from the stock-picking abilities of the managers in the Fund, and we currently remain confident in the manager line-up.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell 1000 Index (Net of 30 per cent Withholding Tax)

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

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	USD	(Audited)	USD
	USD	USD	USD
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	323,856,988	482,047,856	935,836,165
Unrealised gain on open futures contracts	-	106,735	207,144
Unrealised gain on forward foreign currency exchange contracts	198,502	1,024,433	808,691
	<u>324,055,490</u>	<u>483,179,024</u>	<u>936,852,000</u>
Cash at bank (Note 5)	537,953	2,394,260	4,759,781
Cash held with broker for open futures contracts	222,987	-	-
Debtors:			
Receivable for investments sold	1,694,760	36,319,552	11,387,859
Receivable for fund shares issued	672,297	28,917	17,366
Dividends receivable	368,358	500,754	698,787
Interest receivable	612,709	303,350	390,894
	<u>328,164,554</u>	<u>522,725,857</u>	<u>954,106,687</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(556,093)	(85,730)	(10,506)
Unrealised loss on forward foreign currency exchange contracts	(634,290)	(430,222)	(290,036)
	<u>(1,190,383)</u>	<u>(515,952)</u>	<u>(300,542)</u>
Creditors – amounts falling due within one year:			
Cash due to brokers for open futures contracts	-	(350,614)	(164,887)
Payable for investments purchased	(1,872,860)	(986,635)	(1,622,711)
Payable for fund shares redeemed	(13,764)	(176,758)	(53,605)
Management fees payable	(288,772)	(455,732)	(769,878)
Custodian and Trustee fees payable	(4,329)	(4,279)	(32,396)
Sub-custodian fees payable	(35,531)	(52,837)	(7,696)
Administration fees payable	(7,216)	(6,814)	(28,056)
Miscellaneous fees payable	(33,070)	(37,016)	(64,630)
	<u>(3,445,925)</u>	<u>(2,586,637)</u>	<u>(3,044,401)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	324,718,629	520,139,220	951,062,286
Adjustment from bid market prices to last traded market prices (Note 6)	644,612	580,225	589,288
	<u>325,363,241</u>	<u>520,719,445</u>	<u>951,651,574</u>
Net assets attributable to redeemable participating shareholders (at last traded market prices)	325,363,241	520,719,445	951,651,574
Net asset value per share*			
Class A Income (USD 208,641 divided by 16,375 shares in issue)	USD 12.74	USD 14.35	USD 16.84
Class B (USD 178,978,309 divided by 16,116,156 shares in issue)	USD 11.11	USD 12.42	USD 14.47
Class C (EUR 742,628 divided by 1,139 shares in issue)	EUR 652.00	EUR 648.99	EUR 844.98

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

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

Balance Sheet - continued

As at 30 September 2008

	30 September 2008	31 March 2008 (Audited)	30 September 2007
Class D (GBP 955,156 divided by 87,249 shares in issue)	GBP 10.95	GBP 10.96	GBP 12.43
Class E (EUR 0 divided by 0 shares in issue)	EUR -	EUR -	EUR 876.77
Class EH-B (EUR 0 divided by 0 shares in issue)	EUR -	EUR 98.54	EUR -
Class I (GBP 40,944,536 divided 4,787,428 shares in issue)	GBP 8.55	GBP 8.57	GBP 9.73
Class I Income (GBP 0 divided by 0 shares in issue).....	GBP -	GBP -	GBP 9.57
Class K Accum (USD 943,641 divided by 64,578 shares in issue)	USD 14.61	USD 16.39	USD 19.16
Class MZ Income (EUR 5,443,062 divided by 581,251 shares in issue)	EUR 9.36	EUR 9.30	EUR 12.08
Class P Income (GBP 19,101,666 divided by 1,745,496 shares in issue)	GBP 10.94	GBP 11.05	GBP 12.65
Class R-Roll-Up (EUR 8,557,418 divided by 114,440 shares in issue)	EUR 74.65	EUR 75.46	EUR 98.07
Class SH-B (GBP 8,859,076 divided by 9,808 shares in issue)...	GBP 903.25	GBP -	GBP -

* See Note 12 for comparative net assets

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

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

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Income		
Dividends	4,224,861	15,581,978
Bank interest	630	20,626
Short term interest income	30,340	332,505
Securities lending income (Note 4)	883,503	3,692,129
Miscellaneous income	14,386	38,710
	<u>5,153,720</u>	<u>19,665,948</u>
Net gain (loss) on investment activities	<u>(40,329,274)</u>	<u>(50,323,762)</u>
Total investment income	<u>(35,175,554)</u>	<u>(30,657,814)</u>
Expenses (Note 3)		
Management fees		
Class A Income	(1,794)	(61,416)
Class B	(1,309,873)	(5,851,738)
Class C	(13,749)	(805,159)
Class D	(6,315)	(36,722)
Class E	(27)	(76,646)
Class EH-B	(8,883)	(164,489)
Class I	(386,970)	(1,035,947)
Class I Income	-	(37,396)
Class K	(17,038)	(42,828)
Class MZ Income	(17,435)	(34,830)
Class P Income	(322,724)	(1,019,024)
Class R Roll-Up	(45,647)	(131,446)
Class SH-B	(60,227)	-
Custodian and Trustee fees	(35,199)	(144,503)
Sub-custodian fees	(64,246)	(107,722)
Administration fees	(58,984)	(171,517)
Audit fees	(15,436)	(21,821)
Professional fees	(9,340)	(74,998)
Registration fees	(7,230)	(10,911)
Marketing fees	(23,482)	(84,904)
Miscellaneous fees	(89,391)	(97,111)
Total operating expenses	<u>(2,493,990)</u>	<u>(10,011,128)</u>
Net income (expense)	<u>(37,669,544)</u>	<u>(40,668,942)</u>
Finance costs		
Distributions (Note 15)	<u>(2,114,008)</u>	<u>(6,570,439)</u>
Profit (loss) for the financial period/year before withholding tax	<u>(39,783,552)</u>	<u>(47,239,381)</u>
Withholding tax (Note 7)	<u>(1,156,799)</u>	<u>(4,362,030)</u>
Profit (loss) for the financial period/year after withholding tax	<u>(40,940,351)</u>	<u>(51,601,411)</u>
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>64,387</u>	<u>(148,160)</u>

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

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

Profit and Loss Account - continued

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(40,875,964)</u>	<u>(51,749,571)</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
The U.S. Quant Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(40,875,964)	(51,749,571)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	(156,371,844)	(548,039,799)
Deemed distributions on accumulation shares (Note 15)	<u>1,891,604</u>	<u>5,941,753</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(195,356,204)	(593,847,617)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>520,719,445</u>	<u>1,114,567,062</u>
End of period/year	<u><u>325,363,241</u></u>	<u><u>520,719,445</u></u>

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

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

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Transferable Securities (97.34%)		
	Common Stock (96.72%)		
	Bermuda (2.68%)		
	Chemicals		
5,506	Frontline	264,336	0.09
	Commercial Services and Supplies		
406	Genpact	4,062	0.01
	Diversified Financials		
506	Everest Re Group	43,266	0.02
	Electrical Equipment		
7,103	Cooper Industries Ltd	283,648	0.09
1,603	Tyco Electronics Ltd	44,163	0.02
	Electronic Equipment and Instruments		
4,314	Tyco International Ltd	150,614	0.05
	Energy Equipment and Services		
5,306	Weatherford International Ltd	132,983	0.05
	Food Products		
8,514	Bunge Ltd	537,542	0.17
	Health Care Equipment and Supplies		
5,262	Covidien Ltd	282,201	0.09
	Insurance		
1,001	Allied World Assurance Co Holdings Ltd	35,371	0.01
6,344	Arch Capital Group Ltd	473,316	0.15
34,702	Axis Capital Holdings Ltd	1,099,991	0.34
12,939	Endurance Specialty Holdings Ltd	400,044	0.12
6,701	PartnerRe Ltd	456,003	0.14
9,401	RenaissanceRe Holdings Ltd	464,831	0.14
	IT Consulting and Services		
68,173	Accenture Ltd Bermuda	2,584,217	0.80
	Lodging		
606	Orient-Express Hotels Ltd	14,256	0.01
	Machinery		
26,306	Ingersoll Rand Co Ltd	817,936	0.26
	Media		
606	Central European Media Enterprises	39,222	0.02
	Oil and Gas		
1,406	Nabors Industries Ltd	34,866	0.02
	Semiconductor Equipment and Products		
27,706	Marvell Technology Group Ltd	257,339	0.08
		<u>8,420,207</u>	<u>2.68</u>
	Canada (0.03%)		
	Hotels, Restaurants and Leisure		
1,346	Tim Hortons Inc	38,317	0.01
	Oil and Gas		
997	Ultra Petroleum Corp	52,730	0.02
		<u>91,047</u>	<u>0.03</u>
	Cayman Islands (0.34%)		
	Computers and Peripherals		
59,346	Seagate Technology	719,062	0.22

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Electronic Equipment and Instruments		
218	Garmin Ltd	6,796	0.00
	Energy Equipment and Services		
418	Noble Corp	17,534	0.01
	Food Products		
2,985	Herbalife	117,274	0.04
	Insurance		
12,918	XL Capital Ltd	225,768	0.07
		<u>1,086,434</u>	<u>0.34</u>
	China (0.08%)		
	IT Consulting and Services		
4,537	Sohu.com Inc	247,422	0.08
	Guernsey, Channel Islands (0.01%)		
	Software		
831	Amdocs Ltd	20,357	0.01
	Liberia (0.01%)		
	Hotels, Restaurants and Leisure		
991	Royal Caribbean Cruises Ltd	18,640	0.01
	Netherlands Antilles (0.16%)		
	Energy Equipment and Services		
6,991	Schlumberger Ltd	537,084	0.16
	Panama (0.01%)		
	Water Utilities		
1,291	Carnival Co	42,343	0.01
	Puerto Rico (0.01%)		
	Banks		
5,691	Popular Inc	47,971	0.01
	United States (93.39%)		
	Aerospace and Defence		
600	Alliant Techsystems Inc	56,274	0.02
500	BE Aerospace Inc	7,895	0.00
7,000	Boeing Co	401,380	0.12
15,467	General Dynamics Corp	1,137,908	0.35
6,500	Goodrich Corp	269,490	0.08
7,077	Honeywell International Inc	294,049	0.09
8,900	L 3 Communications Holding Inc	871,043	0.27
31,893	Lockheed Martin Corp	3,497,706	1.08
51,305	Northrop Grumman Corp	3,105,432	0.95
9,400	Precision Castparts Corp	740,532	0.23
10,200	Raytheon Co	545,088	0.17
4,300	United Technologies Corp	257,871	0.08
	Air Freight and Couriers		
10	Fedex Corp	790	0.00
7,601	JB Hunt Transport Services Inc	253,461	0.08

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
2,500	Ryder Systems Inc	150,775	0.05
1,100	United Parcel Service Inc	69,179	0.02
	Airlines		
1,200	Continental Airlines Inc	20,017	0.01
1,200	Delta Air Lines Inc	8,940	0.00
2,101	Northwest Airlines	18,795	0.01
700	Southwest Airlines Co	10,150	0.00
	Auto Components		
4,000	ArvinMeritor Inc	52,160	0.02
13,300	Autoliv Inc	448,875	0.14
1,800	Exide Technologies	13,284	0.00
1,100	Gentex Corp	15,697	0.00
16,600	Goodyear Tire & Rubber Co	253,150	0.08
28,901	Johnson Controls Inc	875,960	0.27
5,700	Lear Corp	59,793	0.02
7,100	TRW Automotive Holdings Corp	112,606	0.03
341	Wabtec	17,469	0.01
	Automobiles		
3,200	General Motors Corp	30,176	0.01
300	Harley Davidson Inc	11,154	0.00
7,701	Hertz Global Holdings Inc	58,290	0.02
1,200	Penske Automotive Group	13,764	0.01
	Banks		
1,800	Associated Banc Corp	36,000	0.01
3,100	Astoria Financial Corp	64,263	0.02
10,500	Bancorpsouth Inc	291,270	0.09
68,000	Bank of America Corp	2,366,365	0.73
1,600	Bank of Hawaii Corp	85,520	0.03
31,885	Bank of New York Inc	1,038,494	0.32
9,719	BB&T Corp	366,893	0.11
1,700	Commerce Bancshares Inc	78,931	0.02
2,548	Cullen/Frost Brokers	148,803	0.05
40,400	Discover Financial Services	557,924	0.17
10,400	First Horizon National Corp	97,344	0.03
5,400	Fulton Financial Corp	62,100	0.02
53,969	Hudson City Bancorp Inc	1,015,697	0.31
43,800	Huntington Bancshares Inc	349,086	0.11
900	M&T Bank	79,479	0.02
4,656	Marshall & Ilsley Corp	93,819	0.03
38,100	National City Corp	66,294	0.02
800	National Penn Bancshares Inc	11,944	0.00
9,400	New York Community Bancorp Inc	157,638	0.05
20,200	Northern Trust Corp	1,484,902	0.46
4,600	People's United Financial Inc	87,814	0.03
6,709	PNC Financial Services Group Inc	501,095	0.15
46,573	Regions Financials Corp	444,772	0.14
4,218	SunTrust Banks Inc	189,768	0.06
3,100	Synovus Financials Corp	32,023	0.01
1,000	TCF Financial Corp	17,980	0.01
1,005	UnionBanCal Corp	73,656	0.02
7,389	US Bancorp	264,970	0.08

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
400	Valley National Bancorp	8,384	0.00
5,254	Wachovia Corp	18,231	0.01
3,400	Washington Federal Inc	62,730	0.02
77,087	Wells Fargo & Co	2,892,267	0.89
500	Whitney Holding Corp	12,265	0.00
1,600	Wilmington Trust Corp	45,872	0.01
	Beverages		
7,732	Anheuser-Busch Cos Inc	501,575	0.15
2,300	Brown-Forman	164,312	0.05
30,100	Coca Cola Enterprises Inc	503,874	0.16
32,501	Coca-Cola Co	1,716,975	0.53
2,300	Constellation Brands Inc	49,358	0.02
1,468	Dr Pepper Snapple Group	38,799	0.01
2,100	Molson Coors Brewing Co	98,154	0.03
5,200	PepsiAmericas Inc	107,588	0.03
19,000	PepsiCo Inc	554,230	0.17
30,634	PepsiCo Inc	2,182,980	0.67
	Biotechnology		
38,510	Amgen Inc	2,278,579	0.70
9,370	Biogen Idec Inc	471,217	0.15
1,400	BioMarin Pharmaceutical Inc	37,086	0.01
1,600	Celgene Corp	101,232	0.03
779	Gen-Probe Inc	41,240	0.01
2,900	Genentech Inc	256,505	0.08
2,000	Genzyme Corp	161,720	0.05
10,062	Gilead Sciences Inc	458,626	0.14
1,793	Idexx Laboratories Inc	98,239	0.03
21,600	Invitrogen Corp	815,400	0.25
3,400	Millipore	233,138	0.07
2,716	PDL BioPharma Inc	25,204	0.01
400	VCA Antech	11,768	0.00
	Building Products		
312	Armstrong World Industries Inc	9,014	0.00
9,801	Centex Corp	158,173	0.05
500	Crane Co	14,855	0.01
1,900	Fastenal	93,803	0.03
3,759	Invesco Ltd	78,826	0.03
800	Lennox International Inc	26,616	0.01
500	Owens Corning Inc	11,955	0.00
500	USG Corp	12,795	0.00
	Chemicals		
2,458	Air Products & Chemicals Inc	168,349	0.05
200	Airgas Inc	9,862	0.00
12,530	Ashland Inc	366,127	0.11
13,700	BJ Services	262,081	0.08
600	Celanese Corp	16,734	0.01
4,934	CF Industries Holdings Inc	451,264	0.14
1,400	Charles River Laboratories International Inc	77,294	0.02
26,800	Dow Chemical Co	848,220	0.26
200	Eastman Chemical Co	10,948	0.00
3,000	Ecolab Inc	145,530	0.05

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
14,400	El Du Pont de Nemours & Co	579,312	0.18
2,537	FMC Corp	130,351	0.04
900	HB Fuller Co	18,783	0.01
200	Huntsman Corp	2,518	0.00
3,200	International Flavors & Fragrances Inc	125,920	0.04
1,000	Lubrizol Corp	43,080	0.01
478	Minerals Technologies	28,346	0.01
8,366	Monsanto Co	827,983	0.25
30,691	Mosaic Co	2,087,534	0.64
3,800	OM Group Inc	85,500	0.03
2,400	Polyone Corp	15,480	0.01
400	PPG Industries Inc	23,328	0.01
2,000	Praxair Inc	143,480	0.04
3,100	Sigma-Aldrich Corp	162,471	0.05
1,300	Techne Corp	93,652	0.03
	Coal		
1,700	Massey Energy Corp	60,317	0.02
2,001	Patriot Coal	57,160	0.02
	Commercial Services and Supplies		
1,400	Allied Waste Industries Inc	15,498	0.00
1,400	Brinks Co	85,218	0.03
1,532	CH Robinson Worldwide Inc	77,841	0.02
2,700	Con-way Inc	118,557	0.04
1,000	Convergys Corp	14,760	0.00
400	Corporate Executive Board Co	12,492	0.00
400	Covanta Holding Corp	9,540	0.00
3,300	Deluxe Corp	47,421	0.01
300	DST Systems Inc	16,785	0.01
1,700	Dun & Bradstreet Corp	158,627	0.05
800	Equifax Inc	27,488	0.01
200	Factset Research Systems Inc	10,380	0.00
1,200	Fiserv Inc	56,640	0.02
300	FTI Consulting Inc	21,519	0.01
1,400	Global Payments Inc	62,440	0.02
99,801	H&R Block Inc	2,249,493	0.69
5,130	Herman Miller Inc	125,531	0.04
4,300	Hewitt Associates Inc	156,348	0.05
4,200	Iron Mountain Inc	102,522	0.03
1,191	Kelly Services Inc	22,700	0.01
300	Lender Processing Services Inc	9,156	0.00
21,826	Manpower Inc	939,828	0.29
2,400	MasterCard Inc	425,592	0.13
6,600	Monster Worldwide Inc	98,274	0.03
3,900	Republic Services Inc	116,922	0.04
700	Robert Half International Inc	17,304	0.01
500	RR Donnelley & Sons Co	12,255	0.00
2,400	Stericycle Inc	141,216	0.04
100	Strayer Education Inc	20,026	0.01
6,200	Total System Services Inc	101,680	0.03
500	United Stationers Inc	23,975	0.01
900	Watson Wyatt Worldwide Inc	44,757	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Communications Equipment		
22,300	3Com Corp	51,959	0.02
12,400	ADC Telecommunications Inc	104,656	0.03
4,100	Adtran Inc	79,909	0.03
7,900	Ciena Corp	79,237	0.02
100,297	Cisco Systems Inc	2,260,673	0.70
900	Commscope Inc	31,167	0.01
47,700	Corning Inc	746,028	0.23
5,400	Emulex Corp	57,618	0.02
1,700	Frontier Communications Corp	19,499	0.01
4,300	Harris Corp	198,660	0.06
6,200	Juniper Networks Inc	130,510	0.04
15,600	Motorola Inc	111,384	0.03
22,868	Qualcomm Inc	982,638	0.30
58,953	TelLaboratories Inc	238,755	0.07
	Computer Services		
5,689	NetApp Inc	103,579	0.03
	Computers and Peripherals		
12,690	Apple Inc	1,442,345	0.44
58,097	Dell Inc	955,679	0.29
108,786	Hewlett-Packard Co	5,023,692	1.54
300	IHS Inc	14,238	0.00
14,900	International Business Machines Corp	1,729,743	0.53
7,441	Lexmark International Inc	241,981	0.07
36,329	Western Digital Corp	771,628	0.24
	Construction and Engineering		
800	Aecom Technology	19,424	0.01
12,400	EMCOR Group Inc	326,368	0.10
7,649	Fluor Corp	424,825	0.13
13,001	Foster Wheeler Ltd	469,430	0.14
3,800	Jacobs Engineering Group Inc	206,378	0.06
1,100	McDermott International Inc	28,083	0.01
400	Pride International	11,844	0.00
1,900	Quanta Services Inc	51,015	0.02
500	Shaw Group Inc	15,360	0.00
12,900	URS Corp	473,044	0.15
	Containers and Packaging		
1,434	Aptar Group Inc	55,869	0.02
8,800	Crown Holdings Inc	195,184	0.06
1,240	Expeditors International Washington	43,202	0.01
603	Greif Inc	39,201	0.01
1,700	Jarden Corp	39,831	0.01
21,201	Owens-Illinois Inc	621,161	0.19
200	Packaging Corp of America	4,628	0.00
6,100	Pactiv Corp	151,219	0.05
3,400	Sealed Air	74,766	0.02
1,291	Sonoco Products Co	38,097	0.01
	Diversified Financials		
24,700	American Express Co	874,627	0.27
18,344	Ameriprise Financials Inc	700,007	0.21
2,847	Apollo Investment Corp	168,827	0.05

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
2,333	BlackRock Inc	451,902	0.14
12,491	Broadridge Financial Solutions	191,612	0.06
10,863	Capital One Financial Corp	553,796	0.17
5,700	Cash America International Inc	205,428	0.06
45,801	Charles Schwab Corp	1,190,342	0.37
28,500	Citigroup Inc	584,250	0.18
507	CME Group Inc	195,631	0.06
4,394	Eaton Vance Corp	148,254	0.05
600	Federal National Mortgage Association	912	0.00
9,093	Federated Investors Inc	262,333	0.08
2,600	Fidelity National Financial	38,064	0.01
600	Fidelity National Information Services Inc	11,076	0.00
12,800	Franklin Resources Inc	1,126,016	0.35
14,700	GFI Group Inc	68,796	0.02
25,100	Goldman Sachs Group Inc	3,208,283	0.99
1,300	Intercontinental Exchange Inc	104,000	0.03
8,300	Investment Technology Group	250,909	0.08
500	Jefferies Group Inc	10,955	0.00
40,663	JP Morgan Chase & Co	1,896,883	0.58
9,710	Moodys Corp	328,781	0.10
11,256	Morgan Stanley	258,550	0.08
7,200	Nasdaq OMX Group	219,960	0.07
3,800	National Financial Partners	56,696	0.02
14,200	NYSE Euronext	556,072	0.17
2,100	Principal Financial Group	91,203	0.03
6,600	Raymond James Financial Inc	214,434	0.07
4,621	SEI Investments Co	102,540	0.03
12,000	State Street Corp	682,320	0.21
6	SVB Financial Group	350	0.00
17,071	T Rowe Price Group Inc	977,144	0.30
30,500	TD Ameritrade Holding	493,185	0.15
3,300	Visa Inc	201,861	0.06
3,600	Walter Industries Inc	170,316	0.05
25,771	Western Union Co	635,771	0.20
	Diversified Telecommunication		
136,493	AT & T Inc	3,809,493	1.17
10,600	Centurytel Inc	388,490	0.12
14,600	Embarq Corp	591,884	0.18
11,200	Liberty Global Inc	339,024	0.11
1,400	Neustar Inc	27,762	0.01
3,435	Sprint Nextel Corp	20,919	0.01
46,772	Verizon Communications Inc	1,499,947	0.46
3,700	Windstream Corp	40,478	0.01
	Electric Utilities		
200	Allegheny Energy	7,340	0.00
2,400	Ameren Corp	93,672	0.03
19,800	American Electric Power Co Inc	733,194	0.23
233	Black Hills Corp	7,239	0.00
2,700	Calpine Corp	35,046	0.01
500	Consolidated Edison Inc	21,415	0.01
6,500	Constellation Energy Group Inc	157,950	0.05

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
9,415	Dominion Resource Inc	402,774	0.12
9,500	DPL Inc	235,410	0.07
18,700	DTE Energy Co	746,878	0.23
19,600	Edison International	781,453	0.24
1,900	Entergy Corp	169,081	0.05
9,422	Exelon Corp	589,535	0.18
8,579	FirstEnergy Corp	573,764	0.18
5,700	FPL Group Inc	286,653	0.09
12,800	Hawaiian Electric Industries	371,328	0.11
3,300	Integrays Energy Group Inc	164,736	0.05
800	Nstar	26,768	0.01
1,559	OGE Energy Corp	47,908	0.01
12,500	Pepeco Holdings Inc	286,375	0.09
500	PG & E Corp	18,725	0.01
1,500	Pinnacle West Cap Corp	51,300	0.02
3,600	Portland General Electric Co	84,888	0.03
8,227	PPL Corp	304,070	0.09
6,200	Progress Energy Inc	266,848	0.08
49,501	Public Service Enterprise Group Inc	1,623,106	0.50
4,000	Puget Energy Inc	106,040	0.03
34,801	Reliant Energy Inc	255,432	0.08
3,400	Southern	128,112	0.04
11,400	TECO Energy Inc	179,321	0.05
1,500	Wisconsin Energy Corp	67,335	0.02
3,500	Xcel Energy Inc	69,930	0.02
	Electrical Equipment		
2,400	Ametek Inc	97,800	0.03
6,463	Emerson Electric Co	263,457	0.08
800	Energizer Holdings Inc	64,416	0.02
200	General Cable Corp	7,126	0.00
3,100	Hubbell Inc	107,260	0.03
300	Rockwell Automation Inc	11,175	0.00
	Electronic Equipment and Instruments		
2,200	Amphenol Corp	88,264	0.03
700	Anixter International Inc	41,657	0.01
1,000	Arrow Electronics Inc	26,220	0.01
76,118	Avnet Inc	1,861,823	0.57
900	Flir Systems Inc	34,524	0.01
4,191	Ingram Micro Inc	67,307	0.02
200	Itron Inc	17,706	0.01
60,601	Jabil Circuit Inc	575,094	0.18
200	Mettler Toledo International Inc	19,522	0.01
13,000	Molex Inc	291,850	0.09
1,100	PerkinElmer Inc	27,456	0.01
1,800	Plexus Corp	37,242	0.01
700	Roper Industries Inc	39,718	0.01
49,000	Sanmina-Sci Corp	68,600	0.02
6,060	Tech Data Corp	180,952	0.05
5,400	Thermo Fisher Scientific Inc	296,946	0.09
200	Trimble Navigation Ltd	5,186	0.00
300	Waters Corp	17,445	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
Energy Equipment and Services			
400	Atwood Oceanics Inc	14,520	0.00
3,676	Cameron International Corp	141,673	0.04
2,100	Complete Production Services Inc	42,252	0.01
500	Diamond Offshore Drilling Inc	51,530	0.02
300	Dresser-Rand Group Inc	9,375	0.00
4,800	ENSCO International Inc	276,480	0.09
4,540	FMC Technologies Inc	211,292	0.07
7,647	Halliburton Co	246,922	0.08
9,800	Helmerich & Payne Inc	422,674	0.13
22,001	National Oilwell Varco Inc	1,103,961	0.34
18,311	NRG Energy Inc	452,099	0.14
100	Oceaneering International Inc	5,185	0.00
5,152	Patterson Utilities Energy Inc	103,092	0.03
4,300	Rowan Cos Inc	130,720	0.04
585	Seacor Holdings Inc	46,174	0.01
1,900	Smith International Inc	111,415	0.03
710	Superior Energy Services Inc	22,109	0.01
900	Warner Chilcott Ltd	13,554	0.00
Entertainment			
375	Ascent Media - A -	9,338	0.00
701	Penn National Gaming	18,600	0.01
Financial Services			
5,501	OptionsXpress Holdings Inc	109,506	0.03
4,237	Waddell & Reed Financial Inc	98,426	0.03
Food and Drug Retailing			
2,600	Central European Distribution Corp	118,404	0.04
1,200	Cheesecake Factory	17,520	0.01
8,978	CVS Caremark Corp	302,020	0.09
115,912	Kroger Co	3,179,466	0.98
346	Ruddick Corp	11,224	0.00
139,598	Safeway Inc	3,311,242	1.02
124,201	SYSCO	3,829,087	1.18
2,863	Terra Industries Inc	84,086	0.02
13,200	Walgreen Co	407,748	0.12
4,500	Whole Foods Market Inc	89,910	0.03
Food Products			
31,024	Archer-Daniels-Midland Co	679,737	0.21
4,900	ConAgra Foods Inc	95,354	0.03
684	Corn Products International Inc	21,614	0.01
8,900	General Mills Inc	611,163	0.19
600	Hansen Natural Corp	18,132	0.01
6,800	Hershey Co	267,716	0.08
2,500	HJ Heinz Co	124,700	0.04
6,337	Hormel Foods Corp	229,273	0.07
4,100	Kellogg Co	230,010	0.07
3,200	Kraft Foods Inc	104,544	0.03
200	McCormick & Co Inc/MD	7,682	0.00
41,901	Sara Lee Corp	528,778	0.16
1,300	Smithfield Foods Inc	20,644	0.01
500	The JM Smucker Co	25,275	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
36,008	Tyson Foods Inc	429,575	0.13
2,700	Wrigley William Jr Co	214,380	0.06
	Gaming		
2,501	International Game Technology	42,901	0.01
	Gas Utilities		
1,400	Atmos Energy Corp	37,268	0.01
2,200	Energen Corp	99,616	0.03
1,000	Laclede Group Inc	48,490	0.01
2,700	New Jersey Resources Corp	96,876	0.03
1,100	NiSource Inc	16,236	0.01
2,700	Oneok Inc	92,745	0.03
400	Sempra Energy	20,188	0.01
18,301	Southwestern Energy Co	558,700	0.17
9,800	UGI Corp	252,252	0.08
	Health Care Equipment and Supplies		
8,100	Applied Biosystems Inc	276,939	0.09
4,000	Baxter International Inc	262,520	0.08
1,787	Becton Dickinson & Co	143,246	0.04
84,416	Boston Scientific Corp	1,034,085	0.32
1,150	CR Bard	109,089	0.03
5,886	Dentsply International Inc	220,902	0.07
500	Edwards Lifesciences Corp	28,800	0.01
412	Hill-Rom Holdings Inc	12,467	0.00
1,000	Hologic Inc	19,190	0.01
1,200	Illumina Inc	48,540	0.01
300	Intuitive Surgical Inc	72,291	0.02
8,750	Medtronic Inc	437,675	0.13
1,600	Pediatrix Medical Group	86,176	0.03
400	Resmed Inc	17,168	0.01
16,413	St Jude Medical Inc	711,504	0.22
8,000	Stryker Corp	498,320	0.15
2,557	Varian Medical Systems Inc	146,055	0.05
9,400	Zimmer Holdings Inc	606,864	0.19
	Health Care Providers and Services		
8,800	Aetna Inc	317,768	0.10
8,600	AmeriGroup Corp	217,064	0.07
72,667	Amerisourcebergen Corp	2,735,876	0.84
26,100	Cardinal Health Inc	1,286,208	0.39
1,700	Centene Corp	34,867	0.01
26,500	CIGNA Corp	899,675	0.28
400	Community Health Systems Inc	11,724	0.00
2,100	Covance Inc	185,241	0.06
11,247	Express Scripts Inc	830,366	0.25
2,600	Health Management Associates Inc	10,816	0.00
9,700	Health Net Inc	225,137	0.07
23,500	Humana Inc	962,560	0.30
1,961	Kindred Healthcare Inc	53,928	0.02
400	Laboratory Corp of America Holdings	27,800	0.01
7,200	Lincare Holdings Inc	216,720	0.07
2,700	Magellan Health Services Inc	110,862	0.03
28,294	McKesson Corp	1,522,500	0.47

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
2,400	Pharmaceutical Product Development Inc	99,192	0.03
2,400	Quest Diagnostics Inc	123,696	0.04
1,800	Schein Henry Inc	96,696	0.03
5,400	Service Corp International	45,144	0.01
7,600	Tenet Healthcare Corp	42,104	0.01
58,801	United Health Group Inc	1,485,288	0.46
1,800	Universal Health Services Inc	99,936	0.03
900	WellCare Health Plans Inc	32,094	0.01
32,800	WellPoint Inc	1,533,729	0.47
	Holding Companies - Diversified Operations		
6,701	Leucadia National Corp	302,104	0.09
	Hotels, Restaurants and Leisure		
2,000	Ameristar Casinos Inc	28,380	0.01
900	Bob Evans Farms	24,561	0.01
14,200	Brinker International Inc	253,470	0.08
600	Burger King Holdings Inc	14,700	0.00
754	Chipotle Mexican Grill Inc	41,508	0.01
1,600	Choice Hotels International Inc	43,328	0.01
3,800	Darden Restaurants Inc	108,680	0.03
2,600	Jack In The Box Inc	54,574	0.02
200	Las Vegas Sands Corp	7,214	0.00
48,940	McDonald's Corp	3,016,112	0.93
4,100	MGM Mirage Inc	113,529	0.04
3,085	Panera Bread Co	157,057	0.05
500	Starwood Hotels & Resorts Worldwide Inc	14,050	0.00
17,200	Wyndham Worldwide Corp	269,524	0.08
700	Wynn Resorts Ltd	57,141	0.02
4,263	Yum! Brands Inc	139,016	0.04
	Household Durables		
1,500	Bed Bath & Beyond	47,115	0.01
700	Dolby Laboratories Inc	24,633	0.01
4,800	DR Horton Inc	62,496	0.02
800	Harman International Industries Inc	27,160	0.01
1,100	KB Home	21,538	0.01
600	Kinetic Concepts Inc	17,148	0.01
600	MDC Holdings Inc	21,954	0.01
1,500	Newell Rubbermaid Inc	25,890	0.01
13,601	Pulte Homes Inc	189,448	0.06
4,400	Toll Brothers Inc	111,012	0.03
1,200	Toro Co	49,056	0.01
3,400	Tupperware Brands Corp	93,942	0.03
8,900	Whirlpool Corp	705,682	0.21
	Household Products		
1,519	Church & Dwight Co Inc	93,388	0.03
5,200	Colgate Palmolive Co	391,821	0.12
1,500	Fortune Brands	85,920	0.03
2,600	Kimberly Clark Corp	168,324	0.05
78,407	Procter & Gamble Co	5,456,275	1.68
4,100	Scotts Miracle-Gro - A -	96,924	0.03
	Industrial Conglomerates		
9,400	3M Co	641,739	0.20

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
215,830	General Electric Co	5,497,166	1.69
16,900	KBR Inc	256,711	0.08
10,300	Reynolds Amern Inc	500,477	0.15
19,101	SAIC Inc	385,629	0.12
3,800	Textron Inc	111,264	0.03
	Insurance		
14,200	Aflac Inc	833,682	0.26
20,505	Allstate Corp	945,486	0.29
700	American Financial Group Inc	19,936	0.01
11,100	American International Group Inc	36,852	0.01
6,700	AON Corp	300,428	0.09
14,900	Assurant Inc	804,153	0.25
5,100	Brown & Brown Inc	110,211	0.03
15,619	Chubb Corp	856,702	0.26
1,300	Cincinnati Financials Corp	38,662	0.01
9,500	Conseco Inc	33,345	0.01
100	Erie Indemnity Co	4,068	0.00
255	First American Corp	7,520	0.00
600	Hanover Insurance Group Inc	27,228	0.01
13,800	Hartford Financial Services Group Inc	565,524	0.17
11,000	HCC Insurance Holdings Inc	287,650	0.09
600	Infinity Property & Casualty	24,972	0.01
6,500	Lincoln National Corp	277,615	0.09
11,100	Loews Corp	438,339	0.14
2,700	Marsh & McLennan Cos Inc	85,725	0.03
46,381	Metlife Inc	2,449,329	0.75
200	Navigators Group Inc	10,684	0.00
341	OneBeacon Insurance Group	7,099	0.00
500	Philadelphia Consolidated Holdings Co	29,245	0.01
1,500	Progressive Corp/Ohio	25,875	0.01
500	Protective Life Corp	14,250	0.00
10,509	Prudential Financial Inc	751,394	0.23
10,800	Reinsurance Group of America Inc	551,664	0.17
3,800	Stancorp Financial Group Inc	188,784	0.06
1,100	Torchmark Inc	66,066	0.02
75,406	Travelers Cos Inc	3,364,572	1.03
2,200	Unum Group	55,154	0.02
19,300	WR Berkley Corp	453,743	0.14
	Internet and Catalogue Retail		
3,488	Amazon.com Inc	253,718	0.07
4,101	Expedia Inc	61,910	0.02
300	Priceline com Inc	20,520	0.01
	Internet Software and Services		
1,600	Akamai Technologies Inc	27,856	0.01
400	DeVry Inc	19,776	0.01
13,500	Earthlink Inc	114,345	0.03
34,360	eBay Inc	768,955	0.24
2,056	Google Inc	823,470	0.25
16,800	HLTH	192,024	0.06
3,700	McAfee Inc	125,541	0.04
22,400	Sun Microsystems	170,240	0.05

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
6,352	VeriSign Inc	165,660	0.05
2,000	Yahoo Inc	34,580	0.01
	IT Consulting and Services		
968	Acxiom Corp	12,139	0.00
1,500	Affiliated Computer Services Inc	75,840	0.02
7,400	Automatic Data Processing Inc	316,276	0.10
600	CA	11,952	0.00
28,907	Computer Sciences Corp	1,159,420	0.36
500	Microchip Technology	14,715	0.00
369	SRA International Inc	8,347	0.00
1,016	Teradata Inc	19,802	0.01
15,100	Unisys Corp	41,374	0.01
	Leisure Equipment and Products		
6,400	Callaway Golf Co	89,984	0.03
22,901	Hasbro Inc	795,089	0.25
800	Mattel Inc	14,408	0.00
	Machinery		
3,071	AGCO Corp	130,210	0.04
2,100	Albany International Corp	57,267	0.02
2,243	Bucyrus International Inc	100,038	0.03
20,004	Caterpillar Inc	1,191,180	0.36
300	Ceradyne Inc	10,989	0.00
15,500	Cummins Inc	677,660	0.21
700	Danaher Corp	48,573	0.01
3,969	Deere & Co	196,466	0.06
4,700	Donaldson Co Inc	196,037	0.06
18,036	EMC Corp Massachusetts	215,711	0.06
1,720	Flowserve Corp	152,598	0.05
743	Graco Inc	26,458	0.01
2,300	Harsco Corp	85,537	0.02
500	Illinois Tool Works Inc	22,225	0.01
300	ITT Corp	16,683	0.01
2,130	Joy Global Inc	96,063	0.03
1,380	Lincoln Electric Holdings Inc	88,154	0.03
11,200	Manitowoc Co Inc	174,048	0.05
500	Nordson Corp	24,565	0.01
500	Paccar Inc	19,095	0.01
100	Pall Corp	3,435	0.00
600	Parker Hannifin Corp	31,800	0.01
600	Pentair Inc	20,736	0.01
497	Reliance Steel & Aluminum Co	18,871	0.01
3,107	SPX Corp	237,686	0.07
300	Terex Corp	9,156	0.00
900	Timken Co	25,515	0.01
900	Trinity Industries Inc	23,121	0.01
	Manufacturing		
1,001	Snap-On Inc	52,401	0.02
	Marine		
6,201	Kirby Corp	235,167	0.07
3,922	Werner Enterprises Inc	85,264	0.03

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
Media			
199	Belo Corp	1,186	0.00
12,169	Brocade Communications Systems Inc	70,458	0.02
1,700	Cablevision Systems Corp	42,772	0.01
21,552	CBS Corp	314,013	0.10
8,700	Comcast Corp	170,781	0.05
763	Comcast Corp SPL	15,023	0.00
96,481	DirecTV Group Inc	2,524,883	0.78
3,750	Discovery Communications	53,437	0.02
3,750	Discovery Communications	52,013	0.02
585	DISH Network Corp	12,221	0.00
900	EW Scripps Co	6,363	0.00
1,700	Interpublic Group of Cos Inc	13,141	0.00
900	John Wiley & Sons Inc	36,090	0.01
10,600	Liberty Media - Entertainment	264,152	0.08
500	Mcgraw Hill Cos Inc	15,805	0.00
2,032	Netflix Com Inc	62,789	0.02
2,000	New York Times Co	28,580	0.01
46,300	News Corp	555,137	0.17
1,200	Omnicom Group	46,272	0.01
3,300	Scripps Networks Interactive Inc	119,295	0.04
20,100	Sirius XM Radio Inc	11,658	0.00
11,400	Time Warner Cable Inc	275,766	0.09
194,847	Time Warner Inc	2,554,432	0.79
1,200	Viacom Inc	29,772	0.01
62,691	Walt Disney Co	1,923,987	0.59
Metals and Mining			
7,000	AK Steel Holding	180,110	0.06
9,300	Alcoa Inc	209,436	0.06
100	Allegheny Technologies Inc	2,950	0.00
5,081	Alpha Natural Resources Inc	257,607	0.08
1,400	Arch Coal	46,046	0.01
600	Century Aluminum Co	16,590	0.01
1,700	Cleveland-Cliffs	89,386	0.03
2,100	Consol Energy Inc	96,369	0.03
424	Foundation Coal Holdings Inc	15,005	0.00
14,200	Freeport-McMoRan Copper & Gold Inc	807,270	0.25
700	Newmont Mining Corp	27,111	0.01
15,801	Nucor Corp	624,100	0.19
500	Peabody Energy Corp	22,490	0.01
3,234	Schnitzer Steel Industries Inc	126,870	0.04
3,800	Southern Copper Corp	72,314	0.02
12,400	Steel Dynamics Inc	211,420	0.06
11,300	United States Steel Corp	876,090	0.27
Miscellaneous Manufacturers			
5,401	Eastman Kodak	82,837	0.03
999	John Bean Technologies Corp	12,687	0.00
Multi-Line Retail			
5,077	Big Lots Inc	141,242	0.04
13,603	BJ's Wholesale Club Inc	528,613	0.16
3,929	Copart Inc	149,459	0.05

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
15,294	Costco Wholesale Corp	992,887	0.31
492	Family Dollar Stores Inc	11,626	0.00
300	Kohl's Corp	13,806	0.00
1,900	Target Corp	93,195	0.03
35,785	Wal-Mart Stores Inc	2,137,379	0.66
	Multi-Utilities		
37,500	Centerpoint Energy Inc	545,250	0.17
173,436	Duke Energy Co	3,021,239	0.93
1,439	MDU Resources Group Inc	41,659	0.01
2,000	Questar Corp	81,840	0.03
1,200	SCANA Corp	46,512	0.01
1,400	Vectren Corp	38,920	0.01
	Office Electronics		
18,101	Xerox Corp	208,513	0.06
1,100	Zebra Technologies Corp	30,580	0.01
	Oil and Gas Services		
4,935	Oil States International Inc	173,431	0.05
	Oil and Gas		
3,000	Anadarko Petroleum Corp	145,320	0.05
30,770	Apache Corp	3,208,696	0.99
1,512	Baker Hughes Inc	91,189	0.03
8,218	Cabot Oil & Gas Corp	295,848	0.09
1,300	Chesapeake Energy Corp	46,618	0.01
39,450	Chevron Co	3,247,129	1.00
8,094	Cimarex Energy Co	394,501	0.12
600	Comstock Resources Inc	30,030	0.01
87,720	ConocoPhillips	6,385,067	1.96
1,100	Continental Resources Inc	42,955	0.01
3,300	Denbury Resources Inc	62,601	0.02
13,293	Devon Energy Corp	1,211,923	0.37
559	Encore Acquisition Co	23,148	0.01
2,310	EOG Resources Inc	206,653	0.06
4,800	Equitable Resources Inc	176,064	0.05
500	Exterran Holdings	15,860	0.00
137,602	Exxon Mobil Corp	10,684,718	3.28
1,500	Forest Oil Corp	74,235	0.02
700	Frontier Oil Corp	12,817	0.00
300	Helix Energy Solutions Group Inc	7,224	0.00
600	Hercules Offshore Inc	9,090	0.00
10,271	Hess Corp	841,503	0.26
5,000	Marathon Oil Corp	197,950	0.06
3,223	Mariner Energy Inc	65,653	0.02
2,508	Mirant Corp	45,871	0.01
23,258	Murphy Oil Corp	1,491,070	0.46
1,500	Newfield Exploration Co	47,790	0.01
1,100	Noble Energy Inc	61,149	0.02
23,315	Occidental Petroleum Corp	1,636,713	0.50
1,600	PetroHawk Energy	34,448	0.01
1,300	Plains Exploration & Production Co	45,643	0.01
3,300	Quicksilver Resources Inc	64,350	0.02
2,600	Range Resources Corp	110,656	0.03

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
664	St Mary Land & Exploration Co	23,672	0.01
1,700	Stone Energy Corp	71,910	0.02
285	Sunoco Inc	10,038	0.00
1,700	Swift Energy Co	65,773	0.02
1,100	Tesoro Corp	18,040	0.01
2,200	Transocean Inc	241,626	0.07
5,618	Unit Corp	278,653	0.09
50,174	Valero Energy Corp	1,518,767	0.47
6,526	W & T Offshore Inc	176,463	0.05
800	Whiting Petroleum Corp	56,544	0.02
32,100	Williams Cos Inc	759,165	0.23
2,200	XTO Energy Inc	102,322	0.03
	Other Finance		
6,401	American Capital Ltd	162,177	0.05
	Other Industrial		
201	Valmont Industries Inc	16,537	0.01
	Paper and Forest Products		
1,201	Plum Creek Timber	59,821	0.02
	Paper and Forest Products		
16,216	International Paper Co	423,213	0.13
1,400	Rayonier Inc	66,290	0.02
400	Weyerhaeuser Co	24,140	0.01
	Personal Products		
2,700	Alberto Culver Co	73,359	0.02
7,054	Avon Products Inc	293,194	0.09
300	Estee Lauder Cos Inc	14,955	0.00
	Pharmaceuticals		
16,599	Abbott Laboratories	955,604	0.29
2,200	Allergan Inc	113,300	0.03
48,100	Bristol-Myers Squibb Co	1,002,885	0.31
6,386	Eli Lilly & Co	281,111	0.09
26,552	Forest Laboratories Inc	750,890	0.23
700	Hospira Inc	26,719	0.01
1,500	ImClone Systems	93,525	0.03
72,087	Johnson & Johnson	4,981,144	1.53
9,500	King Pharmaceuticals Inc	90,440	0.03
12,695	Medco Health Solutions Inc	569,752	0.18
58,606	Merck & Co Inc	1,848,433	0.57
1,200	Mylan Laboratories Inc	13,668	0.00
2,469	Perrigo Co	94,958	0.03
369,841	Pfizer Inc	6,782,867	2.08
1,800	Schering Plough Corp	33,246	0.01
11,000	Watson Pharmaceuticals Inc	313,390	0.10
2,337	Wyeth	86,329	0.03
	Pipelines		
501	National Fuel Gas	20,986	0.01
	Real Estate		
89	Alexander & Baldwin	3,919	0.00
500	Alexandria Real Estate Equities Inc	56,210	0.02
4,928	AMB Property Corp	220,134	0.07
71,001	Annaly Mortgage Management Inc	954,241	0.29

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
4,173	Apartment Investment & Management Co	146,097	0.04
1,154	Avalonbay Communities Inc	113,438	0.03
600	Boston Properties Inc	56,178	0.02
7,800	Brandywine Realty Trust	124,878	0.04
500	Camden Property Trust	22,910	0.01
1,200	CB Richard Ellis Group Inc	16,032	0.00
12,600	CBL & Associates Properties Inc	253,008	0.08
1,000	Corrections Corp	24,820	0.01
500	Digital Realty Trust Inc	23,495	0.01
1,900	Douglas Emmett Inc	43,833	0.01
3,488	Equity Residential	154,902	0.05
985	Essex Property Trust Inc	116,545	0.04
300	Federal Realty Investment Trust	25,614	0.01
6,400	First Industrial Realty Trust Inc	183,040	0.06
4,500	HCP Inc	179,910	0.05
3,100	Health Care REIT Inc	164,920	0.05
12,700	Hospitality Properties Trust	260,604	0.08
19,500	HRPT Properties Trust	134,355	0.04
1,235	Jones Lang LaSalle Inc	53,698	0.02
173	Kilroy Realty Corp	8,268	0.00
1,200	Kimco Realty Corp	44,268	0.01
5,200	LaSalle Hotel Properties	121,212	0.04
400	Liberty Property Trust	15,060	0.00
14,200	Mack-Cali Realty Corp	480,244	0.15
5,288	Nationwide Health Properties	190,104	0.06
20,600	Prologis	849,956	0.26
1,800	Public Storage Inc	178,182	0.05
496	Realty Income Corp	12,648	0.00
300	Regency Centers Corp	20,007	0.01
1,156	Simon Property Group Inc	112,004	0.03
870	SL Green Realty Corp	56,376	0.02
1,400	St Joe Co	54,726	0.02
1,000	Taubman Centers Inc	49,980	0.02
3,200	UDR Inc	83,264	0.03
4,600	Ventas Inc	227,286	0.07
400	Weingarten Realty Investment	14,264	0.00
	Retail Trade		
2,628	Dollar Tree Inc	95,519	0.03
	Road and Rail		
1,200	Burlington Northern Santa Fe Corp	110,904	0.03
22,240	CSX Corp	1,213,138	0.37
1,300	Kansas City Southern	57,590	0.02
2,379	Landstar Systems Inc	104,819	0.03
8,267	Norfolk Southern Corp	547,358	0.17
16,136	Union Pacific Corp	1,147,915	0.35
1,836	YRC Worldwide Inc	21,959	0.01
	Semiconductor Equipment and Products		
1,300	Advanced Micro Devices Inc	5,876	0.00
941	Altera Corp	19,451	0.01
5,800	Amkor Technology Inc	37,004	0.01
400	Analog Devices Inc	10,536	0.00

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
2,200	Applied Materials Inc	33,286	0.01
1,400	Cree Inc	31,892	0.01
1,000	First Solar Inc	188,910	0.06
80,389	Intel Corp	1,503,256	0.46
1,700	Intersil Corp	28,152	0.01
300	Kla-Tencor Corp	9,483	0.00
1,100	Linear Technology Corp	33,693	0.01
9,717	LSI Logic Corp	51,889	0.02
1,500	MEMC Electronic Materials Inc	42,390	0.01
3,963	MPS Group Inc	39,907	0.01
400	Novellus Systems Inc	7,848	0.00
300	Nvidia Corp	3,213	0.00
2,600	ON Semiconductor Corp	17,576	0.01
4,386	Qlogic Corp	67,325	0.02
1,800	Rambus Inc	23,130	0.01
200	Silicon Laboratories Inc	6,140	0.00
1,800	Teradyne Inc	14,040	0.00
122,952	Texas Instruments Inc	2,640,988	0.81
700	Xilinx Inc	16,408	0.01
	Software		
6,800	Activision Blizzard Inc	104,652	0.03
29,048	Adobe Systems Inc	1,145,944	0.35
911	Advent Software	32,095	0.01
600	Ansys Inc	22,704	0.01
1,563	Autodesk Inc	52,314	0.02
2,800	BMC Software Inc	80,164	0.02
400	Citrix Systems Inc	10,088	0.00
800	Electronic Arts Inc	29,584	0.01
3,000	Intuit	94,920	0.03
1,445	Mentor Graphics Corp	16,314	0.01
182,381	Microsoft Corp	4,864,076	1.50
1,300	Nuance Communications Inc	15,925	0.00
96,733	Oracle Corp	1,961,745	0.60
1,800	Red Hat Inc	27,126	0.01
2,583	Salesforce.com Inc	124,629	0.04
148,941	Symantec Corp	2,910,288	0.89
700	Synopsys Inc	13,965	0.00
2,500	Take-Two Interactive Software	40,925	0.01
300	VMware Inc	7,953	0.00
	Speciality Retail		
4,300	Abercrombie & Fitch Co	169,334	0.05
900	Advance Auto Parts Inc	35,451	0.01
5,937	Aeropostale Inc	190,518	0.06
15,800	American Eagle Outfitters	240,476	0.07
4,000	Ann Taylor Stores Corp	82,560	0.03
400	Autozone Inc	49,316	0.02
57,201	Best Buy Co Inc	2,144,429	0.66
6,300	Boyd Gaming	58,968	0.02
300	Carmax Inc	4,200	0.00
10,500	Chico's FAS Inc	57,015	0.02
1,200	Dick's Sporting Goods Inc	23,496	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
50,098	GameStop Corp	1,706,840	0.53
55,501	Gap Inc	986,790	0.30
2,200	Hanesbrands Inc	47,828	0.01
24,800	Home Depot Inc	641,080	0.20
1,200	Lowe's Cos Inc	28,416	0.01
5,900	Ltd Brands Inc	102,188	0.03
2,000	Mens Wearhouse Inc	42,480	0.01
20,000	Office Depot Inc	116,200	0.04
12,000	OfficeMax Inc	106,680	0.03
9,800	RadioShack Corp	169,344	0.05
4,933	Ross Stores Inc	181,584	0.06
900	Scansource Inc	25,911	0.01
600	Sherwin Williams Co	34,296	0.01
3,100	Staples Inc	69,719	0.02
26,035	Supervalu Inc	564,960	0.17
11,400	Tiffany & Co	404,700	0.12
25,627	TJX Cos Inc	782,136	0.23
2,600	Tractor Supply Co	109,434	0.03
6,172	United Rentals Inc	94,061	0.03
15,726	Urban Outfitters Inc	501,030	0.15
800	Williams-Sonoma Inc	12,912	0.00
	Technology Hardware and Equipment		
1,001	DRS Technologies Inc	76,701	0.02
	Textile and Apparel		
27,027	Coach Inc	675,675	0.21
3,800	Columbia Sportswear Co	158,802	0.05
1,400	Guess Inc	48,692	0.02
39,401	Jones Apparel Group Inc	727,719	0.22
12,700	Liz Claiborne Inc	208,661	0.06
10,400	Nike Inc	695,656	0.21
8,600	Polo Ralph Lauren Corp	573,104	0.18
10,100	Quiksilver Inc	57,974	0.02
2,100	VF Corp	162,309	0.05
	Tobacco		
25,719	Altria Group Inc	510,265	0.15
4,066	Lorillard Inc	289,296	0.09
30,488	Philip Morris International Inc	1,465,816	0.45
501	Universal Corp	24,589	0.01
840	UST Inc	55,894	0.02
	Trading Companies and Distributors		
1,459	Pioneer Natural Resources Co	75,919	0.02
6	W W Grainger Inc	521	0.00
	Transportation Equipment		
2,000	Arkansas Best Corp	67,380	0.02
4,201	Borg Warner Inc	137,593	0.04
	Transportation Services		
701	GATX Corp	27,630	0.01
	Water Utilities		
701	Nalco Holdings Co	12,972	0.00
	Wholesale Trade		
1,100	Genuine Parts Co	44,231	0.01

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

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

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
396	HNI Corp	10,035	0.00
1,300	LKQ Corp	22,048	0.01
15,501	Patterson Cos Inc	471,201	0.15
	Wireless Telecommunication Services		
479	American Tower Corp	17,158	0.01
2,000	Crown Castle International Corp	57,920	0.02
649	Leap Wireless International Inc	24,720	0.01
10,001	NII Holdings Inc	378,901	0.11
1,000	Syniverse Holdings Inc	16,610	0.01
4,200	Telephone & Data Systems Inc	150,108	0.04
		<u>304,178,836</u>	<u>93.39</u>
	Virgin Islands, British (0.00%)		
	Transport		
891	UTI Worldwide Inc	13,671	0.00
	Total Common Stock	<u>314,704,012</u>	<u>96.72</u>
	Short Term Investments (0.62%)		
	United States (0.62%)		
	United States Treasury Bill*		
2,000,000	Zero coupon due 18/12/08	1,999,824	0.62
	Total Short Term Investments	<u>1,999,824</u>	<u>0.62</u>
	Total Transferable Securities	<u>316,703,836</u>	<u>97.34</u>
	Collective Investment Schemes (2.20%)		
	Ireland (2.20%)		
	Russell Investment Company III plc		
8	The Euro Cash Fund - Class A Shares	11,284	0.00
	Russell Investment Company III plc		
7,142	The U.S. Dollar Cash Plus Fund - Class A Shares	7,141,868	2.20
	Total Collective Investment Schemes	<u>7,153,152</u>	<u>2.20</u>
	Total Investments excluding Financial Derivative Instruments	<u>323,856,988</u>	<u>99.54</u>

Financial Derivative Instruments ((0.31)%)

Open Futures Contracts ((0.17)%)

<u>Notional Amount USD</u>	<u>Average Cost Price USD</u>		<u>Unrealised Gain (Loss) USD</u>	<u>Fund %</u>
2,745,875	1,220.39	9 of S&P 500 Index Futures Long Futures Contracts Expiring December 2008	(115,625)	(0.04)
2,592,042	1,234.31	42 of S&P EMini 500 Index Futures Long Futures Contracts Expiring December 2008	(137,141)	(0.04)
1,680,088	672.04	25 of Russell Mini Futures Long Futures Contracts Expiring December 2008	(93,338)	(0.03)

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

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

Schedule of Investments - continued

30 September 2008

Notional Amount USD	Average Cost Price USD		Unrealised Gain (Loss) USD	Fund %
4,080,579	769.92	53 of S&P Mid 400 EMini Index Futures Long Futures Contracts Expiring December 2008	(209,989)	(0.06)
		Unrealised loss on open futures contracts	(556,093)	(0.17)
		Net unrealised gain (loss) on open futures contracts	(556,093)	(0.17)

Open Forward Foreign Currency Exchange Contracts ((0.14)%)

Settlement Date	Amount Bought	Amount Sold	Unrealised Gain (Loss) USD	Fund %
03/10/2008	GBP 14,719,746	USD 26,858,238	(618,867)	(0.19)
03/10/2008	GBP 367,204	USD 670,000	(15,423)	0.00
03/10/2008	USD 6,171,800	GBP 3,382,531	142,112	0.04
03/10/2008	USD 378,900	GBP 208,622	7,010	0.00
03/10/2008	USD 1,039,500	GBP 578,469	8,323	0.00
03/10/2008	USD 282,000	GBP 155,124	5,476	0.00
03/10/2008	USD 1,752,000	GBP 962,875	35,581	0.01
		Unrealised gain on open forward foreign currency exchange contracts	198,502	0.05
		Unrealised loss on open forward foreign currency exchange contracts	(634,290)	(0.19)
		Net unrealised gain (loss) on open forward foreign currency exchange contracts	(435,788)	(0.14)
		Total Financial Derivative Instruments	(991,881)	(0.31)

	Fair Value USD	Fund %
Total Investments (99.23%)	322,865,107	99.23
Other Net Assets (0.57%)	1,853,522	0.57
Adjustments From Bid Market Prices To Last Traded Market Prices (0.20%)	644,612	0.20
Net Assets (100.00%)	325,363,241	100.00

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

Analysis of total assets (unaudited)

	% of total assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	96.51
Collective investment schemes	2.18
Over the counter financial derivative instruments	0.06
Other assets	1.25
	100.00

The broker for the open futures contracts is Citigroup.

The counterparties for the open forward foreign currency exchange contracts are:

Brown Brothers Harriman
 Citibank
 State Street Bank

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

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

Schedule of Investments - continued

30 September 2008

The proportion of the investments of The U.S. Quant Fund in rights or securities eligible to the French Plan d'Epargne en Actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

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

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

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the year ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost USD</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD</u>
Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	121,126,263	Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	(115,566,000)
Hewlett-Packard Co	5,365,429	Exxon Mobil Corp	(9,219,237)
Best Buy Co Inc	4,271,052	JPMorgan Chase & Co	(7,519,635)
Safeway Inc	4,196,365	Boeing Co	(7,363,825)
MetLife Inc	3,547,585	Chevron Corp	(6,286,704)
Johnson & Johnson	3,519,203	Nike Inc	(5,129,218)
ConocoPhillips	3,303,557	Oracle Corp	(5,018,033)
Accenture Ltd Bermuda	3,241,898	Pfizer Inc	(4,758,870)
McDonald's Corp	3,122,238	Medco Health Solutions	(4,652,027)
Apache Corp	3,028,839	Apple Inc	(4,617,186)
General Electric Co	2,904,900	Express Scripts Inc	(4,597,364)
Procter & Gamble Co	2,849,880	National Oilwell Varco Inc	(4,478,925)
Amgen Inc	2,846,186	Kroger Co	(4,453,247)
Wells Fargo & Co	2,784,952	Microsoft Corp	(4,237,800)
Mosaic Co	2,774,692	Bank of America Corp	(4,130,948)
GameStop Corp	2,716,085	Anadarko Petroleum Corp	(4,089,747)
H&R Block Inc	2,672,094	Procter & Gamble Co	(4,024,262)
Nike Inc	2,605,541	Hewlett-Packard Co	(3,957,114)
AT&T Inc	2,306,731	ProLogis	(3,925,761)
Occidental Petroleum Corp	2,279,212	Time Warner Inc	(3,729,706)

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 ***The U.S. Value Fund***

Manager's Report

Money Managers

Armstrong Shaw Associates
JS Asset Management, LLC
DePrince, Race & Zollo, Inc.
Systematic Financial Management L.P.

Investment Objective

The U.S. Value Fund (the "Fund") will seek to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, American depository receipts, global depository receipts, convertibles and warrants listed, traded or dealt in on a regulated market in the U.S.

Fund Performance

The Fund returned -19.2 per cent during the period on a gross-of-fees basis verses a benchmark return of -11.5 per cent.*

Market Comment

U.S. markets declined by 11.5 per cent during the period. During the second quarter of 2008 a rate cut by the Federal Reserve ("Fed") had improved investor sentiment and equities rose during the first six weeks, to peak in mid-May 2008. This was led primarily by the strong performance of oil stocks and healthy corporate data. However, investor sentiment was diminished by concerns over the potential impact of the high oil price on consumer spending. Further write-downs and profit warnings from major financial institutions alongside weak economic data fuelled a sell-off which continued throughout June 2008. Key economic data such as housing, manufacturing and employment was weak during the period which underlined Fed comments that further rate cuts were unlikely in the short term due to inflation.

Following volatility related to the oil sector in July and August 2008, September's market performance defined the third quarter as global markets suffered historic losses. A steep decline in mid-September, the greatest since the 9/11 terrorist attacks, was marked by flurry of buy-outs and government intervention not witnessed since the Great Depression. The collapse of Lehman Brothers and Bank of America's purchase of Merrill Lynch caused an anxious cascade of sell-offs. The Fed's rescue of AIG and its announcement of a rescue package restored some investor confidence. However, U.S. Congress rejected the initial Bill prompting another decline towards the end of the month. Investors moved defensively towards the consumer staples sector while cyclical sectors such as technology performed poorly.

General Comment on Managers/Performance

The Fund underperformed the benchmark.

Underperformance was led by the deep value manager JS Asset Management, LLC ("JS"). In a market environment where investors become highly risk averse, deep value processes will be significantly affected and the noted third quarter of 2008 turned into an exceptionally difficult period. Investor fears primarily related to the financial services sector materialised as major institutions failed causing further sell-offs within the sector. In a scenario where there is such an unprecedented level of contagion this caused JS to underperform significantly during the quarter.

Outlook

The Fund remains well positioned to benefit from the stock-picking abilities of the managers in the Fund, and we currently remain confident in the manager line-up.

Past performance is no indication of current or future performance.

* Benchmark Source: Russell 1000 Value Index (Net of 30 per cent Withholding Tax)

Russell Investment Company II plc
The U.S. Value Fund

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	USD	(Audited)	USD
	USD	USD	USD
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	277,914,269	442,057,863	591,764,733
Unrealised gain on open futures contracts	-	142,703	19,043
	<u>277,914,269</u>	<u>442,200,566</u>	<u>591,783,776</u>
Cash at bank (Note 5)	932,127	14,250,719	8,392,794
Cash held with brokers for open futures contracts	192,243	-	57,668
Debtors:			
Receivable for investments sold	2,717,020	23,485,140	2,194,465
Receivable for fund shares issued	91,225	31,372	-
Dividends receivable	186,932	425,636	783,073
Interest receivable	720,246	337,843	330,418
	<u>282,754,062</u>	<u>480,731,276</u>	<u>603,542,194</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(860,677)	-	(57,600)
	<u>(860,677)</u>	<u>-</u>	<u>(57,600)</u>
Creditors – amounts falling due within one year:			
Cash due to brokers for open future contracts	-	(1,299,465)	-
Payable for investments purchased	(4,294,674)	(3,268,179)	(2,793,902)
Payable for fund shares redeemed	(241,120)	(4,453,790)	(652,156)
Management fees payable	(298,030)	(445,380)	(522,457)
Custodian and Trustee fees payable	(4,042)	(5,996)	(9,014)
Sub-custodian fees payable	(8,956)	(38,596)	(18,961)
Administration fees payable	(6,736)	(9,994)	(19,641)
Distributions payable	483	482	-
Miscellaneous fees payable	(24,035)	(35,513)	(100,808)
	<u>(5,737,787)</u>	<u>(9,556,431)</u>	<u>(4,174,539)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	<u>277,016,275</u>	<u>471,174,845</u>	<u>599,367,655</u>
Adjustment from bid market prices to last traded market prices (Note 6)	<u>615,394</u>	<u>628,292</u>	<u>378,775</u>
Net assets attributable to redeemable participating shareholders (at last traded market prices)	<u><u>277,631,669</u></u>	<u><u>471,803,137</u></u>	<u><u>599,746,430</u></u>
Net asset value per share*			
Class A Income (USD 4,281,101 divided by 394,588 shares in issue)	<u>USD 10.85</u>	<u>USD 13.62</u>	<u>USD 15.86</u>
Class B (USD 224,449,397 divided by 18,972,292 shares in issue)	<u>USD 11.83</u>	<u>USD 14.72</u>	<u>USD 17.00</u>
Class C (EUR 32,645,270 divided by 33,409 shares in issue)	<u>EUR 977.14</u>	<u>EUR 1,081.12</u>	<u>EUR 1,395.64</u>
Class I (GBP 95,735 divided by 10,406 shares in issue)	<u>GBP 9.20</u>	<u>GBP 10.26</u>	<u>GBP 11.56</u>

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

Russell Investment Company II plc
The U.S. Value Fund

Balance Sheet - continued

As at 30 September 2008

	<u>30 September 2008</u>	<u>31 March 2008</u> <u>(Audited)</u>	<u>30 September 2007</u>
Class I Income (GBP 1,613,646 divided by 180,902 shares in issue)	GBP 8.92	GBP 10.01	GBP 11.33

* See Note 12 for comparative net assets

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

Russell Investment Company II plc
The U.S. Value Fund

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Income		
Dividends	5,165,458	13,274,791
Bank interest	824	38,336
Short term interest income.....	18,746	344,365
Securities lending income (Note 4)	566,836	2,747,722
Miscellaneous income	66,393	64,580
	<u>5,818,257</u>	<u>16,469,794</u>
Net gain (loss) on investment activities	(78,524,139)	(46,025,749)
Total investment income	<u>(72,705,882)</u>	<u>(29,555,955)</u>
Expenses (Note 3)		
Management fees		
Class A Income	(76,210)	(303,958)
Class B	(1,722,646)	(4,240,157)
Class C	(448,100)	(1,868,974)
Class I	(1,025)	(178,086)
Class I Income	(17,185)	(46,619)
Custodian and Trustee fees	(31,028)	(105,978)
Sub-custodian fees	(22,197)	(108,062)
Administration fees	(51,714)	(135,951)
Audit fees	(14,465)	(21,821)
Professional fees	(8,373)	(49,777)
Registration fees	(5,245)	(13,704)
Marketing fees	(24,947)	(96,291)
Miscellaneous fees	(59,310)	(33,840)
Total operating expenses	<u>(2,482,445)</u>	<u>(7,203,218)</u>
Net income (expense)	(75,188,327)	(36,759,173)
Finance costs		
Distributions (Note 15)	(2,294,801)	(6,563,948)
Profit (loss) for the financial period/year before withholding tax	<u>(77,483,128)</u>	<u>(43,323,121)</u>
Withholding tax (Note 7)	(1,366,767)	(3,760,924)
Profit (loss) for the financial period/year after withholding tax	<u>(78,849,895)</u>	<u>(47,084,045)</u>
Movement in adjustment from bid market prices to last traded market prices (Note 6)	(12,898)	201,415
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(78,862,793)</u>	<u>(46,882,630)</u>

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

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

Russell Investment Company II plc
The U.S. Value Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(78,862,793)	(46,882,630)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6).....	(117,536,543)	(166,948,707)
Deemed distributions on accumulation shares (Note 15)	<u>2,227,868</u>	<u>6,296,956</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(194,171,468)	(207,534,381)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>471,803,137</u>	<u>679,337,518</u>
End of period/year	<u><u>277,631,669</u></u>	<u><u>471,803,137</u></u>

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Transferable Securities (95.65%)		
	Common Stock (93.80%)		
	Bermuda (1.68%)		
	Electrical Equipment		
25,600	Tyco Electronics Ltd	706,560	0.25
	Food Products		
9,600	Bunge Ltd	606,528	0.22
	Health Care Equipment and Supplies		
51,300	Covidien Ltd	2,754,297	0.99
	Insurance		
8,000	Arch Capital Group Ltd	596,960	0.22
		<u>4,664,345</u>	<u>1.68</u>
	Canada (0.35%)		
	Internet Software and Services		
154,400	Nortel Networks	345,856	0.13
	Paper and Forest Products		
160,300	AbitibiBowater Inc	618,758	0.22
		<u>964,614</u>	<u>0.35</u>
	Cayman Islands (1.25%)		
	Computers and Peripherals		
52,500	Seagate Technology	636,300	0.23
	Electronic Equipment and Instruments		
30,000	Garmin Ltd	1,016,700	0.37
	Energy Equipment and Services		
24,100	Noble Corp	1,055,339	0.38
	Oil and Gas Services		
42,900	Aqua America Inc	759,330	0.27
		<u>3,467,669</u>	<u>1.25</u>
	France (1.28%)		
	Pharmaceuticals		
43,400	Sanofi-Aventis	1,426,558	0.51
	Telecommunications		
552,700	Alcatel-Lucent - Sp. ADR -	2,122,368	0.77
		<u>3,548,926</u>	<u>1.28</u>
	Israel (0.29%)		
	Internet Software and Services		
35,100	Check Point Software Technologies	795,015	0.29
	Mexico (0.62%)		
	Building Products		
101,016	Cemex	1,738,485	0.62
	Netherlands (0.15%)		
	Machinery		
19,000	CNH Global NV	418,190	0.15
	Switzerland (0.77%)		
	Insurance		
39,600	ACE Ltd	2,142,756	0.77

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	United States (87.41%)		
	Aerospace and Defence		
16,400	Northrop Grumman Corp	992,692	0.36
52,900	United Technologies Corp	3,172,413	1.14
	Air Freight and Couriers		
9,100	Ryder Systems Inc	548,821	0.20
41,500	United Parcel Service Inc	2,609,935	0.94
	Airlines		
49,800	Delta Air Lines Inc	371,010	0.13
	Automobiles		
57,200	General Motors Corp	539,396	0.20
	Banks		
156,884	Bank of America Corp	5,459,563	1.97
82,870	Bank of New York Inc	2,699,076	0.97
16,100	BB&T Corp	607,775	0.22
53,600	Colonial BancGroup Inc	421,296	0.15
9,600	Comerica Inc	314,784	0.11
90,200	Fifth Third Bancorp	1,082,400	0.39
133,800	Huntington Bancshares Inc	1,066,386	0.38
230,700	Keycorp	2,754,558	0.99
89,300	Marshall & Ilsley Corp	1,799,395	0.65
492,700	National City Corp	857,298	0.31
66,900	New York Community Bancorp Inc	1,121,913	0.41
41,400	Regions Financials Corp	395,370	0.14
68,800	SunTrust Banks Inc	3,095,312	1.12
281,600	Wachovia Corp	977,152	0.35
7,400	Washington Mutual Capital Trust 2001	2,960	0.00
54,600	Wilmington Trust Corp	1,565,382	0.56
79,800	Zions Bancorporation	3,077,886	1.11
	Beverages		
11,800	Molson Coors Brewing Co	551,532	0.20
	Biotechnology		
41,160	Amgen Inc	2,435,437	0.88
58,942	Invitrogen Corp	2,225,061	0.80
	Building Products		
204,200	Centex Corp	3,295,788	1.19
38,000	Invesco Ltd	796,860	0.28
38,600	Masco Corp	692,098	0.25
	Chemicals		
21,554	Ashland Inc	629,808	0.23
22,700	Cabot Corp	717,320	0.26
18,000	Dow Chemical Co	569,700	0.20
15,900	El Du Pont de Nemours & Co	639,657	0.23
11,700	Lubrizol Corp	504,036	0.18
6,200	Mosaic Co	421,724	0.15
10,300	PPG Industries Inc	600,696	0.22
25,200	Valspar Corp	561,456	0.20
	Commercial Services and Supplies		
44,500	Allied Waste Industries Inc	492,615	0.18
15,000	Avery Dennison Corp	666,900	0.24
29,500	RR Donnelley & Sons Co	723,045	0.26

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Communications Equipment		
140,400	Cisco Systems Inc	3,164,616	1.14
85,600	Frontier Communications Corp	981,832	0.36
404,900	Motorola Inc	2,890,986	1.04
	Computers and Peripherals		
127,800	Dell Inc	2,102,310	0.76
99,428	Hewlett-Packard Co	4,591,585	1.65
32,531	International Business Machines Corp	3,776,524	1.36
	Containers and Packaging		
20,500	Bemis Co Inc	535,255	0.19
15,900	Crown Holdings Inc	352,662	0.13
	Diversified Financials		
77,500	American Express Co	2,744,275	0.99
338,300	Citigroup Inc	6,935,150	2.50
295,000	Genworth Financial Inc	2,537,000	0.91
69,600	Jefferies Group Inc	1,524,936	0.55
175,216	JP Morgan Chase & Co	8,173,826	2.94
55,800	Merrill Lynch & Co Inc	1,406,160	0.51
47,500	Morgan Stanley	1,091,075	0.39
52,300	Nasdaq OMX Group	1,597,765	0.58
23,050	Walter Industries Inc	1,090,496	0.39
21,500	Western Union Co	530,405	0.19
	Diversified Telecommunication		
205,642	AT & T Inc	5,739,468	2.07
342,800	Sprint Nextel Corp	2,087,652	0.75
52,866	Verizon Communications Inc	1,695,413	0.61
	Electric Utilities		
43,871	American Electric Power Co Inc	1,624,543	0.59
23,190	Exelon Corp	1,450,998	0.52
52,287	Northeast Utilities	1,341,162	0.48
212,800	Reliant Energy Inc	1,561,952	0.56
	Electrical Equipment		
25,500	Rockwell Automation Inc	949,875	0.34
	Energy Equipment and Services		
22,600	NRG Energy Inc	557,994	0.20
	Food and Drug Retailing		
129,310	CVS Caremark Corp	4,349,988	1.57
25,800	Terra Industries Inc	757,746	0.27
	Food Products		
25,400	Hershey Co	999,998	0.36
92,500	Kraft Foods Inc	3,021,975	1.09
136,100	Tyson Foods Inc	1,623,673	0.58
	Gas Utilities		
20,200	AGL Resources Inc	633,876	0.23
27,700	NiSource Inc	408,852	0.15
	Health Care Equipment and Supplies		
50,200	Boston Scientific Corp	614,950	0.22
19,900	St Jude Medical Inc	862,665	0.31
	Health Care Providers and Services		
23,630	Aetna Inc	853,279	0.31
19,700	Omnicare Inc	566,769	0.20

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
19,600	WellPoint Inc	916,496	0.33
	Hotels, Restaurants and Leisure		
49,900	Brinker International Inc	890,715	0.32
11,500	McDonald's Corp	708,745	0.25
27,400	Starwood Hotels & Resorts Worldwide Inc	769,940	0.28
113,000	Wyndham Worldwide Corp	1,770,710	0.64
	Household Durables		
11,900	Black & Decker Corp	722,092	0.26
235,900	DR Horton Inc	3,071,418	1.11
38,900	Newell Rubbermaid Inc	671,414	0.24
203,000	Pulte Homes Inc	2,827,790	1.02
3,000	Whirlpool Corp	237,870	0.08
	Household Products		
54,051	Procter & Gamble Co	3,761,409	1.36
	Industrial Conglomerates		
110,400	General Electric Co	2,811,888	1.01
	Insurance		
66,450	American International Group Inc	220,614	0.08
4,200	First American Corp	123,858	0.05
52,400	Marsh & McLennan Cos Inc	1,663,700	0.60
25,000	Mercury General Corp	1,345,750	0.49
36,970	Metlife Inc	1,952,386	0.70
32,500	Protective Life Corp	926,250	0.33
47,358	Travelers Cos Inc	2,113,114	0.76
46,579	Unum Group	1,167,735	0.42
	IT Consulting and Services		
1,166,600	Bearingpoint Inc	1,283,260	0.46
17,900	Paychex Inc	591,058	0.22
	Leisure Equipment and Products		
30,700	Brunswick Corp	392,653	0.14
	Machinery		
7,900	Cummins Inc	345,388	0.12
18,800	Illinois Tool Works Inc	835,660	0.30
42,600	Navistar International Corp Inc	2,287,194	0.82
18,200	Pitney Bowes Inc	603,512	0.22
12,550	SPX Corp	960,075	0.35
20,961	Terex Corp	639,730	0.23
	Manufacturing		
10,277	Snap-On Inc	538,515	0.20
	Media		
65,000	CBS Corp	947,050	0.34
44,200	Comcast Corp	867,646	0.31
150,600	Comcast Corp SPL	2,965,314	1.07
14,800	Mcgraw Hill Cos Inc	467,828	0.17
28,289	Walt Disney Co	868,189	0.31
	Metals and Mining		
127,100	Alcoa Inc	2,862,292	1.03
21,886	Freeport-McMoRan Copper & Gold Inc	1,244,219	0.45
13,100	Nucor Corp	517,450	0.18
32,500	Peabody Energy Corp	1,461,850	0.53

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Multi-Line Retail		
121,800	JC Penney Co Inc	4,053,504	1.46
11,700	Kohl's Corp	538,434	0.20
	Oil and Gas		
9,000	Apache Corp	938,520	0.34
27,700	Baker Hughes Inc	1,670,587	0.60
68,367	Chevron Co	5,627,288	2.03
69,800	ConocoPhillips	5,080,742	1.83
28,590	Devon Energy Corp	2,606,550	0.94
218,090	El Paso Corp	2,782,828	1.00
41,130	Exxon Mobil Corp	3,193,745	1.15
12,300	Hess Corp	1,007,739	0.36
37,200	Marathon Oil Corp	1,472,748	0.53
10,600	Mirant Corp	193,874	0.07
12,000	Noble Energy Inc	667,080	0.24
34,600	Occidental Petroleum Corp	2,428,920	0.87
30,700	Sunoco Inc	1,081,254	0.39
8,100	Whiting Petroleum Corp	572,508	0.21
30,200	Williams Cos Inc	714,230	0.26
	Paper and Forest Products		
71,901	International Paper Co	1,876,616	0.68
	Pharmaceuticals		
58,600	Abbott Laboratories	3,373,602	1.22
37,300	Bristol-Myers Squibb Co	777,705	0.28
56,800	Johnson & Johnson	3,924,880	1.41
78,600	Pfizer Inc	1,441,524	0.52
	Real Estate		
56	Apartment Investment & Management Co	1,961	0.00
	Retail Trade		
57,600	Macy's Inc	1,031,616	0.37
	Road and Rail		
7,300	Norfolk Southern Corp	483,333	0.17
11,700	Union Pacific Corp	832,338	0.30
	Semiconductor Equipment and Products		
47,900	Maxim Integrated Products Inc	862,200	0.31
	Software		
127,600	Oracle Corp	2,587,728	0.93
	Specialty Retail		
11,600	Advance Auto Parts Inc	456,924	0.17
34,000	Home Depot Inc	878,900	0.32
152,500	Lowe's Cos Inc	3,611,200	1.30
43,500	Ltd Brands Inc	753,420	0.27
61,900	OfficeMax Inc	550,291	0.20
47,000	Williams-Sonoma Inc	758,580	0.27
	Textile and Apparel		
9,300	VF Corp	718,797	0.26
	Tobacco		
14,300	Lorillard Inc	1,017,445	0.37
34,262	Philip Morris International Inc	1,647,317	0.59
	Wholesale Trade		
18,189	Genuine Parts Co	731,380	0.26

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Wireless Telecommunication Services		
15,400	NII Holdings Inc	583,506	0.21
		<u>242,670,783</u>	<u>87.41</u>
	Total Common Stock	<u>260,410,783</u>	<u>93.80</u>
	Preferred Stock (0.77%)		
	Japan (0.09%)		
	Automobiles		
2,900	Toyota Motor Corp	248,791	0.09
	Taiwan (0.29%)		
	Electronic Equipment and Instruments		
71,504	AU Optronics Corp	812,285	0.29
	United Kingdom (0.39%)		
	Oil and Gas		
21,800	BP Plc	1,093,488	0.39
	Total Preferred Stock	<u>2,154,564</u>	<u>0.77</u>
	Money Market Instruments (1.08%)		
	United States (1.08%)		
	United States Treasury Bill*		
3,000,000	Zero coupon due 18/12/08	2,999,737	1.08
	Total Money Market Instruments	<u>2,999,737</u>	<u>1.08</u>
	Total Transferable Securities	<u>265,565,084</u>	<u>95.65</u>
	Collective Investment Schemes (4.45%)		
	Ireland (4.45%)		
	Russell Investment Company III plc		
12,349	The U.S. Dollar Cash Plus Fund - Class A Shares	12,349,185	4.45
	Total Collective Investment Schemes	<u>12,349,185</u>	<u>4.45</u>
	Total Investments excluding Financial Derivative Instruments	<u>277,914,269</u>	<u>100.10</u>

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

Russell Investment Company II plc
The U.S. Value Fund

Schedule of Investments - continued

30 September 2008

Financial Derivative Instruments ((0.31)%)

Open Futures Contracts ((0.31)%)

<u>Notional Amount USD</u>	<u>Average Cost Price USD</u>		<u>Unrealised Gain (Loss) USD</u>	<u>Fund %</u>
8,930,375	123,177.59	29 of S&P 500 Index Futures Long Futures Contracts Expiring December 2008	(455,125)	(0.16)
8,471,653	122,777.57	138 of S&P EMini 500 Index Futures Long Futures Contracts Expiring December 2008	(405,552)	(0.15)
Net unrealised gain (loss) on open futures contracts			(860,677)	(0.31)
Total Financial Derivative Instruments			(860,677)	(0.31)
			<u>Fair Value USD</u>	<u>Fund %</u>
Total Investments (99.79%)			277,053,592	99.79
Other Net Assets ((0.01)%			(31,317)	(0.01)
Adjustments From Bid Market Prices To Last Traded Market Prices (0.22%)			615,394	0.22
Net Assets (100.00%)			277,631,669	100.00

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

<u>Analysis of total assets (unaudited)</u>	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	93.92
Collective investment schemes	4.37
Other assets	1.71
	100.00

The broker for the open futures contracts is Citigroup.

The proportion of the investments of The U.S. Value Fund in rights or securities eligible to the French Plan d'Epargne en Actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

Russell Investment Company II plc
The U.S. Value Fund

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the year ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost USD</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD</u>
Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	113,399,399	Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	(119,783,900)
Federal National Mortgage Association	7,053,510	Bank of America Corp	(5,627,563)
Citigroup Inc	5,228,502	BB&T Corp	(4,891,033)
Wachovia Corp	4,361,375	General Electric Co	(4,044,204)
Bank of America Corp	3,976,844	Celanese Corp De	(3,985,050)
Suntrust Banks Inc	3,802,549	Citigroup	(3,958,063)
American International Group Inc	3,582,367	Northern Trust Corp	(3,878,836)
National City Corp	3,565,400	Pulte Homes Inc	(3,832,122)
Keycorp	3,547,624	CVS Caremark Corp	(3,697,108)
Federal Home Loan Mortgage Corp	3,486,494	International Business Machs	(3,287,759)
Walter Industries Inc	3,090,422	Wachovia Corp	(3,140,792)
Zions Bancorp	3,076,082	JP Morgan Chase & Co	(3,133,439)
Bank New York Mellon Corp	2,777,068	DR Horton Inc	(3,011,685)
International Paper Co	2,740,611	Peabody Energy Corp	(3,009,306)
Amgan Inc	2,688,393	AT&T Inc	(2,940,310)
Washington Mutual Inc	2,548,655	Washington Mutual Inc	(2,837,707)
Macys Inc	2,530,903	Merrill Lynch & Co Inc	(2,652,478)
BT&T Corp	2,502,587	Federal Home Loan Mortgage Corp	(2,535,739)
Lehman Brothers Holdings Inc	2,430,053	Exxon Mobil Corp	(2,457,864)
Ace Limited	2,377,699	Wells Fargo & Co	(2,412,996)

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 ***The World Equity Fund***

Manager's Report

Money Managers

Arrowstreet Capital L.P.
Axiom International Investors, LLC
Marisco Capital Management, LLC
MFS Investment Management
Tradewinds NWQ Global Investors, LLC

Investment Objective

The World Equity Fund (the "Fund") will seek to achieve capital appreciation by investing principally in equity securities, including common stock, convertibles and warrants, listed, traded or dealt in on the regulated markets within the MSCI World Index.

Fund Performance

The Fund returned -18.0 per cent during the period on a gross-of-fees basis verses a benchmark return of -16.4 per cent.*

Market Comment

The period under review was a difficult period for equity markets globally as the credit crunch maintained its grip on markets and evolved into a global financial markets crisis. The MSCI World Index declined by 16.4 per cent in the period.

Global equities rose during the first half of the second quarter of 2008 only to reverse their gains on concerns over increasing inflation, record high oil prices and slowing global growth. The financial sector was the worst performing as concerns of earnings downgrades combined with news of further credit-related losses from banks globally, weakened returns.

The historic third quarter of 2008 saw the rescue, bankruptcy or nationalisation of many financial institutions in both the United States and Europe along with a U.S. government bail out plan, the Troubled Asset Relief Program, which was rejected by Congress. Equities tumbled across the globe as the crisis heightened fears over slower world growth and caused liquidity to dry up in credit markets. Declines in commodity-related stocks led to materials being the worst-performing sector. North America was the best-performing region, whereas, emerging markets declined sharply as investors rotated out of riskier assets.

General Comment on Managers/Performance

The Fund underperformed its benchmark. Axiom International Investors, LLC ("Axiom") and Arrowstreet Capital L.P. ("Arrowstreet") were the worst-performing managers.

Aggressive growth and momentum manager Axiom had a positive second quarter of the year but struggled in the volatile environment of the third quarter. With emerging markets underperforming, the manager's performance was impacted negatively by its holdings in the emerging market countries, especially in Russia. Its rotation over the third quarter into more defensive sectors did assist somewhat in limiting further performance downside.

Arrowstreet had flat performance over the second quarter of 2008, but found the third quarter difficult. Stock selection in financials was the key detractor for the value bias manager as the market turmoil in September 2008 saw many stocks in this sector decline sharply.

Marisco Capital Management, LLC was added to the Fund in August 2008. The manager pursues a thematic aggressive growth style and will give the Fund a broader exposure to the global growth opportunity set.

Outlook

The Fund remains well positioned to benefit from diverse returns in the coming quarter given its broad allocation of assets.

Past performance is no indication of current or future performance

* Benchmark source: MSCI World Index

Russell Investment Company II plc
The World Equity Fund

Balance Sheet

As at 30 September 2008

	30 September 2008	31 March 2008	30 September 2007
	USD	(Audited)	USD
	USD	USD	USD
Assets			
Financial assets at fair value through profit or loss: (Note 1)			
Investments at fair value	2,778,485,911	3,412,992,937	4,045,130,706
Unrealised gain on open futures contracts	-	1,580,151	1,598,023
Unrealised gain on forward foreign currency exchange contracts	23,322,828	38,666,838	26,035,367
	<u>2,801,808,739</u>	<u>3,453,239,926</u>	<u>4,072,764,096</u>
Cash at bank (Note 5)	9,390,526	54,320,350	53,921,384
Cash held with broker for open futures contracts	132,603	-	-
Debtors:			
Receivable for investments sold	61,259,655	9,958,855	24,698,002
Receivable for fund shares issued	19,607	110,697	293,080
Dividends receivable	6,051,753	8,576,959	6,239,506
Interest receivable	936,195	180,236	744,990
	<u>2,879,599,078</u>	<u>3,526,387,023</u>	<u>4,158,661,058</u>
Liabilities			
Financial liabilities at fair value through profit or loss: (Note 1)			
Unrealised loss on open futures contracts	(7,388,060)	(14,307)	(30,800)
Unrealised loss on forward foreign currency exchange contracts	(37,014,899)	(34,616,510)	(20,838,644)
	<u>(44,402,959)</u>	<u>(34,630,817)</u>	<u>(20,869,444)</u>
Creditors – amounts falling due within one year:			
Cash due to brokers for open futures contracts	-	(1,037,710)	(1,049,201)
Payable for investments purchased	(16,623,370)	(11,478,834)	(35,857,817)
Payable for fund shares redeemed	(2,520,787)	(1,692,830)	(1,482,801)
Management fees payable	(2,602,303)	(2,826,252)	(2,935,290)
Custodian and Trustee fees payable	(28,306)	(29,983)	(61,124)
Sub-custodian fees payable	(100,872)	(189,101)	(74,525)
Administration fees payable	(58,498)	(63,545)	(97,367)
Distributions payable	(840)	(840)	-
Miscellaneous fees payable	(74,126)	(104,361)	(43,723)
	<u>(66,412,061)</u>	<u>(52,054,273)</u>	<u>(62,471,292)</u>
Net assets attributable to redeemable participating shareholders (at bid market prices)	2,813,187,017	3,474,332,750	4,096,189,766
Adjustment from bid market prices to last traded market prices (Note 6)	4,794,621	6,055,744	5,639,379
	<u>2,817,981,638</u>	<u>3,480,388,494</u>	<u>4,101,829,145</u>
Net asset value per share*			
Class B (USD 669,550,208 divided by 52,418,670 shares in issue).....	<u>USD 12.77</u>	<u>USD 15.65</u>	<u>USD 17.49</u>
Class C (EUR 98,518,346 divided by 9,223,221 shares in issue).....	<u>EUR 10.68</u>	<u>EUR 11.65</u>	<u>EUR 14.56</u>

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

Russell Investment Company II plc
The World Equity Fund

Balance Sheet - continued

As at 30 September 2008

	<u>30 September 2008</u>	<u>31 March 2008</u> <u>(Audited)</u>	<u>30 September 2007</u>
Class D (GBP 11,817 divided by 1,086 shares in issue)	GBP 10.88	GBP 11.95	GBP 13.02
Class EH-T (EUR 159,413,326 divided by 18,219,370 shares in issue)	EUR 8.75	EUR 10.15	EUR 23.96
Class I (GBP 612,834,434 divided by 47,591,162 shares in issue).....	GBP 12.88	GBP 14.15	GBP 15.43
Class J (USD 63,089,086 divided by 5,151,367 shares in issue).	USD 12.25	USD 15.06	USD 16.89
Class N (USD 3,812,025 divided by 39,343 shares in issue)	USD 96.89	USD 119.56	USD 13.57
Class SH-B (GBP 296,444,733 divided by 3,142,750 shares in issue).....	GBP 94.33	GBP 108.64	GBP 125.43
Class TDC NV Income (USD 75,212,427 divided by 10,000,000 shares in issue)	USD 7.52	USD 9.28	USD 10.39
Class TYA (JPY 2,468,296,558 divided by 2,970,043 shares in issue).....	JPY 831.06	JPY 953.56	JPY 1,230.07

* See Note 12 for comparative net assets

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

Russell Investment Company II plc
The World Equity Fund

Profit and Loss Account

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Income		
Dividends	47,965,725	84,168,771
Short term interest income	164,796	2,675,687
Bond interest	18,475	17,933
Bank interest	59,612	317,686
Securities lending income (Note 4)	3,234,850	8,855,585
Miscellaneous income	87,384	594,706
	<u>51,530,842</u>	<u>96,630,368</u>
Net gain (loss) on investment activities	(708,158,578)	(58,502,840)
Total investment income (expense)	<u>(656,627,736)</u>	<u>38,127,528</u>
Expenses (Note 3)		
Management fees		
Class B	(3,542,225)	(9,565,907)
Class C	(1,138,438)	(2,675,829)
Class D	(64)	(75)
Class EH-T	(1,696,082)	(3,403,102)
Class I	(6,012,187)	(14,469,503)
Class J	(698,075)	(1,024,739)
Class N	(64,936)	(200,212)
Class SH-B	(3,278,124)	(5,747,728)
Class TDC NV Income	(266,221)	(518,468)
Class TYA	(96,135)	(208,382)
Custodian and Trustee fees	(177,295)	(630,345)
Sub-custodian fees	(208,359)	(483,224)
Administration fees	(374,807)	(621,700)
Audit fees	(28,279)	(34,636)
Professional fees	(66,283)	(224,400)
Registration fees	(36,741)	(101,743)
Marketing fees	(205,419)	(466,256)
Miscellaneous fees	(240,622)	(390,485)
Total operating expenses	<u>(18,130,292)</u>	<u>(40,766,734)</u>
Net income (expense)	(674,758,028)	(2,639,206)
Finance costs		
Distributions (Note 15)	(27,648,023)	(44,634,427)
Bank interest paid	(129,932)	-
Profit (loss) for the financial period/year before withholding tax	<u>(702,535,983)</u>	<u>(47,273,633)</u>
Withholding tax (Note 7)	(7,182,539)	(13,255,807)
Profit (loss) for the financial period/year after withholding tax	(709,718,522)	(60,529,440)
Movement in adjustment from bid market prices to last traded market prices (Note 6)	<u>(1,261,123)</u>	<u>3,772,495</u>

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

Russell Investment Company II plc
The World Equity Fund

Profit and Loss Account - continued

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(710,979,645)</u>	<u>(56,756,945)</u>

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

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

Russell Investment Company II plc
The World Equity Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the period ended 30 September 2008

	Six months ended 30 September 2008 USD	Year ended 31 March 2008 USD
Increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(710,979,645)	(56,756,945)
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 6)	21,656,971	(244,608,962)
Deemed distributions on accumulation shares (Note 15)	<u>26,915,818</u>	<u>43,506,631</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(662,406,856)	(257,859,276)
Net assets attributable to redeemable participating shareholders		
Beginning of period/year	<u>3,480,388,494</u>	<u>3,738,247,770</u>
End of period/year	<u><u>2,817,981,638</u></u>	<u><u>3,480,388,494</u></u>

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Transferable Securities (92.69%)		
	Common Stock (89.02%)		
	Australia (0.42%)		
	Diversified Telecommunication		
910,200	Telstra Corp Ltd	3,001,098	0.11
	Insurance		
76,950	QBE Insurance Group Ltd	1,590,899	0.06
	Metals and Mining		
821,100	Minara Resources Ltd	1,036,294	0.03
1,069,000	Mineral Deposits Ltd	569,179	0.02
384,583	OneSteel Ltd	1,395,452	0.05
63,290	Rio Tinto Ltd	4,218,508	0.15
		<u>11,811,430</u>	<u>0.42</u>
	Austria (0.52%)		
	Banks		
304,225	Erste Bank Der Ost	14,755,695	0.52
	Belgium (0.11%)		
	Diversified Financials		
3,789	Groupe Bruxelles Lambert SA	319,386	0.01
	Diversified Telecommunication		
77,589	Belgacom SA	2,849,424	0.10
		<u>3,168,810</u>	<u>0.11</u>
	Bermuda (0.49%)		
	Distributors		
886,000	Li & Fung Ltd	2,111,059	0.08
	Food Products		
28,367	Bunge Ltd	1,792,227	0.06
	IT Consulting and Services		
243,360	Accenture Ltd Bermuda	9,225,777	0.33
	Machinery		
19,227	Ingersoll Rand Co Ltd	597,960	0.02
		<u>13,727,023</u>	<u>0.49</u>
	Brazil (0.52%)		
	Communications Equipment		
219,300	Tim Participacoes SA	449,071	0.02
567,600	Vivo Participacoes SA	2,471,728	0.09
	Electric Utilities		
104,118	Cia Energetica de Minas Gerais - ADR	2,055,289	0.07
	Oil and Gas		
218,857	Petroleo Brasileiro SA	9,574,994	0.34
		<u>14,551,082</u>	<u>0.52</u>
	Canada (2.56%)		
	Metals and Mining		
313,400	Barrick Gold Corp	11,486,110	0.41
162,100	Cameco Corp	3,609,967	0.13
795,100	Eastern Platinum Ltd	725,402	0.02
1,126,850	Gabriel Resources Ltd	2,140,930	0.08
36,600	Inmet Mining Corp	1,706,072	0.06
131,800	Ivanhoe Mines Ltd	798,708	0.03

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
578,000	Moto Goldmines Ltd	1,114,466	0.04
514,100	Uranium One Inc	1,112,142	0.04
680,930	Yamana Gold	5,672,147	0.20
	Oil and Gas Services		
60,800	Imperial Oil Ltd	2,606,531	0.09
	Oil and Gas		
188,300	Encana Corp	12,025,555	0.42
59,500	Husky Energy Inc	2,462,110	0.09
24,404	Petro-Canada	813,873	0.03
175,800	Petro-Canada	5,853,386	0.21
	Paper and Forest Products		
154,249	AbitibiBowater Inc	595,401	0.02
	Pharmaceuticals		
410,500	Patheon Inc	1,343,623	0.05
	Real Estate		
189,704	Brookfield Asset Management Inc	5,205,478	0.18
	Road and Rail		
268,460	Canadian National Railway Co	12,840,442	0.46
		<u>72,112,343</u>	<u>2.56</u>
	Cayman Islands (0.05%)		
	Insurance		
36,364	XL Capital Ltd	636,370	0.02
	Metals and Mining		
444,400	Apex Silver Mines Ltd	764,368	0.03
		<u>1,400,738</u>	<u>0.05</u>
	China (0.65%)		
	Banks		
6,566,000	China Construction Bank Corp	4,262,126	0.15
9,583,000	Industrial & Commercial Bank	5,640,435	0.20
	Oil and Gas		
3,796,000	China Petroleum & Chemical Corp	2,948,074	0.11
19,720	Petrochina Co	2,025,836	0.07
3,238,000	Petrochina Co	3,332,104	0.12
		<u>18,208,575</u>	<u>0.65</u>
	Czech Republic (0.13%)		
	Banks		
16,470	Komerčni Banka	3,597,436	0.13
	Denmark (0.58%)		
	Electrical Equipment		
194,030	Vestas Wind Systems	16,455,912	0.58
	Finland (0.46%)		
	Diversified Telecommunication		
284,775	Nokia OYJ	5,156,119	0.18
	Oil and Gas		
125,060	Fortum OYJ	4,138,681	0.15
	Paper and Forest Products		
238,700	UPM Kymmene OYJ	3,668,073	0.13
		<u>12,962,873</u>	<u>0.46</u>

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	France (6.60%)		
	Aerospace and Defence		
104,927	Thales SA	5,220,403	0.19
	Airlines		
251,567	Air France - KLM	5,634,383	0.20
	Banks		
63,030	Societe Generale	5,481,651	0.19
	Beverages		
93,830	Pernod Ricard	8,115,482	0.29
	Chemicals		
92,053	Air Liquide	10,009,289	0.36
	Commercial Services and Supplies		
378,970	Legrand SA	8,421,307	0.30
	Electric Utilities		
40,200	Electricite de France	2,876,144	0.10
	Electrical Equipment		
147,531	Schneider Electric SA	12,472,105	0.44
	Energy Equipment and Services		
42,839	Technip SA	2,363,026	0.08
	Insurance		
662,339	AXA Insurance SA	21,291,166	0.76
	Media		
195,620	Vivendi Universal	6,049,231	0.21
	Metals and Mining		
9,590	Vallourec	2,034,733	0.07
	Oil and Gas		
414,889	Gaz de France SA	21,230,454	0.75
595,451	Total SA	35,605,565	1.27
	Pharmaceuticals		
144,259	Sanofi-Aventis	9,432,586	0.34
240,000	Sanofi-Aventis	7,888,800	0.28
	Textile and Apparel		
240,020	LVMH Moet Hennessy Louis Vuitton SA	20,795,051	0.74
	Water Utilities		
38,975	Suez Environnement	954,774	0.03
		<u>185,876,150</u>	<u>6.60</u>
	Germany (2.80%)		
	Automobiles		
102,180	Bayerische Motoren Werke AG	3,913,986	0.14
	Chemicals		
182,571	Bayer AG	13,314,801	0.47
	Diversified Financials		
36,330	Deutsche Boerse AG	3,237,403	0.11
	Electric Utilities		
149,336	E.ON AG	7,528,460	0.27
	Machinery		
138,530	Linde AG	14,806,064	0.52
	Metals and Mining		
52,182	Salzgitter AG	5,205,585	0.18
138,136	Thyssenrupp AG	4,086,330	0.15

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Pharmaceuticals		
127,440	Merck KGAA	13,482,930	0.48
	Software		
125,720	SAP AG	6,633,702	0.24
	Textile and Apparel		
129,830	Adidas AG	6,838,715	0.24
		<u>79,047,976</u>	<u>2.80</u>
	Greece (0.23%)		
	Banks		
164,820	National Bank of Greece	6,542,598	0.23
	Hong Kong (0.50%)		
	Electric Utilities		
279,000	CLP Holdings Ltd	2,240,452	0.08
	Oil and Gas		
11,900	Cnooc Ltd	1,362,669	0.05
4,287,000	Cnooc Ltd	4,880,908	0.17
	Wireless Telecommunication Services		
570,500	China Mobile Hong Kong Ltd	5,646,696	0.20
		<u>14,130,725</u>	<u>0.50</u>
	India (0.09%)		
	Automobiles		
349,500	Tata Motors Ltd	2,677,170	0.09
	Ireland (0.15%)		
	Airlines		
167,700	Ryanair Holdings	3,759,834	0.14
	Banks		
42,459	Allied Irish Banks	345,912	0.01
		<u>4,105,746</u>	<u>0.15</u>
	Italy (1.16%)		
	Banks		
816,182	Intesa Sanpaolo SpA	4,376,574	0.16
	Diversified Telecommunication		
1,962,700	Telecom Italia SpA	2,211,039	0.08
	Electric Utilities		
677,171	Terna Rete Elettrica Nazionale	2,468,334	0.09
	Energy Equipment and Services		
52,647	Saipem SpA	1,555,182	0.05
	Oil and Gas		
770,275	ENI SpA	20,232,782	0.72
107,300	ERG SpA	1,739,297	0.06
		<u>32,583,208</u>	<u>1.16</u>
	Japan (8.45%)		
	Auto Components		
610,300	Bridgestone Corp	11,267,254	0.40
69,000	Denso Corp	1,650,826	0.06
	Automobiles		
221,300	Honda Motor Co Ltd	6,420,233	0.23

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Beverages		
366,200	Asahi Breweries Ltd	6,346,800	0.23
140,000	Kirin Brewery Corp	1,815,853	0.06
	Building Products		
111,500	JS Group	1,385,282	0.05
	Chemicals		
684,000	Asahi Kasei Corp	2,828,390	0.10
429,000	Mitsui Chemicals Inc	1,850,723	0.06
182,000	Shin-Etsu Chemical Co	8,365,845	0.30
	Commercial Services and Supplies		
19,290	Hakuhodo DY Holdings	943,014	0.03
441,000	Toppan Printing Co Ltd	3,397,900	0.12
	Computers and Peripherals		
1,105,000	NEC Corp	4,579,664	0.16
	Construction Material		
949,000	Sumitomo Osaka Cement Co Ltd	1,492,799	0.05
	Containers and Packaging		
112,100	Toyo Seikan Kaisha	1,687,334	0.06
	Diversified Financials		
207,100	Aeon Credit Service Co Ltd	2,028,767	0.07
320,000	Sumitomo Trust & Banking Co Ltd	2,019,498	0.07
89,260	Takefuji Corp	1,129,990	0.04
	Electrical Equipment		
45,900	Fanuc Ltd	3,342,034	0.12
	Electronic Equipment and Instruments		
29,600	Hirose Electric Co Ltd	2,771,384	0.10
331,600	Hoya Corp	6,434,286	0.23
174,200	Omron Corp	2,641,756	0.09
	Food and Drug Retailing		
49,100	Lawson Inc	2,256,940	0.08
305,900	Seven & I Holdings Co Ltd	8,629,685	0.31
	Food Products		
274,000	Nippon Meat Packers Inc	4,088,127	0.14
144,500	Nisshin Seifun Group Inc	1,908,247	0.07
132,000	Toyo Suisan Kaisha	3,301,088	0.12
	Household Durables		
640,000	Kao Corp	16,999,953	0.60
111,000	Matsushita Electric Industrial Co Ltd	1,875,703	0.07
235,200	Paramount Bed Co Ltd	3,088,295	0.11
689,000	Sekisui House Ltd	6,191,362	0.22
14,400	Uni Charm Corp	1,098,667	0.04
	Leisure Equipment and Products		
105,400	Fujifilm Holdings Corp	2,665,653	0.10
	Machinery		
165,000	NGK Insulators Ltd	1,956,718	0.07
	Media		
667	TV Asahi Corp	924,181	0.03
	Metals and Mining		
551,000	Mitsubishi Materials Corp	1,691,951	0.06
1,164,000	Nisshin Steel Co Ltd	2,181,849	0.08
537,000	Sumitomo Metal Industries Ltd	1,603,438	0.05

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Office Electronics		
409,200	Canon Inc	14,723,722	0.52
188,000	Ricoh Co Ltd	2,562,389	0.09
	Oil and Gas		
855	Inpex Holdings Inc	7,207,884	0.26
651,000	Nippon Oil Corp	3,219,281	0.11
	Personal Products		
93,000	Shiseido Co Ltd	2,054,208	0.07
	Pharmaceuticals		
209,400	Astellas Pharma Inc	8,599,670	0.31
246,100	Chugai Pharmaceutical Co Ltd	3,943,071	0.14
205,200	Daiichi Sankyo Co Ltd	5,209,005	0.19
77,100	FamilyMart Co Ltd	3,224,453	0.11
109,000	Kissei Pharmaceutical Co Ltd	2,356,285	0.08
183,000	Shionogi & Co Ltd	3,654,312	0.13
161,000	Taisho Pharmaceutical Co Ltd	3,139,170	0.11
393,300	Takeda Pharmaceutical Co Ltd	19,449,206	0.69
198,000	Tanabe Seiyaku Co Ltd	2,717,336	0.10
	Retail Trade		
198,000	UNY Co Ltd	1,969,463	0.07
	Semiconductor Equipment and Products		
78,300	Advantest Corp	1,604,130	0.06
	Software		
37,900	Nintendo Co Ltd	15,475,580	0.55
	Trading Companies and Distributors		
1,200	Fields Corp	2,204,116	0.08
		238,174,770	8.45
	Korea, Republic of (0.30%)		
	Electronic Equipment and Instruments		
19,080	Samsung Electronic	8,520,751	0.30
	Luxembourg (0.22%)		
	Marine		
424,200	Stolt Offshore SA	4,914,788	0.18
	Metals and Mining		
23,826	ArcelorMittal	1,176,372	0.04
		6,091,160	0.22
	Mexico (0.11%)		
	Beverages		
731,600	Grupo Modelo Sa de CV	3,083,568	0.11
	Netherlands (2.73%)		
	Air Freight and Couriers		
411,270	TNT NV	11,264,965	0.40
	Beverages		
290,382	Heineken Holding NV	11,269,867	0.40
554,710	Heineken Holdings NV	22,077,882	0.78
	Chemicals		
54,075	Akzo Nobel NV	2,552,896	0.09
229,252	Koninklijke DSM NV	10,728,059	0.38

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Food and Drug Retailing		
296,944	Koninklijke Ahold NV	3,389,792	0.12
	Food Products		
191,700	Unilever NV	5,340,999	0.19
	Media		
340,280	Wolters Kluwer	6,768,117	0.24
	Semiconductor Equipment and Products		
204,514	ASML Holding NV	3,562,156	0.13
		<u>76,954,733</u>	<u>2.73</u>
	New Zealand (0.04%)		
	Diversified Telecommunication		
688,202	Telecom Corp of New Zealand	1,241,055	0.04
	Norway (0.19%)		
	Food Products		
11,378,000	Marine Harvest	5,503,963	0.19
	Papua New Guinea (0.17%)		
	Metals and Mining		
2,148,529	Lihir Gold Ltd	4,694,486	0.17
	Singapore (0.39%)		
	Airlines		
264,140	Singapore Airlines Ltd	2,627,174	0.09
	Diversified Telecommunication		
3,024,610	Singapore Telecommunications Ltd	6,854,400	0.25
	Marine		
1,156,000	Neptune Orient Lines	1,447,325	0.05
		<u>10,928,899</u>	<u>0.39</u>
	South Africa (0.19%)		
	Metals and Mining		
547,500	Gold Fields	5,289,440	0.19
	Sweden (0.35%)		
	Banks		
22,300	Swedbank AB	280,639	0.01
	Diversified Financials		
150,600	Investor AB	2,748,392	0.10
	Diversified Telecommunication		
733,800	Ericsson (L.M.) Telefonaktiebolaget	6,735,248	0.24
		<u>9,764,279</u>	<u>0.35</u>
	Switzerland (5.95%)		
	Agriculture		
27,250	Syngenta AG	5,725,842	0.20
	Banks		
316,017	Credit Suisse Group	14,204,911	0.50
	Chemicals		
14,900	Givaudan SA	12,318,662	0.43
51,704	Lonza Group AG	6,437,350	0.23

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Diversified Financials		
228,097	Julius Baer Holdings Ltd	10,893,729	0.38
492,701	UBS AG	8,085,350	0.29
300,200	UBS AG	5,091,392	0.18
	Electrical Equipment		
165,618	ABB Ltd	3,128,463	0.11
	Food Products		
735,244	Nestle SA	31,580,246	1.12
	Insurance		
131,387	Swiss Reinsurance	7,054,178	0.25
43,070	Zurich Financial Services Group	11,792,633	0.42
	Machinery		
74,151	ABB Ltd	-	0.00
	Oil and Gas		
68,000	Addax Petroleum	1,847,743	0.07
	Pharmaceuticals		
48,321	Actelion Ltd	2,475,845	0.09
162,126	Novartis AG	8,458,748	0.30
147,290	Roche Holdings AG	23,093,496	0.82
	Textile and Apparel		
300,880	Compagnie Financiere Richemont AG	13,191,760	0.47
	Transportation Equipment		
37,561	Kuehne & Nagel International AG	2,423,669	0.09
		167,804,017	5.95
	Thailand (0.15%)		
	Banks		
744,300	Bangkok Bank	2,243,458	0.08
10,531,900	Krung Thai Bank Ltd	2,069,655	0.07
		4,313,113	0.15
	Turkey (0.05%)		
	Wireless Telecommunication Services		
95,300	Turkcell Iletisim Hizmet	1,428,547	0.05
	United Kingdom (11.01%)		
	Aerospace and Defence		
1,146,126	BAE Systems	8,406,577	0.30
425,169	Smiths Group	7,661,782	0.27
	Airlines		
1,719,527	British Airways plc	5,152,212	0.18
	Banks		
497,600	HSBC Holdings	7,805,892	0.28
1,620,283	Royal Bank of Scotland Group	5,169,648	0.18
269,102	Standard Chartered	6,408,264	0.23
	Beverages		
1,297,624	Diageo plc	21,845,794	0.77
	Chemicals		
96,100	AstraZeneca	4,215,907	0.15
	Commercial Services and Supplies		
1,064,170	WPP Group plc	8,497,791	0.30

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Construction and Engineering		
235,459	Amec	2,665,054	0.09
	Diversified Financials		
221,871	3i Group plc	2,799,954	0.10
867,996	HBOS	1,893,722	0.07
1,257,258	Man Group plc	7,540,957	0.27
18,301	Schroders plc	325,227	0.01
	Diversified Telecommunication		
1,343,323	BT Group	3,854,991	0.14
	Electric Utilities		
386,448	British Energy Group plc	5,228,172	0.18
100,897	Drax Group plc	1,352,425	0.05
	Food and Drug Retailing		
1,655,538	Tesco	11,437,732	0.41
	Food Products		
56,450	Lighthouse Caledonia ASA	39,146	0.00
	Gas Utilities		
573,076	Centrica plc	3,202,335	0.11
	Hotels, Restaurants and Leisure		
1,398,217	Ladbroke's plc	4,641,815	0.17
832,310	William Hill plc	3,464,089	0.12
	Household Durables		
480,562	Persimmon	3,407,035	0.12
551,820	Reckitt Benckiser Group plc	26,665,146	0.95
	Insurance		
65,730	Aviva	562,370	0.02
353,981	Legal & General Group	630,953	0.02
796,595	Old Mutual plc	1,093,315	0.04
	Metals and Mining		
134,500	Xstrata plc	4,113,927	0.15
	Oil and Gas		
1,721,827	BP	14,240,476	0.51
355,330	Royal Dutch Shell plc (A Shares)	10,269,278	0.36
463,624	Royal Dutch Shell plc (A Shares)	13,370,925	0.47
666,067	Royal Dutch Shell plc (B Shares)	18,734,492	0.67
	Paper and Forest Products		
853,036	Mondi plc	3,915,269	0.14
	Pharmaceuticals		
648,521	Astrazeneca	28,436,502	1.01
1,417,528	GlaxoSmithKline	30,597,983	1.08
	Real Estate		
269,999	British Land Co	3,568,538	0.13
	Textile and Apparel		
837,650	Burberry Group plc	5,819,233	0.21
	Tobacco		
401,531	British American Tobacco plc	13,133,248	0.47
	Trading Companies and Distributors		
724,555	Wolseley	5,382,251	0.19
	Wireless Telecommunication Services		
119,700	Vodafone Group plc	2,645,370	0.09
		310,195,797	11.01

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	United States (40.70%)		
	Aerospace and Defence		
20,100	General Dynamics Corp	1,478,757	0.05
95,600	L 3 Communications Holding Inc	9,356,372	0.33
268,200	Lockheed Martin Corp	29,413,494	1.05
167,800	Raytheon Co	8,967,232	0.32
	Air Freight and Couriers		
194,110	United Parcel Service Inc	12,207,578	0.43
	Auto Components		
498,200	Goodyear Tire & Rubber Co	7,597,550	0.27
	Automobiles		
297,124	Avis Budget Group Inc	1,649,038	0.06
180,200	Harley Davidson Inc	6,699,836	0.24
	Banks		
190,953	Bank of America Corp	6,645,164	0.24
387,946	Bank of New York Inc	12,635,401	0.45
108,700	Northern Trust Corp	7,990,537	0.28
188,549	Regions Financials Corp	1,800,643	0.06
207,351	US Bancorp	7,435,607	0.26
500,800	Wells Fargo & Co	18,790,016	0.67
	Beverages		
169,032	Coca Cola Enterprises Inc	2,829,595	0.10
37,435	Molson Coors Brewing Co	1,749,712	0.06
245,103	PepsiCo Inc	17,466,040	0.62
	Biotechnology		
204,523	Amgen Inc	12,101,626	0.43
110,700	Genentech Inc	9,791,415	0.35
87,983	Gilead Sciences Inc	4,010,265	0.14
263,777	Invitrogen Corp	9,957,582	0.35
	Building Products		
360,626	Masco Corp	6,466,024	0.23
	Chemicals		
184,686	Monsanto Co	18,278,374	0.65
25,900	Mosaic Co	1,761,718	0.06
50,883	Praxair Inc	3,650,346	0.13
	Commercial Services and Supplies		
358,622	Allied Waste Industries Inc	3,969,946	0.14
73,650	DST Systems Inc	4,120,717	0.15
63,317	MasterCard Inc	11,228,004	0.40
	Communications Equipment		
934,556	Motorola Inc	6,672,730	0.24
155,000	Qualcomm Inc	6,660,350	0.23
	Computers and Peripherals		
102,400	Apple Inc	11,638,784	0.41
184,900	Hewlett-Packard Co	8,538,682	0.30
193,060	Lexmark International Inc	6,278,311	0.22
95,854	SanDisk Corp	1,872,987	0.07
91,614	Western Digital Corp	1,945,882	0.07
	Construction and Engineering		
195,000	Aecom Technology Corp	4,734,600	0.17
365,362	Lennar Corp	5,524,273	0.20

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
205,361	Shaw Group Inc	6,308,690	0.22
	Diversified Financials		
309,190	American Express Co	10,948,418	0.39
55,760	Genworth Financial Inc	479,536	0.02
150,220	Goldman Sachs Group Inc	19,201,121	0.68
840,122	JP Morgan Chase & Co	39,191,691	1.39
103,262	Merrill Lynch & Co Inc	2,602,202	0.09
81,900	Morgan Stanley	1,881,243	0.07
229,570	State Street Corp	13,053,350	0.46
160,388	Visa Inc	9,810,934	0.35
	Diversified Telecommunication		
1,033,500	Sprint Nextel Corp	6,294,015	0.22
	Electric Utilities		
85,520	DTE Energy Co	3,415,669	0.12
110,000	Idacorp Inc	3,199,900	0.11
137,900	Southern	5,196,072	0.19
	Electrical Equipment		
65,244	Energizer Holdings Inc	5,253,447	0.19
170,660	Rockwell Automation Inc	6,357,085	0.22
	Electronic Equipment and Instruments		
115,900	Tech Data Corp	3,460,774	0.12
232,902	Thermo Fisher Scientific Inc	12,807,281	0.45
65,704	Waters Corp	3,820,688	0.14
	Energy Equipment and Services		
28,100	Energy Conversion Devices Inc	1,634,296	0.06
86,900	National Oilwell Varco Inc	4,360,642	0.15
88,349	Patterson Utilities Energy Inc	1,767,864	0.06
	Food and Drug Retailing		
380,020	Walgreen Co	11,738,818	0.42
	Food Products		
175,273	ConAgra Foods Inc	3,410,813	0.12
395,050	General Mills Inc	27,128,083	0.96
115,567	HJ Heinz Co	5,764,482	0.21
15,417	JM Smucker Co	779,329	0.03
380,500	Smithfield Foods Inc	6,042,340	0.21
606,700	Tyson Foods Inc	7,237,931	0.26
	Health Care Equipment and Supplies		
277,400	Baxter International Inc	18,205,762	0.64
199,799	Becton Dickinson & Co	16,015,888	0.57
23,855	Intuitive Surgical Inc	5,748,339	0.20
256,460	Medtronic Inc	12,828,129	0.45
91,670	Synthes Inc	12,615,100	0.45
87,480	Varian Medical Systems Inc	4,996,858	0.18
186,170	Zimmer Holdings Inc	12,019,135	0.43
	Health Care Providers and Services		
120,870	Aetna Inc	4,364,616	0.15
41,898	Express Scripts Inc	3,093,329	0.11
154,192	WellPoint Inc	7,210,018	0.26
	Hotels, Restaurants and Leisure		
252,227	Live Nation Inc	4,098,689	0.15
334,700	McDonald's Corp	20,627,561	0.73

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Household Durables		
160,495	Dolby Laboratories Inc	5,647,819	0.20
468,405	DR Horton Inc	6,098,633	0.22
	Household Products		
135,700	Colgate Palmolive Co	10,224,995	0.36
297,870	Procter & Gamble Co	20,728,773	0.74
	Industrial Conglomerates		
267,920	3M Co	18,290,898	0.65
	Insurance		
54,154	American International Group Inc	179,791	0.01
	Internet Software and Services		
259,525	eBay Inc	5,808,170	0.20
16,810	Google Inc	6,732,741	0.24
	Machinery		
89,389	SpX Corp	6,838,259	0.24
	Media		
140,000	Cablevision Systems Corp	3,522,400	0.12
303,779	CBS Corp	4,426,060	0.16
681,300	Comcast Corp	13,373,919	0.47
776,237	Gannett Inc	13,118,405	0.47
315,500	Omnicom Group	12,165,680	0.43
206,925	Viacom Inc	5,133,809	0.18
501,940	Walt Disney Co	15,404,539	0.55
	Metals and Mining		
310,400	Newmont Mining Corp	12,021,792	0.43
69,500	Nucor Corp	2,745,250	0.10
126,275	Peabody Energy Corp	5,679,850	0.20
	Multi-Line Retail		
238,100	Costco Wholesale Corp	15,457,452	0.55
202,100	JC Penney Co Inc	6,725,888	0.24
561,248	Wal-Mart Stores Inc	33,523,343	1.19
	Multi-Utilities		
739,242	Duke Energy Co	12,877,596	0.46
	Oil and Gas		
90,500	Chesapeake Energy Corp	3,245,330	0.11
157,990	Chevron Co	13,004,157	0.46
30,698	Cimarex Energy Co	1,496,221	0.05
38,500	ConocoPhillips	2,802,415	0.10
161,620	Exxon Mobil Corp	12,549,793	0.45
108,100	Hess Corp	8,856,633	0.31
171,939	Mirant Corp	3,144,764	0.11
408,000	Tesoro Corp	6,691,200	0.24
78,500	Transocean Inc	8,621,655	0.31
108,123	Valero Energy Corp	3,272,883	0.12
	Personal Products		
122,190	Alberto Culver Co	3,319,902	0.12
191,470	Sally Beauty Holdings Inc	1,642,813	0.06
	Pharmaceuticals		
235,900	Abbott Laboratories	13,580,763	0.48
73,207	Forest Laboratories Inc	2,070,294	0.07
577,600	Johnson & Johnson	39,912,160	1.42

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
812,332	Pfizer Inc	14,898,169	0.53
146,890	Wyeth	5,426,116	0.19
	Road and Rail		
70,300	CSX Corp	3,834,865	0.14
	Semiconductor Equipment and Products		
6,900	First Solar Inc	1,303,479	0.05
780,650	Intel Corp	14,598,155	0.52
58,087	Lam Research Corp	1,829,160	0.06
314,697	Teradyne Inc	2,454,636	0.09
	Software		
100,500	Ansys Inc	3,802,920	0.14
312,142	Cadence Design Systems Inc	2,103,837	0.07
10,761	Citrix Systems Inc	271,393	0.01
156,200	Microsoft Corp	4,165,854	0.15
728,940	Oracle Corp	14,782,903	0.52
447,900	Symantec Corp	8,751,966	0.31
	Speciality Retail		
281,800	GameStop Corp	9,600,926	0.34
256,667	Home Depot Inc	6,634,842	0.24
404,268	Office Depot Inc	2,348,797	0.08
	Textile and Apparel		
290,080	Nike Inc	19,403,451	0.69
	Tobacco		
338,215	Altria Group Inc	6,710,185	0.24
500,409	Philip Morris International Inc	24,059,665	0.85
		<u>1,146,803,690</u>	<u>40.70</u>
	Total Common Stock	<u>2,508,507,758</u>	<u>89.02</u>
	Preferred Stock (3.10%)		
	Australia (0.05%)		
	Metals and Mining		
143,100	Alumina Ltd	1,436,724	0.05
	Brazil (0.90%)		
	Banks		
350,180	Banco Bradesco SA	5,588,873	0.20
	Industrial Conglomerates		
73,300	Cia de Saneamento Basico do Estado de Sao Paulo	2,069,259	0.07
	Diversified Telecommunication		
64,540	Brasil Telecom Participacoes	3,114,700	0.11
292,000	Tele Norte Leste Participacoes SA	5,072,040	0.18
	Electric Utilities		
486,600	Centrais Eletricas Brasileiras SA	5,741,880	0.20
	Preferred Stock		
575,024	All America Latina Logistica SA	3,848,498	0.14
		<u>25,435,250</u>	<u>0.90</u>
	Colombia (0.01%)		
	Banks		
7,620	Bancolombia SA	215,722	0.01

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Germany (0.32%)		
	Household Products		
138,860	Henkel KGaA	5,047,887	0.18
	Automobiles		
32,527	Volkswagen AG	3,995,051	0.14
		<u>9,042,938</u>	<u>0.32</u>
	India (0.02%)		
	Diversified Financials		
26,700	ICICI Bank Ltd	627,984	0.02
	Israel (0.24%)		
	Pharmaceuticals		
146,600	Teva Pharmaceutical Industries Ltd	6,711,348	0.24
	Japan (0.58%)		
	Media		
17,500	Toppan Printing Co Ltd	656,250	0.03
	Chemicals		
10,050	Kao Corp	2,578,328	0.09
	Diversified Telecommunication		
576,400	Nippon Telegraph & Telephone Corp	12,969,000	0.46
		<u>16,203,578</u>	<u>0.58</u>
	Korea, Republic of (0.41%)		
	Electric Utilities		
822,800	Korea Electric Power Corp	10,186,264	0.36
	Diversified Telecommunication		
79,200	KT Corp	1,328,976	0.05
		<u>11,515,240</u>	<u>0.41</u>
	Mexico (0.12%)		
	Wireless Telecommunication Services		
74,100	America Movil SAB de CV	3,434,535	0.12
	South Africa (0.35%)		
	Metals and Mining		
430,465	AngloGold Ashanti Ltd	9,844,735	0.35
	United Kingdom (0.10%)		
	Oil and Gas		
58,000	BP Plc	2,909,280	0.10
	Total Preferred Stock	<u>87,377,334</u>	<u>3.10</u>
	Warrants (0.13%)		
	United States (0.13%)		
	Rights/Warrants		
229,900	Citigroup Global Markets Holdings Inc	3,535,862	0.13
283,283	Vermillion	25,382	0.00
		<u>3,561,244</u>	<u>0.13</u>
	Total Warrants	<u>3,561,244</u>	<u>0.13</u>

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Number of Shares</u>		<u>Fair Value USD</u>	<u>Fund %</u>
	Money Market Instruments (0.44%)		
	United States (0.44%)		
	United States Treasury Bill*		
12,500,000	Zero coupon due 18/12/08	12,498,423	0.44
	Total Money Market Instruments	<u>12,498,423</u>	<u>0.44</u>
	Total Transferable Securities	<u>2,611,944,759</u>	<u>92.69</u>
	Collective Investment Schemes (5.91%)		
	Ireland (5.91%)		
	Russell Investment Company III plc		
519	The Euro Cash Fund - Class A Shares	729,413	0.03
	Russell Investment Company III plc		
1,453	The Sterling Cash Fund - Class A Shares	2,589,582	0.09
	Russell Investment Company III plc		
163,222	The U.S. Dollar Cash Plus Fund - Class A Shares	163,222,157	5.79
		<u>166,541,152</u>	<u>5.91</u>
	Total Collective Investment Schemes	<u>166,541,152</u>	<u>5.91</u>
	Total Investments excluding Financial Derivative Instruments	<u>2,778,485,911</u>	<u>98.60</u>

Financial Derivative Instruments ((0.75)%)

Open Futures Contracts ((0.26)%)

<u>Notional Amount USD</u>	<u>Average Cost Price USD</u>		<u>Unrealised Gain (Loss) USD</u>	<u>Fund %</u>
51,931,500	122,191.76	170 of S&P 500 Index Futures Long Futures Contracts Expiring December 2008	(2,249,000)	(0.08)
19,213,875	116,562.34	175 of Topix Index Futures Long Futures Contracts Expiring December 2008	(1,312,495)	(0.05)
17,878,740	511,757.05	196 of FTSE 100 Index Futures Long Futures Contracts Expiring December 2008	(505,071)	(0.02)
38,147,876	123,057.66	620 of S&P EMini 500 Index Futures Long Futures Contracts Expiring December 2008	(1,908,876)	(0.07)
29,826,415	312,265.46	680 of DJ Euro Stoxx 50 Index Futures Long Futures Contracts Expiring December 2008	(579,350)	(0.02)
5,308,880	480,737.31	56 of SPI 200 Index Futures Long Futures Contracts Expiring December 2008	(135,139)	0.00
8,072,411	675,461.99	134 of Swiss Market Index Futures Long Futures Contracts Expiring December 2008	(53,325)	0.00
8,515,700	75,449.10	60 of S&P TSE 60 Index Futures Long Futures Contracts Expiring December 2008	(523,601)	(0.02)

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

Notional Amount USD	Average Cost Price USD		Unrealised Gain (Loss) USD	Fund %
2,217,167	1,912,762.70	18 of Hang Seng Stock Index Futures Long Futures Contracts Expiring October 2008	(121,203)	0.00
Unrealised gain (loss) on open futures contracts			(7,388,060)	(0.26)
Net unrealised gain (loss) on open futures contracts			(7,388,060)	(0.26)

Open Forward Foreign Currency Exchange Contracts ((0.49)%)

Settlement Date	Amount Bought	Amount Sold	Unrealised Gain (Loss) USD	Fund %		
03/10/2008	AUD	100,000	EUR	55,558	830	0.00
03/10/2008	AUD	226,700	EUR	132,559	(7,403)	0.00
03/10/2008	AUD	34,000	EUR	19,842	(1,055)	0.00
03/10/2008	AUD	100,000	GBP	43,946	540	0.00
03/10/2008	AUD	621,000	GBP	292,490	(31,560)	0.00
03/10/2008	AUD	399,000	GBP	188,085	(20,556)	0.00
17/12/2008	AUD	6,194	USD	4,907	(43)	0.00
17/12/2008	AUD	9,151,063	USD	7,427,232	(241,137)	(0.01)
17/12/2008	AUD	16,402,778	USD	13,542,133	(661,454)	(0.02)
17/12/2008	AUD	16,460,504	USD	13,340,580	(414,570)	(0.01)
17/12/2008	AUD	400,000	USD	313,660	450	0.00
17/12/2008	AUD	300,000	USD	234,105	1,477	0.00
17/12/2008	AUD	150,000	USD	128,245	(10,454)	0.00
17/12/2008	AUD	235,470	USD	192,075	(7,167)	0.00
17/12/2008	AUD	2,470,000	USD	2,010,704	(71,076)	0.00
17/12/2008	AUD	100,000	USD	81,369	(2,842)	0.00
17/12/2008	AUD	1,764,530	USD	1,435,489	(49,849)	0.00
17/12/2008	AUD	9,600,000	USD	7,809,312	(270,679)	(0.01)
17/12/2008	AUD	900,000	USD	728,478	(21,731)	0.00
17/12/2008	AUD	300,000	USD	239,517	(3,935)	0.00
17/12/2008	AUD	500,000	USD	397,150	(4,513)	0.00
17/12/2008	AUD	2,470,000	USD	1,964,317	(24,690)	0.00
17/12/2008	AUD	235,470	USD	192,462	(7,553)	0.00
17/12/2008	AUD	500,000	USD	421,600	(28,963)	0.00
17/12/2008	AUD	1,100,000	USD	894,696	(30,894)	0.00
17/12/2008	AUD	550,000	USD	447,348	(15,447)	0.00
17/12/2008	AUD	1,000,000	USD	795,620	(10,346)	0.00
03/10/2008	CAD	350,000	EUR	227,691	9,370	0.00
03/10/2008	CAD	475,000	EUR	304,892	18,500	0.00
03/10/2008	CAD	945,000	GBP	493,874	8,541	0.00
03/10/2008	CAD	800,000	GBP	411,665	18,691	0.00
03/10/2008	CAD	1,578,000	GBP	818,116	25,982	0.00
17/12/2008	CAD	37,345	USD	34,820	414	0.00
17/12/2008	CAD	271,965	USD	255,739	854	0.00
17/12/2008	CAD	9,447,738	USD	8,884,171	29,536	0.00
17/12/2008	CAD	10,450	USD	9,968	(109)	0.00
17/12/2008	CAD	9,756,177	USD	9,311,817	(107,106)	0.00
17/12/2008	CAD	8,420,000	USD	7,913,757	30,304	0.00
17/12/2008	CAD	1,100,000	USD	1,036,172	1,651	0.00

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
17/12/2008	CAD	350,000	USD	328,933	1,283	0.00
17/12/2008	CAD	2,425,000	USD	2,281,709	6,219	0.00
17/12/2008	CAD	200,000	USD	188,202	493	0.00
17/12/2008	CAD	200,000	USD	187,580	1,115	0.00
17/12/2008	CAD	2,425,000	USD	2,274,482	13,446	0.00
17/12/2008	CAD	50,000	USD	47,032	142	0.00
17/12/2008	CAD	2,300,000	USD	2,162,282	7,711	0.00
17/12/2008	CAD	1,200,000	USD	1,107,501	24,669	0.00
17/12/2008	CAD	300,000	USD	280,728	2,315	0.00
17/12/2008	CAD	800,000	USD	743,702	11,078	0.00
17/12/2008	CAD	7,130,000	USD	6,716,277	10,701	0.00
17/12/2008	CAD	1,200,000	USD	1,121,642	10,528	0.00
17/12/2008	CAD	250,000	USD	237,583	(1,714)	0.00
17/12/2008	CAD	600,000	USD	570,386	(4,300)	0.00
17/12/2008	CAD	500,000	USD	484,186	(12,449)	0.00
17/12/2008	CAD	1,000,000	USD	968,312	(24,837)	0.00
03/10/2008	CHF	300,000	EUR	189,854	879	0.00
03/10/2008	CHF	144,000	EUR	89,331	2,949	0.00
03/10/2008	CHF	192,000	EUR	119,012	4,067	0.00
03/10/2008	CHF	250,000	GBP	124,941	267	0.00
03/10/2008	CHF	400,000	GBP	200,239	(166)	0.00
03/10/2008	CHF	800,000	GBP	400,538	(438)	0.00
17/12/2008	CHF	63,756,341	USD	56,354,215	903,388	0.03
17/12/2008	CHF	11,157,749	USD	9,867,565	152,865	0.01
17/12/2008	CHF	45,546,712	USD	41,435,483	(531,386)	(0.02)
17/12/2008	CHF	600,000	USD	525,979	12,862	0.00
17/12/2008	CHF	1,300,000	USD	1,149,791	17,699	0.00
17/12/2008	CHF	2,050,000	USD	1,820,119	20,923	0.00
17/12/2008	CHF	700,000	USD	620,909	7,740	0.00
17/12/2008	CHF	17,125,000	USD	15,212,216	167,218	0.01
17/12/2008	CHF	2,300,000	USD	2,040,719	24,840	0.00
17/12/2008	CHF	400,000	USD	358,133	1,095	0.00
17/12/2008	CHF	650,000	USD	576,809	6,936	0.00
17/12/2008	CHF	1,500,000	USD	1,323,078	24,026	0.00
17/12/2008	CHF	500,000	USD	449,256	(222)	0.00
17/12/2008	CHF	1,000,000	USD	917,768	(19,699)	0.00
17/12/2008	CHF	2,050,000	USD	1,879,527	(38,485)	0.00
17/12/2008	CHF	300,000	USD	271,899	(2,478)	0.00
17/12/2008	CHF	500,000	USD	466,083	(17,049)	0.00
17/12/2008	CHF	500,000	USD	460,184	(11,149)	0.00
17/12/2008	DKK	34,041,313	USD	6,451,495	(18,393)	0.00
17/12/2008	DKK	7,053,174	USD	1,363,586	(30,682)	0.00
03/10/2008	EUR	58,514	AUD	100,000	3,322	0.00
03/10/2008	EUR	829,845	AUD	1,420,000	45,699	0.00
03/10/2008	EUR	3,488,893	AUD	5,968,100	193,676	0.01
03/10/2008	EUR	88,344	AUD	151,000	5,000	0.00
03/10/2008	EUR	1,174,305	AUD	2,010,000	64,216	0.00
03/10/2008	EUR	55,465	AUD	100,000	(961)	0.00
03/10/2008	EUR	576,134	CAD	890,000	(27,832)	0.00
03/10/2008	EUR	110,061	CAD	169,700	(5,016)	0.00

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

Russell Investment Company II plc
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Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
03/10/2008	EUR	226,912	CAD	350,000	(10,464)	0.00
03/10/2008	EUR	823,862	CAD	1,270,000	(37,272)	0.00
03/10/2008	EUR	6,558,114	CAD	10,111,300	(298,422)	(0.01)
03/10/2008	EUR	227,276	CAD	350,000	(9,953)	0.00
03/10/2008	EUR	500,086	CAD	772,000	(23,666)	0.00
03/10/2008	EUR	1,090,871	CHF	1,760,000	(37,380)	0.00
03/10/2008	EUR	32,856	CHF	53,000	(1,117)	0.00
03/10/2008	EUR	186,071	CHF	300,000	(6,193)	0.00
03/10/2008	EUR	1,265,264	CHF	2,040,000	(42,139)	0.00
03/10/2008	EUR	3,841,309	CHF	6,196,300	(130,529)	0.00
03/10/2008	EUR	189,415	CHF	300,000	(1,496)	0.00
03/10/2008	EUR	9,419,445	GBP	7,590,000	(297,505)	(0.01)
03/10/2008	EUR	310,243	GBP	250,000	(9,820)	0.00
03/10/2008	EUR	3,127,474	GBP	2,520,000	(98,678)	0.00
03/10/2008	EUR	8,802,293	GBP	7,092,800	(278,169)	(0.01)
03/10/2008	EUR	1,730,000	GBP	1,394,029	(54,693)	0.00
03/10/2008	EUR	2,800,000	GBP	2,214,831	(14,719)	0.00
03/10/2008	EUR	316,266	GBP	250,000	(1,360)	0.00
03/10/2008	EUR	3,366,000	GBP	2,718,812	(118,000)	0.00
03/10/2008	EUR	6,048,526	JPY	965,000,000	(594,146)	(0.02)
03/10/2008	EUR	626,833	JPY	100,000,000	(61,509)	0.00
03/10/2008	EUR	2,632,686	JPY	420,000,000	(258,358)	(0.01)
03/10/2008	EUR	8,299,423	JPY	1,324,090,000	(815,016)	(0.03)
03/10/2008	EUR	665,661	JPY	100,000,000	(6,965)	0.00
03/10/2008	EUR	3,581,547	JPY	571,390,000	(351,619)	(0.01)
03/10/2008	EUR	736,419	SEK	6,950,000	37,752	0.00
03/10/2008	EUR	58,603	SEK	553,400	2,957	0.00
03/10/2008	EUR	158,941	SEK	1,500,000	8,151	0.00
03/10/2008	EUR	889,840	SEK	8,400,000	45,318	0.00
03/10/2008	EUR	102,636	SEK	968,800	5,237	0.00
03/10/2008	EUR	155,629	SEK	1,500,000	3,498	0.00
03/10/2008	EUR	860,289	SEK	8,116,000	44,537	0.00
03/10/2008	EUR	15,404,705	USD	22,650,000	(1,009,522)	(0.04)
03/10/2008	EUR	4,625,079	USD	6,800,000	(302,704)	(0.01)
03/10/2008	EUR	17,854,471	USD	26,250,000	(1,168,100)	(0.04)
03/10/2008	EUR	53,595,171	USD	78,798,300	(3,507,984)	(0.12)
03/10/2008	EUR	4,720,583	USD	6,800,000	(168,541)	(0.01)
17/12/2008	EUR	62,246,526	USD	90,073,836	(2,309,847)	(0.08)
17/12/2008	EUR	91,275,796	USD	129,045,720	(352,147)	(0.01)
17/12/2008	EUR	73,872,774	USD	104,308,357	(152,034)	(0.01)
03/10/2008	EUR	10,636,467	USD	15,638,000	(695,927)	(0.02)
17/12/2008	EUR	1,700,000	USD	2,352,545	44,356	0.00
17/12/2008	EUR	3,500,000	USD	4,884,495	50,302	0.00
17/12/2008	EUR	5,400,000	USD	7,635,389	(21,703)	0.00
17/12/2008	EUR	10,025,000	USD	14,171,541	(36,872)	0.00
17/12/2008	EUR	15,190,000	USD	21,492,483	(75,465)	0.00
17/12/2008	EUR	5,400,000	USD	7,634,412	(20,725)	0.00
17/12/2008	EUR	6,700,000	USD	9,480,768	(34,157)	0.00
17/12/2008	EUR	2,700,000	USD	3,812,481	(5,638)	0.00
17/12/2008	EUR	1,000,000	USD	1,412,884	(2,942)	0.00

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

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Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
17/12/2008	EUR	1,500,000	USD	2,126,175	(11,262)	0.00
17/12/2008	EUR	1,200,000	USD	1,730,040	(38,110)	0.00
17/12/2008	EUR	15,190,000	USD	21,859,929	(442,911)	(0.02)
17/12/2008	EUR	200,000	USD	287,634	(5,646)	0.00
17/12/2008	EUR	1,000,000	USD	1,438,780	(28,838)	0.00
17/12/2008	EUR	1,000,000	USD	1,437,360	(27,418)	0.00
17/12/2008	EUR	1,000,000	USD	1,476,860	(66,918)	0.00
17/12/2008	EUR	2,000,000	USD	2,932,780	(112,896)	0.00
17/12/2008	EUR	25,300,000	USD	35,811,391	(139,860)	(0.01)
03/10/2008	GBP	1,266,449	AUD	2,690,000	135,753	0.00
03/10/2008	GBP	1,100,916	AUD	2,336,600	119,430	0.00
03/10/2008	GBP	47,151	AUD	100,000	5,173	0.00
03/10/2008	GBP	517,983	AUD	1,100,000	55,698	0.00
03/10/2008	GBP	4,466,014	AUD	9,480,500	483,089	0.02
03/10/2008	GBP	3,241,059	AUD	6,875,000	354,650	0.01
03/10/2008	GBP	43,904	AUD	100,000	(614)	0.00
03/10/2008	GBP	1,073,912	CAD	2,060,000	(23,396)	0.00
03/10/2008	GBP	1,901,088	CAD	3,637,800	(33,040)	0.00
03/10/2008	GBP	417,930	CAD	800,000	(7,522)	0.00
03/10/2008	GBP	3,972,656	CAD	7,600,000	(67,331)	0.00
03/10/2008	GBP	9,130,408	CAD	17,469,300	(156,740)	(0.01)
03/10/2008	GBP	411,215	CAD	800,000	(19,493)	0.00
03/10/2008	GBP	530,849	CAD	1,017,000	(10,356)	0.00
03/10/2008	GBP	559,477	CHF	1,120,000	(1,662)	0.00
03/10/2008	GBP	841,941	CHF	1,685,500	(2,540)	0.00
03/10/2008	GBP	199,906	CHF	400,000	(429)	0.00
03/10/2008	GBP	4,371,481	CHF	8,750,000	(11,971)	0.00
03/10/2008	GBP	5,699,185	CHF	11,408,800	(16,725)	0.00
03/10/2008	GBP	199,922	CHF	400,000	(400)	0.00
03/10/2008	GBP	342,402	CHF	685,000	(621)	0.00
03/10/2008	GBP	671,000	EUR	832,744	26,287	0.00
03/10/2008	GBP	14,076,977	EUR	17,470,000	551,774	0.02
03/10/2008	GBP	3,854,884	EUR	4,784,100	151,016	0.01
03/10/2008	GBP	2,256,293	EUR	2,800,000	88,630	0.00
03/10/2008	GBP	24,043,938	EUR	29,840,000	941,512	0.03
03/10/2008	GBP	14,694,467	EUR	18,236,100	576,296	0.02
03/10/2008	GBP	250,000	EUR	316,051	1,661	0.00
03/10/2008	GBP	2,213,327	EUR	2,800,000	12,039	0.00
03/10/2008	GBP	2,110,000	EUR	2,618,490	82,833	0.00
03/10/2008	GBP	1,198,237	EUR	1,487,000	47,040	0.00
03/10/2008	GBP	53,000	EUR	65,616	2,300	0.00
03/10/2008	GBP	5,302,736	JPY	1,050,000,000	(439,226)	(0.02)
03/10/2008	GBP	3,709,686	JPY	734,372,000	(305,516)	(0.01)
03/10/2008	GBP	1,313,285	JPY	260,000,000	(108,356)	0.00
03/10/2008	GBP	4,848,776	JPY	960,000,000	(400,578)	(0.01)
03/10/2008	GBP	18,216,928	JPY	3,606,715,000	(1,504,790)	(0.05)
03/10/2008	GBP	1,366,856	JPY	260,000,000	(12,861)	0.00
03/10/2008	GBP	6,146,620	JPY	1,216,944,000	(507,671)	(0.02)
03/10/2008	GBP	802,307	SEK	9,400,000	82,043	0.00
03/10/2008	GBP	1,206,120	SEK	14,135,100	122,773	0.00

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

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Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
03/10/2008	GBP	128,074	SEK	1,500,000	13,175	0.00
03/10/2008	GBP	649,024	SEK	7,602,800	66,557	0.00
03/10/2008	GBP	2,543,689	SEK	29,800,000	260,462	0.01
03/10/2008	GBP	123,194	SEK	1,500,000	4,476	0.00
03/10/2008	GBP	138,879	SEK	1,626,000	14,365	0.00
17/12/2008	GBP	22,583,121	USD	40,231,378	134,789	0.00
03/10/2008	GBP	33,752,754	USD	61,590,000	(1,422,454)	(0.05)
03/10/2008	GBP	19,471,677	USD	35,528,800	(818,655)	(0.03)
03/10/2008	GBP	9,207,498	USD	16,800,000	(386,746)	(0.01)
03/10/2008	GBP	13,975,765	USD	25,500,000	(586,847)	(0.02)
03/10/2008	GBP	22,552,641	USD	41,150,000	(947,738)	(0.03)
03/10/2008	GBP	56,781,942	USD	103,604,900	(2,385,600)	(0.08)
03/10/2008	GBP	9,230,744	USD	16,800,000	(345,307)	(0.01)
17/12/2008	GBP	30,553,198	USD	55,830,165	(1,217,894)	(0.04)
17/12/2008	GBP	4,271,066	USD	7,884,601	(250,291)	(0.01)
03/10/2008	GBP	21,573,496	USD	39,363,000	(906,159)	(0.03)
17/12/2008	GBP	900,000	USD	1,561,797	46,907	0.00
17/12/2008	GBP	440,000	USD	770,735	15,743	0.00
17/12/2008	GBP	23,240,000	USD	40,663,493	876,812	0.03
17/12/2008	GBP	500,000	USD	874,877	18,847	0.00
17/12/2008	GBP	300,000	USD	525,822	10,413	0.00
17/12/2008	GBP	1,150,000	USD	2,016,134	39,432	0.00
17/12/2008	GBP	3,050,000	USD	5,346,223	105,495	0.00
17/12/2008	GBP	1,400,000	USD	2,443,616	58,812	0.00
17/12/2008	GBP	1,300,000	USD	2,312,752	10,931	0.00
17/12/2008	GBP	500,000	USD	888,502	5,223	0.00
17/12/2008	GBP	500,000	USD	893,210	514	0.00
17/12/2008	GBP	1,400,000	USD	2,456,328	46,100	0.00
17/12/2008	GBP	300,000	USD	545,205	(8,970)	0.00
17/12/2008	GBP	1,000,000	USD	1,815,710	(28,261)	0.00
17/12/2008	GBP	440,000	USD	798,710	(12,233)	0.00
17/12/2008	GBP	400,000	USD	729,840	(14,861)	0.00
17/12/2008	GBP	500,000	USD	925,765	(32,041)	0.00
17/12/2008	GBP	500,000	USD	921,550	(27,826)	0.00
17/12/2008	HKD	5,771,112	USD	741,293	2,869	0.00
17/12/2008	HKD	49,458,637	USD	6,353,370	24,125	0.00
17/12/2008	HKD	5,749,460	USD	741,108	263	0.00
03/10/2008	JPY	84,392,000	EUR	529,068	51,810	0.00
03/10/2008	JPY	100,000,000	EUR	663,825	9,543	0.00
03/10/2008	JPY	329,958,000	EUR	2,072,505	197,027	0.01
03/10/2008	JPY	25,000,000	EUR	156,712	15,372	0.00
03/10/2008	JPY	200,000,000	GBP	1,010,229	83,335	0.00
03/10/2008	JPY	260,000,000	GBP	1,365,209	15,798	0.00
03/10/2008	JPY	872,884,000	GBP	4,428,608	328,864	0.01
17/12/2008	JPY	1,111,034,674	USD	10,415,136	164,046	0.01
17/12/2008	JPY	16,322,250	USD	149,787	5,632	0.00
17/12/2008	JPY	16,653,200	USD	155,649	2,921	0.00
17/12/2008	JPY	1,078,059,224	USD	10,076,073	189,119	0.01
17/12/2008	JPY	180,000,000	USD	1,698,578	15,367	0.00
17/12/2008	JPY	220,000,000	USD	2,035,209	59,613	0.00

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

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Schedule of Investments - continued

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Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
17/12/2008	JPY	1,669,000,000	USD	15,445,981	446,102	0.02
17/12/2008	JPY	100,000,000	USD	944,394	7,798	0.00
17/12/2008	JPY	80,000,000	USD	741,125	20,628	0.00
17/12/2008	JPY	50,000,000	USD	460,256	15,840	0.00
17/12/2008	JPY	920,000,000	USD	8,522,140	238,025	0.01
17/12/2008	JPY	220,000,000	USD	2,058,749	36,073	0.00
17/12/2008	JPY	100,000,000	USD	951,318	874	0.00
17/12/2008	JPY	2,440,000,000	USD	22,628,211	605,271	0.02
17/12/2008	JPY	250,000,000	USD	2,416,159	(35,680)	0.00
17/12/2008	JPY	220,000,000	USD	2,128,353	(33,531)	0.00
17/12/2008	JPY	100,000,000	USD	954,927	(2,736)	0.00
17/12/2008	JPY	300,000,000	USD	2,798,847	57,729	0.00
17/12/2008	NOK	457,432	USD	84,216	(7,207)	0.00
17/12/2008	NOK	29,541,947	USD	5,180,389	(207,006)	(0.01)
17/12/2008	NOK	51,077,307	USD	8,858,821	(259,962)	(0.01)
17/12/2008	NZD	503,059	USD	331,415	1,609	0.00
17/12/2008	NZD	1,200,597	USD	789,272	5,520	0.00
17/12/2008	NZD	1,200,597	USD	819,407	(24,615)	0.00
03/10/2008	SEK	1,500,000	EUR	155,916	(3,900)	0.00
03/10/2008	SEK	458,000	EUR	48,440	(2,362)	0.00
03/10/2008	SEK	2,300,000	GBP	196,278	(20,020)	0.00
03/10/2008	SEK	1,500,000	GBP	123,331	(4,720)	0.00
03/10/2008	SEK	1,978,000	GBP	168,978	(17,535)	0.00
17/12/2008	SEK	63,727	USD	9,900	(755)	0.00
17/12/2008	SEK	70,923,569	USD	10,525,440	(348,078)	(0.01)
17/12/2008	SEK	185,495,442	USD	28,069,433	(1,451,281)	(0.05)
17/12/2008	SEK	99,959,014	USD	14,824,006	(480,128)	(0.02)
17/12/2008	SGD	283,550	USD	200,667	(1,624)	0.00
17/12/2008	SGD	39,684,176	USD	27,960,386	(103,385)	0.00
17/12/2008	SGD	17,974,490	USD	12,637,622	(20,115)	0.00
17/12/2008	SGD	39,684,176	USD	27,883,766	(26,765)	0.00
17/12/2008	USD	54,098	AUD	63,920	3,903	0.00
17/12/2008	USD	20,757,744	AUD	25,552,395	692,106	0.02
17/12/2008	USD	13,509,164	AUD	16,402,778	628,485	0.02
17/12/2008	USD	293,509	AUD	350,000	18,663	0.00
17/12/2008	USD	586,673	AUD	710,000	29,128	0.00
17/12/2008	USD	123,422	AUD	150,000	5,630	0.00
17/12/2008	USD	3,212,550	AUD	3,960,000	102,864	0.00
17/12/2008	USD	1,402,208	AUD	1,730,000	43,684	0.00
17/12/2008	USD	2,120,222	AUD	2,600,000	78,509	0.00
17/12/2008	USD	1,584,668	AUD	1,950,000	53,383	0.00
17/12/2008	USD	1,960,439	AUD	2,470,000	20,812	0.00
17/12/2008	USD	192,462	AUD	235,470	7,553	0.00
17/12/2008	USD	412,081	AUD	500,000	19,443	0.00
17/12/2008	USD	79,774	AUD	100,000	1,247	0.00
17/12/2008	USD	333,260	AUD	400,000	19,150	0.00
17/12/2008	USD	9,293,633	CAD	9,756,177	88,922	0.00
17/12/2008	USD	40,078	CAD	41,426	993	0.00
17/12/2008	USD	9,176,671	CAD	9,756,177	(28,041)	0.00
17/12/2008	USD	628,198	CAD	650,000	14,939	0.00

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

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Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
17/12/2008	USD	1,547,149	CAD	1,600,000	37,589	0.00
17/12/2008	USD	282,776	CAD	300,000	(266)	0.00
17/12/2008	USD	327,069	CAD	350,000	(3,147)	0.00
17/12/2008	USD	839,075	CAD	900,000	(10,053)	0.00
17/12/2008	USD	5,628,051	CAD	5,995,000	(28,083)	0.00
17/12/2008	USD	2,827,685	CAD	3,010,000	(12,175)	0.00
17/12/2008	USD	2,071,895	CAD	2,200,000	(3,751)	0.00
17/12/2008	USD	232,623	CAD	250,000	(3,246)	0.00
17/12/2008	USD	2,270,599	CAD	2,425,000	(17,328)	0.00
17/12/2008	USD	1,931,047	CAD	2,050,000	(3,077)	0.00
17/12/2008	USD	561,267	CAD	600,000	(4,818)	0.00
17/12/2008	USD	39,901	CHF	43,776	587	0.00
17/12/2008	USD	41,314,084	CHF	45,546,712	409,987	0.01
17/12/2008	USD	3,129,880	CHF	3,399,050	77,298	0.00
17/12/2008	USD	7,745,977	CHF	8,790,600	(148,589)	(0.01)
17/12/2008	USD	40,247,344	CHF	45,546,712	(656,753)	(0.02)
17/12/2008	USD	317,894	CHF	350,000	3,570	0.00
17/12/2008	USD	813,957	CHF	900,000	5,694	0.00
17/12/2008	USD	1,874,029	CHF	2,050,000	32,987	0.00
17/12/2008	USD	92,277	CHF	100,000	2,470	0.00
17/12/2008	USD	1,484,547	CHF	1,600,000	47,636	0.00
17/12/2008	USD	2,449,135	CHF	2,765,000	(34,026)	0.00
17/12/2008	USD	1,541,979	CHF	1,740,000	(20,661)	0.00
17/12/2008	USD	2,930,208	CHF	3,300,000	(33,420)	0.00
17/12/2008	USD	532,111	CHF	600,000	(6,731)	0.00
17/12/2008	USD	88,733	CHF	100,000	(1,074)	0.00
17/12/2008	USD	268,420	CHF	300,000	(1,000)	0.00
17/12/2008	USD	6,522,376	CHF	7,350,000	(78,433)	0.00
17/12/2008	USD	398,855	CHF	450,000	(5,276)	0.00
17/12/2008	USD	1,335,525	DKK	7,053,174	2,621	0.00
17/12/2008	USD	1,567,210	DKK	8,268,130	4,705	0.00
17/12/2008	USD	1,367,265	DKK	7,053,174	34,361	0.00
17/12/2008	USD	269,010	DKK	1,370,453	10,022	0.00
17/12/2008	USD	103,307	DKK	553,250	(1,246)	0.00
17/12/2008	USD	16,996,412	EUR	11,626,248	604,077	0.02
03/10/2008	USD	10,022,600	EUR	6,816,982	446,126	0.02
17/12/2008	USD	203,029,160	EUR	143,608,846	549,024	0.02
03/10/2008	USD	4,508,000	EUR	3,132,296	107,761	0.00
03/10/2008	USD	6,800,000	EUR	4,724,355	163,242	0.01
17/12/2008	USD	89,865,310	EUR	62,246,526	2,101,321	0.07
17/12/2008	USD	7,275,891	EUR	4,963,429	277,744	0.01
03/10/2008	USD	4,307,000	EUR	2,930,510	190,229	0.01
03/10/2008	USD	1,500,000	EUR	1,020,269	66,729	0.00
17/12/2008	USD	1,306,527	EUR	900,000	37,580	0.00
17/12/2008	USD	3,177,592	EUR	2,200,000	75,720	0.00
17/12/2008	USD	715,565	EUR	500,000	10,594	0.00
17/12/2008	USD	18,221,538	EUR	12,895,000	40,336	0.00
17/12/2008	USD	3,960,754	EUR	2,800,000	12,917	0.00
17/12/2008	USD	283,314	EUR	200,000	1,326	0.00
17/12/2008	USD	13,019,748	EUR	9,200,000	48,282	0.00

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

Settlement Date		Amount Bought		Amount Sold	Unrealised Gain (Loss) USD	Fund %
17/12/2008	USD	21,848,537	EUR	15,190,000	431,518	0.02
17/12/2008	USD	287,634	EUR	200,000	5,646	0.00
17/12/2008	USD	1,168,708	EUR	800,000	40,754	0.00
17/12/2008	USD	34,608,242	EUR	24,450,000	135,161	0.00
17/12/2008	USD	6,620,625	EUR	4,500,000	275,886	0.01
17/12/2008	USD	1,056,413	EUR	750,000	(1,044)	0.00
17/12/2008	USD	773,124	EUR	550,000	(2,344)	0.00
17/12/2008	USD	6,627,310	GBP	3,643,461	114,811	0.00
03/10/2008	USD	7,295,000	GBP	4,012,872	141,668	0.01
03/10/2008	USD	16,800,000	GBP	9,232,646	341,916	0.01
17/12/2008	USD	55,741,255	GBP	30,553,198	1,128,984	0.04
03/10/2008	USD	15,062,000	GBP	8,277,871	305,895	0.01
17/12/2008	USD	7,086,686	GBP	4,072,270	(192,287)	(0.01)
17/12/2008	USD	44,113,967	GBP	24,757,119	(138,110)	(0.01)
17/12/2008	USD	54,407,608	GBP	30,553,198	(204,663)	(0.01)
17/12/2008	USD	361,860	GBP	200,000	4,370	0.00
17/12/2008	USD	715,072	GBP	400,000	93	0.00
17/12/2008	USD	797,654	GBP	440,000	11,177	0.00
17/12/2008	USD	183,836	GBP	100,000	5,091	0.00
17/12/2008	USD	2,957,744	GBP	1,600,000	97,826	0.00
17/12/2008	USD	1,950,641	GBP	1,100,000	(15,552)	0.00
17/12/2008	USD	352,194	GBP	200,000	(5,296)	0.00
17/12/2008	USD	4,601,317	GBP	2,630,000	(99,673)	0.00
17/12/2008	USD	9,184,928	GBP	5,250,000	(199,178)	(0.01)
17/12/2008	USD	7,015,320	GBP	4,000,000	(134,474)	0.00
17/12/2008	USD	532,341	GBP	300,000	(3,894)	0.00
17/12/2008	USD	17,545,200	GBP	10,000,000	(329,286)	(0.01)
17/12/2008	USD	262,746	GBP	150,000	(5,371)	0.00
17/12/2008	USD	5,483,975	HKD	42,690,551	(20,802)	0.00
17/12/2008	USD	738,625	HKD	5,749,460	(2,745)	0.00
17/12/2008	USD	740,528	HKD	5,749,460	(842)	0.00
17/12/2008	USD	879,269	HKD	6,827,612	(1,124)	0.00
17/12/2008	USD	8,826,063	JPY	945,893,599	(180,659)	(0.01)
17/12/2008	USD	1,483,895	JPY	159,138,875	(31,412)	0.00
17/12/2008	USD	10,447,849	JPY	1,111,034,674	(131,333)	0.00
17/12/2008	USD	215,133	JPY	22,640,575	(449)	0.00
17/12/2008	USD	2,124,783	JPY	220,000,000	29,961	0.00
17/12/2008	USD	1,715,168	JPY	180,000,000	1,222	0.00
17/12/2008	USD	463,465	JPY	50,000,000	(12,631)	0.00
17/12/2008	USD	185,932	JPY	20,000,000	(4,506)	0.00
17/12/2008	USD	2,495,748	JPY	270,000,000	(75,170)	0.00
17/12/2008	USD	6,872,662	JPY	744,000,000	(211,646)	(0.01)
17/12/2008	USD	4,256,162	JPY	460,000,000	(123,921)	0.00
17/12/2008	USD	5,275,873	JPY	570,000,000	(151,621)	(0.01)
17/12/2008	USD	834,461	JPY	90,000,000	(22,511)	0.00
17/12/2008	USD	277,167	JPY	30,000,000	(8,491)	0.00
17/12/2008	USD	1,900,091	JPY	200,000,000	(4,292)	0.00
17/12/2008	USD	15,719,188	JPY	1,695,000,000	(420,465)	(0.02)
17/12/2008	USD	468,213	JPY	50,000,000	(7,883)	0.00
17/12/2008	USD	382,771	NOK	2,223,020	8,526	0.00

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

<u>Settlement Date</u>	<u>Amount Bought</u>	<u>Amount Sold</u>	<u>Unrealised Gain (Loss) USD</u>	<u>Fund %</u>
17/12/2008	USD 5,118,147	NOK 29,541,947	144,764	0.01
17/12/2008	USD 373,632	NOK 2,152,605	11,241	0.00
17/12/2008	USD 5,166,663	NOK 29,541,947	193,280	0.01
17/12/2008	USD 113,450	NOK 642,862	5,224	0.00
17/12/2008	USD 819,647	NZD 1,200,597	24,855	0.00
17/12/2008	USD 1,123,016	NZD 1,703,656	(4,801)	0.00
17/12/2008	USD 2,129,848	SEK 14,540,472	43,325	0.00
17/12/2008	USD 25,358,644	SEK 171,018,697	817,873	0.03
17/12/2008	USD 27,948,267	SEK 185,495,442	1,330,116	0.05
17/12/2008	USD 683,620	SEK 4,517,637	35,350	0.00
17/12/2008	USD 41,101,711	SGD 58,438,413	79,846	0.00
17/12/2008	USD 27,870,841	SGD 39,684,176	13,840	0.00
17/12/2008	USD 339,658	SGD 481,270	1,822	0.00
17/12/2008	USD 75,150	SGD 107,569	(360)	0.00
Unrealised gain on forward foreign currency exchange contracts			23,322,828	0.71
Unrealised loss on forward foreign currency exchange contracts			(37,014,899)	(1.20)
Net unrealised gain (loss) on open forward foreign currency exchange contracts....			(13,692,071)	(0.49)
Total Financial Derivative Instruments			(21,080,131)	(0.75)
			<u>Fair Value USD</u>	<u>Fund %</u>
Total Investments (97.85%)			2,757,405,780	97.85
Other Net Assets (1.98%)			55,781,237	1.98
Adjustment From Bid Market Prices To Last Traded Market Prices (0.17%)			4,794,621	0.17
Net Assets (100.00%)			2,817,981,638	100.00

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

<u>Analysis of total assets (unaudited)</u>	<u>% of total assets</u>
Transferable securities and money market instruments admitted to an official stock exchange listing or traded in a regulated market	90.71
Collective investment schemes	5.78
Over the counter financial derivative instruments	0.81
Other assets	2.70
	<u>100.00</u>

The broker for the open futures contracts is Morgan Stanley

The counterparties for the open forward foreign currency exchange contracts are:

ABN Amro Bank
Bank of America
Brown Brothers Harriman
Citibank
Deutsche Bank
Goldman Sachs
HSBC

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

Russell Investment Company II plc
The World Equity Fund

Schedule of Investments - continued

30 September 2008

Mellon Bank
Morgan Stanley
Royal Bank of Scotland
State Street Bank
UBS

The proportion of the investments of The World Equity Fund in rights or securities eligible to the French Plan d'Epargne en Actions (PEA) has been continuously equal to, or greater than, 75 per cent over the elapsed fiscal period ended on 30 September 2008 (unaudited).

Russell Investment Company II plc
The World Equity Fund

Statement of Changes in Composition of Portfolio

Listed below are the 20 largest cumulative investment purchases and sales during the period ended 30 September 2008

<u>Portfolio Securities</u>	<u>Acquisition Cost USD</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD</u>
Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	1,309,391,822	Russell Investment Company III plc The U.S. Dollar Cash Plus Fund Class A Shares	(1,147,856,908)
Russell Investment Company	127,698,556	Russell Investment Company	(126,698,951)
Wal-Mart Stores Inc	44,011,335	Chevron Corp	(42,651,429)
JP Morgan Chase & Co	41,999,805	ConocoPhillips	(29,741,032)
Johnson & Johnson	34,107,206	National Oilwell Carco Inc	(25,373,067)
AstraZeneca	31,260,622	E On AG	(25,296,730)
GlaxoSmithKline	28,976,779	Wal-Mart Stores Inc	(25,150,898)
Credit Suisse Group AG	28,767,597	Qualcomm Inc	(24,723,520)
MasterCard Inc	28,361,587	Philip Morris International	(24,470,559)
Goldman Sachs Group Inc	24,825,244	Research In Motion Ltd	(21,409,776)
Takeda Pharmaceutical Co Ltd	24,738,755	Sunoco Inc	(20,890,441)
Vestas Wind Systems	24,493,498	Johnson & Johnson	(19,743,498)
Apple Inc	22,449,935	Dow Chemical Corp	(19,416,948)
Lockheed Martin Corp	21,620,739	Gensyme Corp	(19,257,084)
Total Sa	19,844,383	ThyssenKrupp AG	(19,072,556)
Costco Wholesale Corp	19,136,080	Altria Group Inc	(18,646,536)
Tesoro Corp	18,787,322	Coca Cola Co	(18,242,321)
National Oilwell Varco Inc	18,403,494	Advanced Micro Devices Inc	(17,876,054)
Gannett Inc	18,130,449	BHP Billiton Ltd	(17,812,376)
Google Inc	17,235,655	Enel	(17,562,567)

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

30 September 2008

1. Accounting Policies

The significant accounting policies adopted by the Company for the period ended 30 September 2008 are as follows:

Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The financial statements are prepared in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations") and in accordance with Irish statute comprising the Companies Acts, 1963 to 2006.

The Company has adopted the ASB "Statement on half-yearly reports" which was issued in July 2007. The statement has been fully applied with the exception of inserting comparative figures to the last interim for the Profit and Loss Account and Statement of Changes in Net Assets attributable to redeemable participating shareholders. This is due to the fact that these primary statements were not prepared for the interim period ended 30 September 2007.

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

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.

Investments

Securities listed on a recognised stock exchange or traded on any other organised market are valued at the last traded price as at close of business on the stock exchange or market which constitutes the principal market for such securities. If for specific assets the last traded price as at close of business do not, in the opinion of the Directors, reflect their fair value or are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

In the case of any security not listed, quoted or dealt in on a regulated market or for which no quotation or value is available which would provide a fair valuation, or in respect of which the price is unrepresentative, the fair value of such security is determined on the basis of the probable realisation value as at the close of business and is determined by the Manager, a stockbroker or other competent person appointed by the Manager and approved for the purpose by the Custodian and Trustee, using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Fund uses that technique. Estimation methods and valuation models may be used to calculate fair value. Due to the dynamic nature of assumptions used in estimating market value and market volatility, the values reflected in the financial statements for these investments may differ from the values that would be determined by negotiations held between parties in a near term sales transaction, and those differences could be material.

Commercial paper is valued on an amortised basis with reference to the maturity date of the instruments.

Certificates of deposit and deposits with credit institutions are valued at par.

Investments in open-ended collective investment schemes are valued at fair value at the latest available unaudited net asset value for the shares or units, obtained from the relevant administrator.

Forwards 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 the unrealised gain (loss) on forward foreign currency exchange contracts in the Balance Sheet and are shown in the Schedule of Investments of each relevant Fund.

Notes to the Financial Statements - continued

30 September 2008

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 quoted daily settlement prices. 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. Gains or losses on open futures contracts are shown in the Schedule of Investments of each relevant Fund and as unrealised gain (loss) on open futures contracts in the Balance Sheet.

Options

The 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 covered call or a put option a premium is received by the Fund. An amount equal to the premium is subsequently marked-to-market to reflect the fair value of the option written, which is reported as a liability 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 realized 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 from the purchase of options which expire unexercised are treated as realized losses. The premium is subsequently marked-to-market to reflect the fair value of the option purchased, which is reported as an asset on the Balance Sheet for each relevant Fund.

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 sale 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.

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. 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 Custodian and Trustee.

Interest Rate 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.

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 futures 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.

The notional amount of swap contracts is subsequently marked-to-market to reflect the fair value of the swap which is reported as an asset or liability as appropriate on the Balance Sheet for each relevant Fund.

The net amounts of interest payments and receipts on swaps are accrued in swap income or expense as appropriate in the Profit and Loss account.

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 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).

Notes to the Financial Statements - continued

30 September 2008

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 recorded as swaptions at fair value 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 premium is subsequently marked-to-market to reflect the fair value of the swaption written, which is reported as a liability on the Fund's Balance Sheet. 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 premium is subsequently marked-to-market to reflect the fair value of the swaption purchased, which is reported as an asset on the Fund's Balance Sheet. When a swaption which a 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.

Foreign Currency Transactions

In accordance with FRS 23, 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 Funds' benchmarks; 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. The functional currency assessment was done at a Fund level. All Funds' base currencies equated to their respective functional currencies when assessed under FRS 23. 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, 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.

Redeemable Participating Shares

Redeemable shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable shares can be put back to 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 the shareholder exercised its right to put the share back to the Company. In accordance with the prospectus the Company is contractually obliged to redeem shares at dealing prices and the liability to redeemable participating shareholders has been adjusted to reflect this.

Distributions

Distributions on income share classes and deemed distributions on accumulating share classes are disclosed as a finance cost in the Profit and Loss Account and the deemed distribution on the accumulated share classes is disclosed as a share transaction in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. Distributions are calculated on a quarterly basis and all distributions with an ex-date during the financial year are included in these financial statements.

2. Basis of Preparation

The Company has availed of the exemption available to open-ended investment funds under FRS 1 (revised) not to prepare a cash flow statement.

The financial statements of the individual Funds are prepared in the functional currency of the respective Fund. The functional currency of The Euro Fixed Income Fund, the Global Bond (Euro Hedged) Fund and the Pan European Equity Fund is Euro. The functional currency of the U.K. Equity Plus Fund is Sterling and the functional currency of The U.S. Growth Fund, The U.S. Quant Fund, The U.S. Value Fund and The World Equity Fund is U.S. Dollar. Details as to the functional currency of Funds unfunded as of 30 September 2008 are omitted.

The combined Balance Sheet of the Company is measured using the currency of the primary economic environment in which it operates, i.e. Euro. The Company has also adopted Euro as the presentation currency. The accounts of the individual Funds

Notes to the Financial Statements - continued

30 September 2008

are translated into Euros using exchange rates as at 30 September 2008 and 31 March 2008 respectively, and accumulated for preparation of the combined Balance Sheet.

Estimates and judgments

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 the advice of the Principal Money Manager, to exercise its judgement in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a) Fair value of derivative financial instruments

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Administrator, independent of the party that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Each Fund’s financial assets and financial liabilities are held for the purpose of being traded or are expected to be realised within one year.

b) Critical judgments – functional currency

The Board of Directors has selected the Euro as the currency in which to present the combined financial statements. The Euro is the currency in which the Company measures its performance and reports its results. This determination also considers the competitive environment in which the Fund is compared to other European investment products.

3. Significant Agreements and Transactions with Related Parties

Manager

Russell Investments Ireland Limited, a wholly-owned subsidiary of Russell Investments Limited, which in turn is a subsidiary of The Northwestern Mutual Life Insurance Company, is the Manager of the Company. The Manager is engaged in the business of providing investment management and administrative services to collective investment schemes. The Manager has: (a) appointed the Principal Money Manager (Russell Investments Limited) to advise it on the Funds’ investments; (b) authorised the Principal Money Manager and the Manager to select and appoint the money managers; (c) delegated the administration of the Company to the Administrator, State Street Fund Services (Ireland) Limited, and; (d) appointed the Principal Money Manager to market and promote the shares of the Funds.

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.

The Euro Fixed Income Fund		The Global Bond (Euro Hedged) Fund		The Pan European Equity Fund	
Class A	1.40%	Class A	1.50%	Class A	1.60%
Class B	0.80%	Class B	0.90%	Class B	1.00%
Class F	1.60%	Class DH-B	0.90%	Class F	1.80%
Class I	0.60%	Class F	1.80%	Class I	0.90%
Class I Income	0.60%	Class I	0.65%	Class MZ Income	0.40%
Class MZ Income	0.40%	Class I Income	0.65%	Class PAM EU	2.30%
Class P Income	1.00%	Class MZ Income	0.40%	Class R Roll-Up	1.25%
Class S	1.02%				
The U.K. Equity Plus Fund		The U.S. Growth Fund			
Class B	0.65%	Class A Income	1.60%		
Class C	1.25%	Class B	1.00%		
Class I Income	0.65%	Class C	1.60%		
Class K	1.25%	Class I	1.00%		
Class P Income	1.25%	Class I Income	1.00%		

Notes to the Financial Statements - continued

30 September 2008

The U.S. Quant Fund		The U.S. Value Fund		The World Equity Fund	
Class A Income	1.50%	Class A Income	1.60%	Class B	0.90%
Class B	1.00%	Class B	1.00%	Class C	1.60%
Class C	1.60%	Class C	1.60%	Class D	0.75%
Class D	0.65%	Class I	1.00%	Class EH-T	1.15%
Class I Income	0.80%	Class I Income	1.00%	Class I	0.90%
Class K	1.60%			Class J	1.60%
Class MZ Income	0.40%			Class N	2.30%
Class P Income	1.50%			Class SH-B	0.95%
Class R Roll-Up	1.20%			Class TYA	0.68%
Class SH-B	1.05%			Class TDC NV	0.58%

Rates for classes of shares not yet funded are not listed.

The Manager discharges all fees payable to the Principal Money Manager.

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

All of the Directors of the Company hold directorships in the Manager except Ms. Anna Nye.

All of the Directors of the Company are also directors of Russell Investment Company III plc.

The following Directors of the Company are directors of the Principal Money Manager: Mr. James Firn, Mr. James Beveridge, Mr. Neil Jenkins and Ms. Anna Nye.

The following Directors of the Company are employed by Frank Russell Company in Tacoma: Mr. Karl Ege, Mr. Randall P. Lert and Mr. Hal Strong. Mr. Lert and Mr. Jenkins (as alternate for Mr. Lert) resigned from the Board of Directors of the Company with effect from 17 October 2008.

Russell Implementation Services Inc is engaged by the Company to carry out currency trading for which a fee of 0.02 per cent per trade will be charged. For the period ended 30 September 2008 and the year ended 31 March 2008 no such fees have been charged to the Company.

Directed Transactions

Under the terms of their agreements with the Principal Money Manager, each of the money managers is obliged, subject to the requirement of best execution, to direct a portion of its portfolio transactions through the broker network operated by Russell Implementation Services, Inc, a related party of the Manager. Upon the completion of such directed transactions, up to 70 per cent of the commissions generated by a Fund are available for use in a soft commission arrangement as described below. The gross amount of commission traded through the broker network operated by LJR Recapture Services (LJR), on behalf of the commission recapture program for the period ended 30 September 2008 amounted to USD 436,067 (31 March 2008: USD 665,104) and is directed to the underlying Funds.

Soft Commission Arrangements

The Principal Money Manager has the right under the terms of its agreements with the money managers to request that the money manager, subject to a requirement of best execution, executes transactions that enable it or its advisers to purchase brokerage and research services that assist in the provision of investment services to the Company and are in the best interests of the Company's shareholders. Brokerage and research services include: (1) advice either directly or indirectly through publications or writings as to the value of securities, the advisability of investing in, purchasing or selling securities and the availability of securities or of purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; and/or (3) effecting securities transactions and performing functions incidental thereto (such as clearance and settlement) or that are required in connection therewith.

The Principal Money Manager has received the following goods and services from brokers and dealers over the period covered by these accounts: written and oral research reports from brokers or dealers; computer based financial systems together with their associated software and servicing support; and statistical analyses relating to markets, companies, industries, business and economic factors, market trends and portfolio strategies. All goods and services received comply with the Financial Services Authority's requirements.

Notes to the Financial Statements - continued

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Investment in Russell Investment Company III plc

Funds of the Company may invest in sub-funds of Russell Investment Company III plc (“RIC III plc”) which is also managed by the Manager. RIC III plc is an umbrella structure with segregated liability between sub-funds and consisted of four sub-funds as at 30 September 2008. The investment objective of The Euro Cash Fund, The Sterling Cash Fund and the U.S. Dollar Cash Fund is to provide the maximum current income that is consistent with the preservation of capital and liquidity by investing in short term, high-grade debt and debt-related instruments. The investment objective of The Active Currency Fund is to generate capital appreciation and income from actively managed currency positions, with a positive return above a USD 3 month LIBOR benchmark. Uninvested cash in the Funds is swept daily to RIC III plc, as appropriate, to maximise the earnings of cash held. A management fee which varies from 0.05 per cent to 1.80 per cent of the underlying net asset value is incurred depending on the sub-fund/share class of RIC III plc in which a Fund invests.

Principal Money Manager and Money Managers

The Principal Money Manager and the Manager may invest a Fund’s assets or may appoint money managers to do so. Some of the money managers selected may be related parties to the Fund. Subject to the supervision and guidance of the Principal Money Manager and the Manager, the money managers determine the investments to be purchased and sold by a Fund. The Principal Money Manager and the Manager discharges all fees payable to the money managers, which are based on the value of the assets within the Fund managed by the money managers.

Custodian and Trustee

State Street Custodial Services (Ireland) Limited is the Custodian and Trustee (the “Custodian”). The Custodian has delegated its function to a global sub-custodian. 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. The total rate varies between 0.004 per cent and 0.35 per cent. The Custodian and Administrator may, on aggregate, charge a maximum fee and a maximum fee of up to 0.20 per cent of the Net Asset Value per Fund.

Administrator

State Street Fund Services (Ireland) Limited is the Administrator. The Manager on behalf of the Company has entered into an administration agreement with the Administrator. The Administrator is responsible for the daily determination of the net asset value, maintaining the books and records of the Funds in respect of the Company and other administrative services.

Pursuant to the administration agreement the Manager shall pay to the Administrator out of the assets of the Funds a fee of 0.025 per cent per annum on the average monthly net asset value of the Funds up to USD 750 million and a fee of 0.025 per cent per annum on all the average monthly net asset value of the Funds for the next USD 750 million and a fee of 0.02 percent per annum on all the average monthly net asset value of the Funds in excess of USD 1.5 billion. Such fees will accrue and be paid monthly in arrears. The Manager shall discharge reasonable out of pocket expenses payable to the Administrator out of the Funds’ assets.

All administration fees will accrue and be paid monthly in arrears. The fees are stated net of discount, when the assets of funds promoted or co-promoted by Russell Investment Group and administered by the Administrator exceed a total value of USD 70 billion. The standard discount rate applicable here is 0.01 per cent. Rates increase thereafter as follows:

In excess of USD 100 billion: 0.0015%;

4. Securities Lending

At 30 September 2008, the aggregate value of securities on loan by the Company amounted to USD 471,425,978 (31 March 2008: USD 1,614,353,554) and the value of collateral held by the Company in respect of these securities amounted to USD 487,927,623 (31 March 2008: USD 1,660,953,634). The Company participates in two securities lending programs, one with State Street Bank and Trust Company and one with Securities Finance Trust Company.

Income generated from the investment of cash collateral, less negotiated rebate fees paid to participating brokers, is divided between the Fund and the relevant securities lending agent and is recorded as securities lending income for the Fund. This is reported as securities lending income in the financial statements. To the extent that a loan is secured by non-cash collateral, brokers pay the Fund negotiated lenders’ fees which are divided between the Fund and the relevant securities lending agent and are recorded as security lending income for the Fund.

As at the period end date the loans are secured by cash collateral only. The securities on loan are included in the investments at fair value of each Fund and have been valued in accordance with the accounting policies as outlined in Note 1.

Notes to the Financial Statements - continued

30 September 2008

As of 30 September 2008, the value of outstanding securities on loan and the value of collateral recorded by the Funds were the following:

Fund	Functional currency of Fund	Value of Outstanding Securities on Loan USD	Value of Collateral USD
The Euro Fixed Income Fund	EUR	146,017,015	147,812,427
The Global Bond (Euro Hedged) Fund	EUR	85,396,653	86,707,860
The Pan European Equity Fund	EUR	77,921,666	81,880,851
The U.K. Equity Plus Fund	GBP	37,496,422	39,647,910
The U.S. Growth Fund	USD	1,123,628	1,146,101
The U.S. Quant Fund	USD	-	-
The U.S. Value Fund	USD	-	-
The World Equity Fund	USD	123,470,593	130,732,475

As of 31 March 2008, the value of outstanding securities on loan and the value of collateral recorded by the Funds were the following:

Fund	Functional currency of Fund	Value of Outstanding Securities on Loan USD	Value of Collateral USD
The Euro Fixed Income Fund	EUR	163,178,972	164,574,816
The Global Bond (Euro Hedged) Fund	EUR	199,751,961	202,701,592
The Pan European Equity Fund	EUR	93,942,729	98,850,155
The U.K. Equity Plus Fund	GBP	55,838,468	58,970,775
The U.S. Growth Fund	USD	93,070,872	94,940,150
The U.S. Quant Fund	USD	133,474,818	136,158,108
The U.S. Value Fund	USD	33,192,480	33,860,266
The World Equity Fund	USD	841,903,254	870,897,772

5. Cash at Bank and Bank Overdrafts

All cash balances and bank overdrafts are held by State Street Bank and Trust Company, with the exception of amounts on overnight deposit.

6. Number of Shares in Issue and Net Assets Attributable to Holders of Redeemable Participating Shares

Nature of Redeemable Share

Each share will represent 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 in the Company 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 will equal the net asset value per share.

Listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per share for subscriptions and redemptions and for various fee calculations. However, as stated in Note 1 the accounting policy of the Company for the purpose of compliance with FRS 26 and for reporting purpose is to value its investments at the relevant bid market prices on the Balance Sheet date. As at 30 September 2008, the difference between the valuation methods stated in the financial statements of investments and the valuation methodology indicated in the Company's prospectus, results in a decrease in value of investments by EUR 6,983,016 (31 March 2008: EUR7,268,019).

Net assets attributable to shareholders represent a liability in 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. Consequently, the differences described above adjust the carrying amount of the net assets attributable to the shareholders. The cumulative adjustment is included as "Adjustment from bid market prices to last traded market prices" on the Balance Sheet.

Authorised

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.

Holder of subscriber shares are not entitled to dividends or any surplus of assets over liabilities upon the winding up of the Company.

Notes to the Financial Statements - continued

30 September 2008

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 Fund attributable to such shares and to attend and vote at meetings of the Company and of the 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.

Anti-Dilution Levies

Participating shareholders may be required to pay an anti-dilution levy to be determined from time to time by the Directors (and which shall not exceed 2 per cent of the subscription/redemption monies), on the market value of the relevant subscription and redemption amounts. The anti-dilution levy is paid to a Fund and is used to defray the cost related to the associated purchase or sale of securities within a Fund as a result of shareholder transactions.

During the period end 30 September 2008 and year end 31 March 2008, shareholders did not pay anti-dilution levies on shares issued or shares redeemed.

Participating Share Transactions for the period ended 30 September 2008

All cash amounts are in the functional currency of the relevant Fund not the currency of the Class.

	<u>Class A</u>	<u>Class B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>	<u>Class MZ</u>
The Euro Fixed Income Fund	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Income</u>	<u>Income</u>
At beginning of period	192	81,596	812	4,107,215	3,433,664	2,748,376
Shares issued	-	5,351	45	418,138	106,278	82,172
Shares redeemed	-	(10,672)	(145)	(686,625)	(297,825)	(128,030)
At end of period	<u>192</u>	<u>76,275</u>	<u>712</u>	<u>3,838,728</u>	<u>3,242,117</u>	<u>2,702,518</u>

	<u>Class A</u>	<u>Class B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>	<u>Class MZ</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>Income</u>	<u>Income</u>
Subscriptions during the period	-	6,692,958	51,495	8,323,801	1,707,158	833,325
Redemptions during the period	-	(13,154,464)	(164,552)	(13,538,338)	(4,777,951)	(1,295,015)

The Euro Fixed Income Fund	<u>Class P</u>	<u>Class S</u>
	<u>Income</u>	<u>Income</u>
	<u>Shares</u>	<u>Shares</u>
At beginning of period	368,284	98,330
Shares issued	8,264	17,990
Shares redeemed	(49,016)	(15,459)
At end of period	<u>327,532</u>	<u>100,861</u>

	<u>Class P</u>	<u>Class S</u>
	<u>Income</u>	<u>Income</u>
	<u>EUR</u>	<u>EUR</u>
Subscriptions during the period	15,973	1,757,697
Redemptions during the period	(606,443)	(1,531,072)

The Global Bond (Euro Hedged) Fund	<u>Class A</u>	<u>Class B</u>	<u>Class DH-B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Income</u>	<u>Income</u>
At beginning of period	1,027	318,456	7,135,533	1,905	4,099,774	3,448,908
Shares issued	164	16,509	157,822	147	372,539	105,049
Shares redeemed	(137)	(85,901)	(2,114,919)	(462)	(784,432)	(448,008)
At end of period	<u>1,054</u>	<u>249,064</u>	<u>5,178,436</u>	<u>1,590</u>	<u>3,687,881</u>	<u>3,105,949</u>

	<u>Class A</u>	<u>Class B</u>	<u>Class DH-B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>Income</u>	<u>Income</u>
Subscriptions during the period	206,492	21,806,002	1,127,358	166,215	7,475,993	1,708,789
Redemptions during the period	(173,335)	(113,156,551)	(15,367,063)	(520,470)	(15,702,523)	(7,248,606)

Notes to the Financial Statements - continued

30 September 2008

	Class MZ Income					
The Global Bond (Euro Hedged) Fund	Shares					
At beginning of period	2,732,448					
Shares issued	28,297					
Shares redeemed	(148,304)					
At end of period	<u>2,612,441</u>					
	Class MZ Income EUR					
Subscriptions during the period	289,162					
Redemptions during the period	(1,546,583)					
	Class A	Class B	Class F	Class I	Class MZ Income	Class PAM EU
The Pan European Equity Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	18,402	341,387	14,542	22,189	462,036	1,741,062
Shares issued	15,856	9,110	2,226	927	99,697	27,707
Shares redeemed	(15,466)	(71,516)	(2,621)	-	(94,877)	(491,709)
At end of period	<u>18,792</u>	<u>278,981</u>	<u>14,147</u>	<u>23,116</u>	<u>466,856</u>	<u>1,277,060</u>
	Class A EUR	Class B EUR	Class F EUR	Class I EUR	Class MZ Income EUR	Class PAM EU EUR
Subscriptions during the period	13,714,682	7,898,651	2,706,590	16,974	1,200,630	361,120
Redemptions during the period	(13,225,772)	(60,569,700)	(2,959,776)	-	(1,215,525)	(6,091,519)
	Class R Roll-Up					
The Pan European Equity Fund	Shares					
At beginning of period	340,364					
Shares issued	59,310					
Shares redeemed	(9,878)					
At end of period	<u>389,796</u>					
	Class R Roll-Up EUR					
Subscriptions during the period	5,340,095					
Redemptions during the period	(889,843)					
	Class B	Class C	Class I Income	Class K	Class P Income	
The U.K. Equity Plus Fund	Shares	Shares	Shares	Shares	Shares	
At beginning of period	1,965,641	58,156	124,065	96,041	200,990	
Shares issued	370,163	23,282	5,344	3,758	26,305	
Shares redeemed	(293,140)	(11,203)	(4,612)	(46,378)	(25,418)	
At end of period	<u>2,042,664</u>	<u>70,235</u>	<u>124,797</u>	<u>53,421</u>	<u>201,877</u>	
	Class B GBP	Class C GBP	Class I Income GBP	Class K GBP	Class P Income GBP	
Subscriptions during the period	36,812,703	1,538,429	488,000	230,090	2,413,882	
Redemptions during the period	(29,233,742)	(769,816)	(425,000)	(2,560,544)	(2,357,847)	

Notes to the Financial Statements - continued

30 September 2008

	Class A	Class B	Class C	Class I	Class I	
	Income				Income	
The U.S. Growth Fund	Shares	Shares	Shares	Shares	Shares	
At beginning of period	260,457	26,373,458	45,585	805,329	217,362	
Shares issued	1,805	1,374,213	1,328	2,293	4,640	
Shares redeemed	(194,626)	(8,984,798)	(13,096)	(192,903)	(17,504)	
At end of period	67,636	18,762,873	33,817	614,719	204,498	
	Class A	Class B	Class C	Class I	Class I	
	Income				Income	
	USD	USD	USD	USD	USD	
Subscriptions during the period	20,363	16,363,097	2,003,975	38,360	77,058	
Redemptions during the period	(2,179,814)	(103,399,447)	(20,262,654)	(3,108,207)	(289,802)	
	Class A	Class B	Class C	Class D	Class EH-B	Class I
The U.S. Quant Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	25,566	25,013,391	17,898	88,659	93,159	6,178,031
Shares issued	15	1,295,422	99	-	-	116,632
Shares redeemed	(9,206)	(10,192,657)	(16,858)	(1,410)	(93,159)	(1,507,235)
At end of period	16,375	16,116,156	1,139	87,249	-	4,787,428
	Class A	Class B	Class C	Class D	Class EH-B	Class I
	Income	Income	Income	Income	Income	Income
	USD	USD	USD	USD	USD	USD
Subscriptions during the period	214	15,953,386	106,071	-	-	1,986,027
Redemptions during the period	(332,828)	(126,888,807)	(17,824,953)	(30,039)	(15,860,549)	(25,813,443)
	Class K	Class MZ	Class P	Class R	Class SH-B	
The U.S. Quant Fund	Shares	Income	Income	Roll-Up	Shares	
At beginning of period	144,924	601,966	2,172,868	89,931	-	
Shares issued	-	111,694	83,654	116,774	14,441	
Shares redeemed	(80,346)	(132,409)	(511,026)	(92,265)	(4,633)	
At end of period	64,578	581,251	1,745,496	114,440	9,808	
	Class K	Class MZ	Class P	Class R	Class SH-B	
	USD	USD	Income	Roll-Up	Income	
	USD	USD	USD	USD	USD	
Subscriptions during the period	-	1,580,990	1,709,120	14,607,686	28,799,975	
Redemptions during the period	(1,300,000)	(1,926,744)	(11,444,393)	(11,136,335)	(8,557,222)	
	Class A	Class B	Class C	Class I	Class I	
The U.S. Value Fund	Shares	Shares	Shares	Shares	Shares	
At beginning of period	875,769	25,901,078	43,732	10,159	174,917	
Shares issued	26,553	2,909,279	4,903	247	10,807	
Shares redeemed	(507,734)	(9,838,065)	(15,226)	-	(4,822)	
At end of period	394,588	18,972,292	33,409	10,406	180,902	
	Class A	Class B	Class C	Class I	Class I	
	Income	Income	Income	Income	Income	
	USD	USD	USD	USD	USD	
Subscriptions during the period	356,707	41,859,780	7,526,172	5,019	210,991	
Redemptions during the period	(6,460,290)	(134,549,706)	(26,388,652)	-	(96,564)	
	Class B	Class C	Class D	Class EH-T	Class I	Class J
The World Equity Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	50,083,128	6,593,107	728	20,021,706	47,891,315	3,853,650
Shares issued	2,992,671	3,737,267	641	216,061	365,631	3,332,648
Shares redeemed	(657,129)	(1,107,153)	(283)	(2,018,397)	(665,784)	(2,034,931)
At end of period	52,418,670	9,223,221	1,086	18,219,370	47,591,162	5,151,367
	Class B	Class C	Class D	Class EH-T	Class I	Class J
	USD	USD	USD	USD	USD	USD
Subscriptions during the period	44,337,303	67,671,341	14,660	3,269,533	10,251,488	50,234,902
Redemptions during the period	(10,141,760)	(20,153,559)	(89)	(33,001,780)	(16,886,576)	(30,199,550)

Notes to the Financial Statements - continued

30 September 2008

	<u>Class N</u>	<u>Class SH-B</u>	<u>Class TDC NV</u>	<u>Class TYA</u>
The World Equity Fund	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
At beginning of period	53,459	3,336,069	10,000,000	2,975,785
Shares issued	8,597	71,861	-	-
Shares redeemed	(22,713)	(265,180)	-	(5,742)
At end of period	<u>39,343</u>	<u>3,142,750</u>	<u>10,000,000</u>	<u>2,970,043</u>
	<u>Class N</u>	<u>Class SH-B</u>	<u>Class TDC-NV</u>	<u>Class TYA</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Subscriptions during the period	1,006,237	14,883,199	-	-
Redemptions during the period	(2,599,130)	(56,982,082)	-	(47,167)

Participating Share Transactions for the period ended 30 September 2007

All cash amounts are in the functional currency of the relevant Fund not the currency of the Class.

	<u>Class A</u>	<u>Class B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>	<u>Class MZ</u>
The Euro Fixed Income Fund	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Income</u>	<u>Shares</u>
At beginning of period	231	117,096	781	5,290,157	4,294,967	2,395,672
Shares issued	49	12,378	412	242,626	87,881	70,886
Shares redeemed	(87)	(42,634)	(238)	(422,819)	(322,495)	(23,548)
At end of period	<u>192</u>	<u>86,840</u>	<u>955</u>	<u>5,109,964</u>	<u>4,060,352</u>	<u>2,443,010</u>
	<u>Class A</u>	<u>Class B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>	<u>Class MZ</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Subscriptions during the period	57,144	18,872,780	494,203	5,042,591	1,523,849	70,208
Redemptions during the period	(148,021)	(55,182,933)	(295,312)	(8,515,061)	(5,336,357)	(254,859)

	<u>Class P</u>	<u>Class S</u>
The Euro Fixed Income Fund	<u>Income</u>	<u>Shares</u>
At beginning of period	136,967	121,768
Shares issued	436,581	10,534
Shares redeemed	(70,694)	(41,323)
At end of period	<u>502,854</u>	<u>90,979</u>
	<u>Class P</u>	<u>Class S</u>
	<u>Income</u>	<u>Shares</u>
	<u>EUR</u>	<u>EUR</u>
Subscriptions during the period	5,938,935	1,578
Redemptions during the period	(980,309)	(4,142,640)

	<u>Class A</u>	<u>Class B</u>	<u>Class DH-B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>
The Global Bond (Euro Hedged) Fund	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Income</u>
At beginning of period	2,250	446,817	8,931,714	2,031	5,399,835	4,378,102
Shares issued	99	25,262	1,344,544	1,609	227,481	61,956
Shares redeemed	(1,368)	(106,778)	(1,420,836)	(866)	(480,478)	(369,109)
At end of period	<u>981</u>	<u>365,302</u>	<u>8,855,421</u>	<u>2,775</u>	<u>5,146,838</u>	<u>4,070,949</u>
	<u>Class A</u>	<u>Class B</u>	<u>Class DH-B</u>	<u>Class F</u>	<u>Class I</u>	<u>Class I</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>Income</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Subscriptions during the period	123,483	32,779,099	10,868,343	1,813,860	4,496,279	1,032,765
Redemptions during the period	(14,962,782)	(138,682,566)	(11,431,825)	(1,070,411)	(9,548,098)	(6,165,770)

Notes to the Financial Statements - continued

30 September 2008

	Class MZ					
The Global Bond (Euro Hedged) Fund	Shares					
At beginning of period	2,856,597					
Shares issued	76,296					
Shares redeemed	(491,329)					
At end of period	2,441,564					
	Class MZ					
	EUR					
Subscriptions during the period	816,552					
Redemptions during the period	(5,409,190)					
	Class A	Class B	Class F	Class I	Class MZ	Class PAMEU
The Pan European Equity Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	30,837	418,843	14,452	231,439	419,432	3,779,822
Shares issued	2,025	75,114	28,144	3,615	6,138	1,185,416
Shares redeemed	(3,748)	(96,960)	(1,282)	(15,917)	(20,913)	(1,656,253)
At end of period	29,114	396,997	15,984	219,127	404,657	3,308,985
	Class A	Class B	Class F	Class I	Class MZ	Class PAMEU
	EUR	EUR	EUR	EUR	EUR	EUR
Subscriptions during the period	2,042,223	79,951,561	4,343,346	80,655	102,560	19,166,298
Redemptions during the period	(3,921,913)	(102,578,925)	(1,922,717)	(353,725)	(360,817)	(27,297,067)
	Class R					
	Roll-Up					
The Pan European Equity Fund	Shares					
At beginning of period	356,547					
Shares issued	39,839					
Shares redeemed	(83,738)					
At end of period	312,648					
	Class R					
	Roll-Up					
	EUR					
Subscriptions during the period	4,557,426					
Redemptions during the period	(9,460,353)					
	Class B	Class C	Class I	Class K	Class P	
The U.K. Equity Fund	Shares	Shares	Income	Income	Income	
At beginning of period	1,455,245	88,000	-	135,831	137,943	
Shares issued	77,689	-	115,562	161,895	39,277	
Shares redeemed	(105,867)	(10,200)	-	(29,259)	(13,755)	
At end of period	1,427,067	77,800	115,562	268,467	163,465	
	Class B	Class C	Class I	Class K	Class P	
	GBP	GBP	Income	Income	Income	
	GBP	GBP	GBP	GBP	GBP	
Subscriptions during the period	8,666,123	-	11,556,238	10,217,052	4,185,599	
Redemptions during the period	(11,862,637)	(748,412)	-	(1,794,124)	(1,492,309)	
	Class B	Class C	Class I	Class I	Class P	
The U.K. Systematic Fund	Shares	Shares	Income	Income	Income	
At beginning of period	3,442,523	7,260	8,090,178	1,403,147	3,68,316	
Shares issued	133,936	12	158,413	140,411	6,862	
Shares redeemed	(399,260)	(1,024)	(558,812)	(990,540)	(108,247)	
At end of period	3,177,199	6,248	7,689,779	553,017	266,931	
	Class B	Class C	Class I	Class I	Class P	
	GBP	GBP	Income	Income	Income	
	GBP	GBP	GBP	GBP	GBP	
Subscriptions during the period	1,919,891	15,761	2,275,254	1,799,138	107,615	
Redemptions during the period	(6,013,844)	(1,356,835)	(8,152,391)	(12,536,815)	(1,707,691)	

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	Class A	Class B	Class C	Class I	Class I	
	Income				Income	
The U.S. Growth Fund	Shares	Shares	Shares	Shares	Shares	
At beginning of period	301,215	25,476,937	74,522	4,744,176	521,119	
Shares issued	165,241	3,609,170	19,206	4,605	22,334	
Shares redeemed	(42,208)	(3,118,755)	(36,107)	(3,916,183)	(344,680)	
At end of period	<u>424,249</u>	<u>25,967,352</u>	<u>57,622</u>	<u>832,598</u>	<u>198,773</u>	
	Class A	Class B	Class C	Class I	Class I	
	Income				Income	
	USD	USD	USD	USD	USD	
Subscriptions during the period	1,864,847	44,619,765	31,090,769	78,647	378,164	
Redemptions during the period	(525,905)	(39,839,406)	(62,665,628)	(69,481,638)	(6,118,926)	
	Class A	Class B	Class C	Class D	Class E	Class EH-B
The U.S. Quant Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	373,676	52,274,626	63,145	261,092	14,086	106,144
Shares issued	35,980	4,229,916	1,023	-	253	-
Shares redeemed	(159,504)	(12,088,759)	(11,572)	(27,162)	(14,305)	(12,985)
At end of period	<u>250,152</u>	<u>44,415,783</u>	<u>52,595</u>	<u>233,930</u>	<u>34</u>	<u>93,159</u>
	Class A	Class B	Class C	Class D	Class E	Class EH-B
	Income	Income	Income	Income	Income	Income
	USD	USD	USD	USD	USD	USD
Subscriptions during the period	608,577	59,265,366	1,221,788	-	301,256	1,528
Redemptions during the period	(2,681,511)	(171,431,747)	(14,396,038)	(658,331)	(17,724,872)	(2,113,801)
	Class I	Class I	Class K	Class MZ	Class P	Class R
The U.S. Quant Fund	Shares	Income	Shares	Shares	Income	Roll-Up
At beginning of period	9,223,839	620,893	144,924	509,033	2,980,475	69,004
Shares issued	225,205	515	-	1,964	160,625	21,818
Shares redeemed	(3,314,592)	(380,943)	-	-	(374,857)	(9,767)
At end of period	<u>6,134,452</u>	<u>240,465</u>	<u>144,924</u>	<u>510,997</u>	<u>2,766,243</u>	<u>81,055</u>
	Class I	Class I	Class K	Class MZ	Class P	Class R
	Income	Income	Income	Income	Income	Roll-Up
	USD	USD	USD	USD	USD	USD
Subscriptions during the period	4,341,601	10,248	-	32,746	4,063,266	3,016,066
Redemptions during the period	(65,598,994)	(7,170,533)	-	-	(9,674,313)	(1,322,335)
	Class A	Class B	Class C	Class I	Class I	
The U.S. Value Fund	Income	Income	Income	Income	Income	
	Shares	Shares	Shares	Shares	Shares	
At beginning of period	1,328,276	26,333,573	78,300	3,420,855	399,009	
Shares issued	149,507	3,396,536	16,762	1,633	23,600	
Shares redeemed	(273,314)	(3,927,405)	(25,460)	(3,412,603)	(267,256)	
At end of period	<u>1,204,469</u>	<u>25,802,704</u>	<u>69,602</u>	<u>9,884</u>	<u>155,353</u>	
	Class A	Class B	Class C	Class I	Class I	
	Income	Income	Income	Income	Income	
	USD	USD	USD	USD	USD	
Subscriptions during the period	2,363,598	57,373,512	32,428,691	38,910	534,996	
Redemptions during the period	(4,391,717)	(65,648,545)	(51,495,717)	(80,956,904)	(6,212,366)	
	Class B	Class C	Class D	Class EH-T	Class I	Class J
The World Equity Fund	Shares	Shares	Shares	Shares	Shares	Shares
At beginning of period	64,465,968	10,440,348	281	17,412,715	56,259,227	3,720,427
Shares issued	4,275,591	520,810	107	148,668	98,990	522,428
Shares redeemed	(2,336,444)	(2,546,884)	-	(313,957)	(3,360,428)	(224,730)
At end of period	<u>66,405,115</u>	<u>8,414,274</u>	<u>388</u>	<u>17,247,426</u>	<u>52,997,790</u>	<u>4,018,125</u>
	Class B	Class C	Class D	Class EH-T	Class I	Class J
	Income	Income	Income	Income	Income	Income
	USD	USD	USD	USD	USD	USD
Subscriptions during the period	70,913,028	10,246,584	2,701	2,384,843	2,971,337	8,473,523
Redemptions during the period	(39,130,452)	(51,624,354)	-	(4,936,796)	(101,505,476)	(3,694,370)

Notes to the Financial Statements - continued

30 September 2008

	<u>Class N</u>	<u>Class SH-B</u>	<u>Class TDC NV</u>	<u>Class TYA</u>
The World Equity Fund	Shares	Shares	Shares	Shares
At beginning of period	67,283	2,545,714	-	2,989,766
Shares issued	18,385	41,114	10,000,000	-
Shares redeemed	(17,232)	(250,036)	-	(6,175)
At end of period	<u>68,436</u>	<u>2,336,792</u>	<u>10,000,000</u>	<u>2,983,591</u>

	<u>Class N</u>	<u>Class SH-B</u>	<u>Class TDC NV</u>	<u>Class TYA</u>
	USD	USD	USD	USD
Subscriptions during the period	2,432,443	10,236,695	100,000,000	-
Redemptions during the period	(2,254,350)	(61,875,737)	-	(64,918)

7. 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. It is not chargeable to Irish tax on its income or capital gains. However, Irish tax can arise on the happening of a chargeable event in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, transfer or cancellation of shares. No 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 Taxes Consolidation Act, 1997, (as amended)) 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 Taxes Consolidation Act, 1997 (as amended) is held by the Company.

Capital gains, dividends, and interest received 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.

8. Collateral

Each Fund's assets may be pledged as collateral, and held by the counterparty for open futures contracts, options and interest rate swap contracts. Details of non cash collateral held at period end by brokers or counterparties are disclosed at the base of the Schedule of Investments of each relevant Fund. Amounts of cash held as collateral at period end by brokers (counterparties) are disclosed on the Balance Sheet of each relevant Fund. The Fund may receive collateral from the counterparties and this does not form part of the Fund's assets.

9. Efficient Portfolio Management

The Funds may employ investment techniques and financial derivative instruments for efficient portfolio management as follows:

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used to equitize cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

A forward contract locks-in the price an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another.

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options.

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A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged over a fixed time period, with the terms initially set so that the present value of the swap is zero. The Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps or currency swaps and other derivative instruments both as independent profit opportunities and to hedge existing long positions. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

The Funds may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed.

The Funds may enter into caps and floors which are agreements under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

The Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences ("CFD") are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share and when the contract is closed.

The Funds may enter into credit derivatives to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. The Funds' use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Funds will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

10. Launch of New Funds and Classes of Shares

During the financial period under review the following Fund and classes of shares were funded for the first time.

Classes of Shares

	<u>Launch Date</u>	<u>Launch Price per share</u>	
The U.S. Quant Fund Class SH-B	10/07/2008	USD	1,994.51

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11. 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.

30 September 2008			30 September 2008			30 September 2008		
Argentine Peso	ARS	4.3969	Israeli Shekel	ILS	4.8706	Russian Federation Rouble	RUB	36.0749
Australian Dollar	AUD	1.7807	Japanese Yen	JPY	149.1247	Singapore Dollar	SGD	2.0082
Brazilian Real	BRL	2.7095	Jordanian Dinar	JOD	0.9952	South African Rand	ZAR	11.6314
British Pound	GBP	0.7880	Kenyan Shilling	KES	102.7853	South Korean Won	KRW	1695.3426
Canadian Dollar	CAD	1.4934	Malaysian Ringgit	MYR	4.8355	Sri Lankan Rupee	LKR	151.9129
Czech Koruna	CZK	24.5080	Mexican Peso	MXN	15.4335	Swedish Krona	SEK	9.7943
Danish Krone	DKK	7.4612	Moroccan Dirham	MAD	11.2552	Swiss Franc	CHF	1.575
Egyptian Pound	EGP	7.6729	New Zealand Dollar	NZD	2.1031	Taiwan Dollar	TWD	45.1897
Euro	EUR	1.0000	Norwegian Krone	NOK	8.3047	Thai Baht	THB	47.5334
Hong Kong Dollar	HKD	10.9062	Pakistani Rupee	PKR	109.9139	Turkish Lira	TRL	1.7853
Hungarian Forint	HUF	241.8151	Peruvian New Sol	PEN	4.1739	U.S. Dollar	USD	1.4047
Indian Rupee	INR	65.9694	Philippine Peso	PHP	66.0888	Venezuelan Bolivar	VEB	1.4047
Indonesian Rupiah	IDR	13,245.8517	Polish New Zloty	PLN	3.3889	Zimbabwe Dollar	ZWD	181.8951

The following exchange rates have been used as at 31 March 2008:

31 March 2008			31 March 2008			31 March 2008		
Argentine Peso	ARS	5.0170	Israeli Shekel	ILS	5.5960	Russian Federation Rouble	RUB	37.1540
Australian Dollar	AUD	1.7358	Japanese Yen	JPY	157.7181	Singapore Dollar	SGD	2.1837
Brazil Real	BRL	2.7705	Jordanian Dinar	JOD	1.1226	South African Rand	ZAR	12.8768
British Pound	GBP	0.7972	Kenyan Schilling	KES	99.4305	South Korean Won	KRW	1,569.2590
Canadian Dollar	CAD	1.6258	Malaysian Ringgit	MYR	5.0681	Sri Lankan Rupee	LKR	170.8144
Czech Koruna	CZK	25.2095	Mexican Peso	MXN	16.9017	Swedish Krona	SEK	9.3963
Danish Krone	DKK	7.4572	Moroccan Dirham	MAD	11.4906	Swiss Franc	CHF	1.5671
Egyptian Pound	EGP	8.6330	New Zealand Dollar	NZD	2.0154	Taiwan Dollar	TWD	48.1378
Euro	EUR	1.0000	Norwegian Krone	NOK	8.0522	Thai Baht	THB	49.8895
Hong Kong Dollar	HKD	12.3323	Pakistani Rupee	PKR	99.3433	Turkish Lira	TRY	2.1169
Hungarian Forint	HUF	260.0050	Peruvian New Sol	PEN	4.3472	U.S. Dollar	USD	1.5845
Indian Rupee	INR	63.5721	Philippine Peso	PHP	66.1866	Venezuelan Bolivar	VEB	-
Indonesian Rupiah	IDR	14,585.7827	Polish Zloty	PLN	3.5160	Zimbabwean Dollar	ZWD	47,536.5001

12. Comparative Dealing Net Assets

The Euro Fixed Income Fund	Class A	Class B	Class F	Class I	Class I	Class MZ
	EUR	EUR	EUR	GBP	Income GBP	Income EUR
Total net asset value						
30 September 2008	222,392	91,923,768	787,254	58,540,602	39,197,195	26,636,002
31 March 2008	230,293	101,695,200	932,186	65,469,007	44,259,929	28,528,143
30 September 2007	233,159	109,245,773	1,110,504	71,929,530	47,131,330	26,049,617
Net asset value per share						
30 September 2008	1,158.29	1,205.16	1,105.69	15.25	12.09	9.86
31 March 2008	1,119.44	1,246.33	1,148.01	15.94	12.89	10.38
30 September 2007	1,216.40	1,258.02	1,162.79	14.08	11.61	10.66
	Class P	Class S				
	Income GBP	Income EUR				
The Euro Fixed Income Fund						
Total net asset value						
30 September 2008	3,134,481	9,654,108				
31 March 2008	3,767,545	9,743,938				
30 September 2007	4,640,239	9,110,148				
Net asset value per share						
30 September 2008	9.57	95.72				
31 March 2008	10.23	99.10				
30 September 2007	9.23	100.03				

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The Global Bond (Euro Hedged) Fund	Class A EUR	Class B EUR	Class DH-B USD	Class F EUR	Class I GBP	Class I Income GBP
Total net asset value						
30 September 2008	1,302,767	322,494,263	56,082,462	1,757,074	57,272,792	38,358,470
31 March 2008	1,302,406	421,476,905	79,703,904	2,161,918	65,760,375	44,939,271
30 September 2007	1,234,667	478,699,039	68,884,308	3,131,940	102,383,043	67,255,951
Net asset value per share						
30 September 2008	1,236.02	1,294.82	10.83	1,105.08	15.53	12.35
31 March 2008	1,268.17	1,323.50	11.17	1,134.27	16.04	13.03
30 September 2007	1,258.90	1,310.42	7.78	1,128.78	19.89	16.52

The Global Bond (Euro Hedged) Fund	Class MZ Income EUR
Total net asset value	
30 September 2008	26,645,470
31 March 2008	29,017,338
30 September 2007	26,185,820
Net asset value per share	
30 September 2008	10.20
31 March 2008	10.62
30 September 2007	10.73

The Pan European Equity Fund	Class A EUR	Class B EUR	Class F EUR	Class I GBP	Class MZ Income EUR	Class PAM EU EUR
Total net asset value						
30 September 2008	12,755,384	198,153,600	14,371,796	274,803	5,156,572	13,499,908
31 March 2008	15,134,873	292,896,972	17,917,006	322,184	6,282,885	22,377,620
30 September 2007	29,647,766	420,435,698	24,407,814	4,904,576	6,789,857	52,851,560
Net asset value per share						
30 September 2008	678.77	710.28	1,015.89	11.89	11.05	10.57
31 March 2008	822.46	857.96	1,232.09	14.52	13.60	12.85
30 September 2007	1,010.33	1,059.04	1,527.00	15.62	16.78	15.97

The Pan European Equity Fund	Class R Roll-Up EUR
Total net asset value	
30 September 2008	29,179,051
31 March 2008	30,814,541
30 September 2007	34,982,685
Net asset value per share	
30 September 2008	74.86
31 March 2008	90.53
30 September 2007	111.89

The U.K. Equity Plus Fund	Class B GBP	Class C EUR	Class I Income GBP	Class K USD	Class P Income GBP
Total net asset value					
30 September 2008	170,827,990	4,862,369	9,422,174	4,390,138	16,024,996
31 March 2008	197,100,422	4,783,913	11,381,083	10,586,599	19,443,997
30 September 2007	157,708,867	9,201,280	-	15,983,234	14,675,756
Net asset value per share					
30 September 2008	83.63	69.23	75.50	82.18	79.38
31 March 2008	100.27	82.26	91.73	110.23	96.74
30 September 2007	110.51	103.88	101.69	124.89	107.57

The U.K. Systematic Fund	Class A GBP	Class C EUR	Class I GBP	Class I Income GBP	Class P Income GBP
Total net asset value					
30 September 2008	-	-	-	-	-
31 March 2008	-	-	-	-	-
30 September 2007	46,514,193	11,521,937	112,347,671	6,849,268	4,046,674
Net asset value per share					
30 September 2008	-	-	-	-	-
31 March 2008	-	-	-	-	-
30 September 2007	14.64	1,844.10	14.61	12.85	15.16

Notes to the Financial Statements - continued

30 September 2008

	Class A Income USD	Class B USD	Class C EUR	Class I GBP	Class I Income GBP	
The U.S. Growth Fund						
Total net asset value						
30 September 2008	615,572	185,859,225	31,218,420	4,738,992	1,576,069	
31 March 2008	2,765,680	303,874,669	43,525,470	6,475,650	1,747,590	
30 September 2007	5,182,216	343,136,109	70,534,591	7,490,038	1,788,053	
Net asset value per share						
30 September 2008	9.10	9.91	923.16	7.71	7.71	
31 March 2008	10.62	11.52	954.82	8.04	8.04	
30 September 2007	12.22	13.21	1,224.08	9.00	9.00	
	Class A Income USD	Class B USD	Class C EUR	Class D GBP	Class E EUR	Class EH-B EUR
The U.S. Quant Fund						
Total net asset value						
30 September 2008	208,641	178,978,309	742,628	955,156	-	-
31 March 2008	366,843	310,561,910	11,615,623	971,703	-	9,179,888
30 September 2007	4,211,489	642,589,219	44,441,514	2,906,763	29,810	10,758,353
Net asset value per share						
30 September 2008	12.74	11.11	652.00	10.95	-	-
31 March 2008	14.35	12.42	648.99	10.96	-	98.54
30 September 2007	16.84	14.47	884.98	12.43	876.77	-
	Class I GBP	Class I Income GBP	Class K USD	Class MZ Income EUR	Class P Income GBP	Class R Roll-Up EUR
The U.S. Quant Fund						
Total net asset value						
30 September 2008	40,944,536	-	943,641	5,443,062	19,101,666	8,557,418
31 March 2008	52,914,836	-	2,375,190	5,597,682	24,010,191	6,786,193
30 September 2007	59,666,843	2,301,326	2,766,067	6,171,189	34,985,635	7,949,169
Net asset value per share						
30 September 2008	8.55	-	14.61	9.36	10.94	74.65
31 March 2008	8.57	-	16.39	9.30	11.05	75.46
30 September 2007	9.73	9.57	19.16	12.08	12.65	98.07
	Class SH-B GBP					
The U.S. Quant Fund						
Total net asset value						
30 September 2008	8,859,076					
31 March 2008	-					
30 September 2007	-					
Net asset value per share						
30 September 2008	903.25					
31 March 2008	-					
30 September 2007	-					
	Class A Income USD	Class B USD	Class C EUR	Class I GBP	Class I Income GBP	
The U.S. Value Fund						
Total net asset value						
30 September 2008	4,281,101	224,449,397	32,645,270	95,735	1,613,646	
31 March 2008	11,931,194	381,269,093	47,279,540	104,231	1,750,919	
30 September 2007	20,203,078	42,550,540	97,138,915	114,289	1,760,200	
Net asset value per share						
30 September 2008	10.85	11.83	977.14	9.20	8.92	
31 March 2008	13.62	14.72	1,081.12	10.26	10.01	
30 September 2007	15.86	17.00	1,395.64	11.56	11.33	
	Class B USD	Class C EUR	Class D GBP	Class EH-T EUR	Class I GBP	Class J USD
The World Equity Fund						
Total net asset value						
30 September 2008	669,550,208	98,518,346	11,817	159,413,326	612,834,434	63,089,086
31 March 2008	783,783,886	76,809,697	8,700	203,220,316	677,662,107	58,023,024
30 September 2007	161,371,766	147,000,100	5,044	817,607,032	817,607,032	67,854,256
Net asset value per share						
30 September 2008	12.77	10.68	10.88	8.75	12.88	12.25
31 March 2008	15.65	11.65	11.95	10.15	14.15	15.06
30 September 2007	17.49	14.56	13.02	15.43	15.43	16.89

Notes to the Financial Statements - continued

30 September 2008

The World Equity Fund	Class N USD	Class SH-B GBP	Class TDC NV USD	Class TYA JPY
Total net asset value				
30 September 2008	3,812,025	296,444,733	75,212,427	2,468,296,558
31 March 2008	6,391,441	362,430,536	92,758,187	2,837,589,545
31 March 2007	9,209,394	293,093,837	103,873,154	3,670,042,489
Net asset value per share				
30 September 2008	96.89	94.33	7.52	831.06
31 March 2008	119.56	108.64	9.28	953.56
30 September 2007	13.57	125.43	10.39	1,230.07

13. Directors' Remuneration

None of the Directors affiliated to Frank Russell Company, the Manager, the Principal Money Manager, the Administrator or the Custodian and Trustee will receive a Director's fee.

The fees paid during the period are detailed in the table below:

	Period ended 30 September 2008 EUR	Year ended 31 March 2008 EUR
The Euro Fixed Income Fund	4,077	3,471
The Global Bond (Euro Hedged) Fund	8,911	8,353
The Pan European Equity Fund	5,659	5,939
The U.K. Equity Plus Fund.....	4,302	3,087
The U.K. Systematic Fund.....	-	2,138
The U.S. Growth Fund	3,595	7,211
The U.S. Quant Fund	4,787	4,480
The U.S. Value Fund	4,292	3,566
The World Equity Fund	32,782	29,639
	68,405	67,884

14. Segregated Liability

At a shareholder meeting on 29 September 2006 the shareholders voted in favour of a resolution providing for certain changes to be made to the Memorandum and Articles of Association to provide for segregation of liability between the Funds as provided for in the Investment Funds, Companies and Miscellaneous Provisions Act, 2005. The adoption of segregated liability ensures that the liabilities 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 the other Funds to satisfy those liabilities. Notwithstanding the foregoing there can be no guarantee or assurance that, should an action be brought against the Company in a court of another jurisdiction, that the segregated nature of the Funds would necessarily be upheld.

Notes to the Financial Statements - continued

30 September 2008

15. Distributions (Finance Costs)

Total finance costs/distributions declared for the period ended 30 September 2008 were:

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Class A	(4,541)	(27,036)	(328,398)	-	-	-	-
Class A Income	-	-	-	-	(1,201)	(47,184)	-
Class B	-	(7,206,040)	(5,280,994)	(2,758,002)	(1,301,239)	(1,907,885)	(6,391,966)
Class C	-	-	-	(53,183)	(6,760)	(318,773)	(1,195,636)
Class D	-	-	-	-	(9,848)	-	(161)
Class DH-B	-	(969,334)	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	(2,303,588)
Class F	(16,860)	(40,726)	(395,061)	-	-	-	-
Class I Accumulation	(1,615,496)	(1,690,285)	(8,877)	-	(524,868)	(1,210)	(10,731,774)
Class I Income	(1,035,680)	(1,092,424)	-	(155,677)	-	(19,749)	-
Class J	-	-	-	-	-	-	(681,622)
Class K	-	-	-	(48,158)	(9,444)	-	-
Class MZ	(557,756)	(589,216)	(128,377)	-	(43,971)	-	-
Class N	-	-	-	-	-	-	(42,430)
Class PAM EU	-	-	(379,641)	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	(89,546)	-	-	(262,612)	(177,232)	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	(186,608)	-	-	-	-	-	-
Class SH-B	-	-	-	-	(39,445)	-	(5,342,184)
Class TDCNV Income	-	-	-	-	-	-	(732,205)
Class TYA	-	-	-	-	-	-	(226,457)
Distributions paid on income shares	(1,682,982)	(1,681,640)	(128,377)	(418,289)	(222,404)	(66,933)	(732,205)
Distributions deemed on accumulation shares	(3,740,559)	(9,933,421)	(6,392,971)	(2,859,343)	(1,891,604)	(2,227,868)	(26,915,818)
Total	<u>(5,423,541)</u>	<u>(11,615,061)</u>	<u>(6,521,348)</u>	<u>(3,277,632)</u>	<u>(2,114,008)</u>	<u>(2,294,801)</u>	<u>(27,648,023)</u>

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Dividend rate per share							
Class A	11.8449	13.2413	8.6847	-	-	-	-
Class A Income	-	-	-	-	0.0367	0.0389	-
Class B	12.3086	13.8478	9.0807	0.7250	0.0318	0.0422	0.0622
Class C	-	-	-	0.4504	2.6308	4.9063	0.0732
Class D	-	-	-	-	0.0559	-	0.0944
Class DH-B	-	0.0768	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	0.0625
Class F	11.3047	11.8437	13.0017	-	-	-	-
Class I Accumulation	0.1976	0.2106	0.1928	-	0.0437	0.0585	0.1118
Class I Income	0.1590	0.1702	-	0.6290	-	0.0569	-
Class J	-	-	-	-	-	-	0.0597
Class K	-	-	-	0.3807	0.0420	-	-
Class MZ	0.1021	0.1107	0.1438	-	0.0378	-	-
Class N	-	-	-	-	-	-	0.4732
Class PAM EU	-	-	0.1354	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	0.1259	-	-	0.6622	0.0562	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	0.9780	-	-	-	-	-	-
Class SH-B	-	-	-	-	1.9006	-	0.8391
Class TDCNV Income	-	-	-	-	-	-	0.0368
Class TYA	-	-	-	-	-	-	0.0381

Notes to the Financial Statements - continued

30 September 2008

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Ex-date 31 August 2008, pay date 12 September 2008							
Income earned during the period ended 30 June 2008	2,652,757	5,241,476	5,972,616	1,572,288	777,670	1,016,108	17,985,992
Income payable/allocated							
Class A	(2,266)	(12,870)	(271,267)	-	-	-	-
Class A Income	-	-	-	-	(483)	(15,441)	-
Class B	(938,410)	(3,272,759)	(4,334,345)	(1,322,567)	(429,760)	(833,040)	(4,211,670)
Class C	-	-	-	(30,004)	(2,414)	(155,229)	(881,002)
Class D	-	-	-	-	(3,935)	-	(121)
Class DH-B	-	(423,044)	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	(1,469,871)
Class F	(8,082)	(17,750)	(327,441)	-	-	-	-
Class I Accumulation	(778,862)	(750,715)	(7,406)	-	(191,086)	(607)	(6,979,782)
Class I Income	(506,381)	(493,070)	-	(74,229)	-	(9,843)	-
Class J	-	-	-	-	-	-	(420,062)
Class K	-	-	-	(20,375)	(2,183)	-	-
Class MZ	(270,842)	(264,447)	(106,470)	-	(17,453)	-	-
Class N	-	-	-	-	-	-	(24,990)
Class PAM EU	-	-	(306,487)	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	(43,559)	-	-	(125,092)	(58,972)	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	(97,967)	-	-	-	-	-	-
Class SH-B	-	-	-	-	(39,445)	-	(3,367,456)
Class TDCNV Income	-	-	-	-	-	-	(474,205)
Class TYA	-	-	-	-	-	-	(147,004)
Undistributed Income	6,388	6,821	619,200	21	31,939	1,948	9,829

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Dividend rate per share							
Class A	11.8228	12.2549	14.4353	-	-	-	-
Class A Income	-	-	-	-	0.0295	0.0387	-
Class B	12.2948	12.8264	15.0973	0.7250	0.0256	0.0420	0.0807
Class C	-	-	-	0.4272	2.1200	4.8843	0.0949
Class D	-	-	-	-	0.0451	-	0.1226
Class DH-B	-	0.0730	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	0.0805
Class F	11.2808	10.9569	21.6089	-	-	-	-
Class I Accumulation	0.1974	0.1951	0.3206	-	0.0352	0.0583	0.1451
Class I Income	0.1580	0.1567	-	0.5948	-	0.0566	-
Class J	-	-	-	-	-	-	0.0775
Class K	-	-	-	0.3610	0.0338	-	-
Class MZ	0.1015	0.1019	0.2390	-	0.0304	-	-
Class N	-	-	-	-	-	-	0.6136
Class PAM EU	-	-	0.2249	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	0.1251	-	-	0.6257	0.0452	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	0.9766	-	-	-	-	-	-
Class SH-B	-	-	-	-	3.8011	-	1.0718
Class TDCNV Income	-	-	-	-	-	-	0.0478
Class TYA	-	-	-	-	-	-	0.0494

Notes to the Financial Statements - continued

30 September 2008

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Ex-date 31 May 2008, pay date 13 June 2008							
Income earned during the period ended 31 March 2008	2,778,269	6,381,365	1,288,311	1,705,397	1,370,666	1,283,033	9,679,279
Income payable/allocated							
Class A	(2,275)	(14,166)	(57,131)	-	-	-	-
Class A Income	-	-	-	-	(718)	(31,743)	-
Class B	(978,644)	(3,933,281)	(946,649)	(1,435,435)	(871,479)	(1,074,845)	(2,180,296)
Class C	-	-	-	(23,179)	(4,346)	(163,544)	(314,634)
Class D	-	-	-	-	(5,913)	-	(40)
Class DH-B	-	(546,290)	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	(833,717)
Class F	(8,778)	(22,976)	(67,620)	-	-	-	-
Class I Accumulation	(836,634)	(939,570)	(1,471)	-	(333,782)	(603)	(3,751,992)
Class I Income	(529,299)	(599,354)	-	(81,448)	-	(9,906)	-
Class J	-	-	-	-	-	-	(261,560)
Class K	-	-	-	(27,783)	(7,261)	-	-
Class MZ	(286,914)	(324,769)	(21,907)	-	(26,518)	-	-
Class N	-	-	-	-	-	-	(17,440)
Class PAM EU	-	-	(73,154)	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	(45,987)	-	-	(137,520)	(118,260)	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	(88,641)	-	-	-	-	-	-
Class SH-B	-	-	-	-	-	-	(1,974,728)
Class TDCNV Income	-	-	-	-	-	-	(258,000)
Class TYA	-	-	-	-	-	-	(79,453)
Undistributed Income	1,097	959	120,379	32	2,389	2,392	7,419

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Dividend rate per share							
Class A	11.8670	14.2276	2.9341	-	-	-	-
Class A Income	-	-	-	-	0.0439	0.0391	-
Class B	12.3224	14.8692	3.0641	0.7250	0.0380	0.0423	0.0436
Class C	-	-	-	0.4735	3.1416	4.9282	0.0514
Class D	-	-	-	-	0.0667	-	0.0662
Class DH-B	-	0.0805	-	-	-	-	-
Class E	-	-	-	-	-	-	-
Class EH-B	-	-	-	-	-	-	-
Class EH-T	-	-	-	-	-	-	0.0444
Class F	11.3286	12.7305	4.3944	-	-	-	-
Class I Accumulation	0.1977	0.2260	0.0650	-	0.0521	0.0587	0.0784
Class I Income	0.1599	0.1836	-	0.6632	-	0.0572	-
Class J	-	-	-	-	-	-	0.0419
Class K	-	-	-	0.4004	0.0501	-	-
Class MZ	0.1026	0.1194	0.0486	-	0.0452	-	-
Class N	-	-	-	-	-	-	0.3327
Class PAM EU	-	-	0.0458	-	-	-	-
Class P Accumulation	-	-	-	-	-	-	-
Class P Income	0.1267	-	-	0.6987	0.0672	-	-
Class R Roll-Up	-	-	-	-	-	-	-
Class S	0.9793	-	-	-	-	-	-
Class SH-B	-	-	-	-	-	-	0.6064
Class TDCNV Income	-	-	-	-	-	-	0.0258
Class TYA	-	-	-	-	-	-	0.0267

Notes to the Financial Statements - continued

30 September 2008

Total finance costs/distributions declared for the period ended 30 September 2007 were:

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.K. Systematic Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Dividend rate per share								
Class A	5,760	52,064	425,169	-	815,350	-	-	-
Class A Income	-	-	-	-	-	20,183	130,536	-
Class B	2,515,590	13,665,397	6,407,087	1,692,373	144,074	2,782,008	2,774,735	8,547,777
Class C	-	-	-	62,107	1,901,119	266,234	897,275	1,398,758
Class D	-	-	-	-	-	23,516	-	70
Class Dh - B	-	1,915,518	-	-	-	-	-	-
Class E	-	-	-	-	-	59,112	-	-
Class EH-B	-	-	-	-	-	63,474	-	-
Class EH-T	-	-	-	-	-	-	-	2,091,228
Class EU	-	-	801,100	-	-	-	-	-
Class F	25,821	84,489	319,492	-	-	-	-	-
Class J	-	-	-	-	-	-	-	491,393
Class K	-	-	-	135,601	-	10,579	-	-
Class L	-	-	-	-	-	-	-	-
Class MZ	577,720	685,893	102,560	-	-	33,372	-	-
Class N	-	-	-	-	-	-	-	74,030
Class P Income	82,469	-	-	176,382	-	283,309	-	-
Class P Accumulation	-	-	-	-	-	-	-	-
Class I Income	1,545,892	1,798,461	13,879	2,066,462	72,851	32,672	37,039	-
Class I Accumulation	2,348,411	2,714,203	74,106	-	303,675	575,571	245,198	12,745,631
Class R Roll-Up	-	-	-	-	-	-	-	-
Class S	-	-	-	-	-	-	-	-
Class S Accumulation	185,509	-	-	-	-	-	-	-
Class SH-B	-	-	-	-	-	-	-	4,551,832
TYA Class	-	-	-	-	-	-	-	235,295
TDCNV Class	-	-	-	-	-	-	-	769,000
PAM EU Class	-	-	128,811	-	-	-	-	-
Distributions paid on income shares	1,628,361	1,798,461	142,690	94,196	72,851	336,164	167,575	-
Distributions paid on accumulation shares	5,658,810	19,117,565	8,129,514	1,077,577	3,164,218	3,813,867	3,917,209	30,136,014
Total	7,287,171	20,916,026	8,272,205	1,171,774	3,237,069	4,150,031	4,084,784	30,136,014

Notes to the Financial Statements - continued

30 September 2008

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.K. Systematic Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Ex-date 31 May 2007, pay date 14 June 2007								
Income earned during the period ended 31 March 2007	4,231,904	12,437,036	1,155,731	833,365	1,896,889	2,492,925	2,187,212	10,969,991
Income payable/allocated								
Class A	3,599	39,068	59,332	706,921	491,908	-	-	-
Class A Income	-	-	-	-	-	12,770	68,522	-
Class B	1,460,649	8,231,729	830,498	-	86,596	1,620,301	1,395,855	2,942,949
Class C	-	-	-	-	1,101,582	157,975	451,033	511,315
Class D	-	-	-	-	-	13,738	-	21
Class Dh – B	-	1,127,151	-	-	-	-	-	-
Class E	-	-	-	-	-	35,490	-	-
Class EH-B	-	-	-	-	-	35,834	-	-
Class EH-T	-	-	-	-	-	-	-	739,030
Class EU	-	-	128,811	-	-	-	-	-
Class F	15,233	48,438	41,703	32,751	-	-	-	-
Class J	-	-	-	-	-	-	-	165,918
Class K	-	-	-	-	-	6,000	-	-
Class L	-	-	-	-	-	-	-	-
Class MZ	335,359	390,126	13,879	66,805	-	18,885	-	-
Class N	-	-	-	-	-	-	-	26,762
Class P Income	21,418	-	-	-	-	164,276	-	-
Class P accumulation	-	-	-	-	-	-	-	-
Class I Income	910,831	1,034,324	13,879	-	44,067	24,929	25,973	-
Class I Accumulation	1,378,406	1,565,128	10,032	-	172,073	376,266	244,470	4,551,429
Class R Roll-Up	-	-	-	-	-	-	-	-
Class S	-	-	-	-	-	-	-	-
Class S Accumulation	105,773	-	-	-	-	-	-	-
Class SH-B	-	-	-	-	-	-	-	1,670,518
TYA Class	-	-	-	-	-	-	-	82,817
PAM EU Class	-	-	-	-	-	-	-	-
Undistributed Income	<u>637</u>	<u>1,073</u>	<u>57,597</u>	<u>26,888</u>	<u>663</u>	<u>26,461</u>	<u>1,360</u>	<u>279,233</u>

Notes to the Financial Statements - continued

30 September 2008

	The Euro Fixed Income Fund EUR	The Global Bond (Euro Hedged) Fund EUR	The Pan European Equity Fund EUR	The U.K. Equity Plus Fund GBP	The U.K. Systematic Fund GBP	The U.S. Quant Fund USD	The U.S. Value Fund USD	The World Equity Fund USD
Dividend rate per share								
Class A Accum	15.5890	18.2073	1.9988	-	0.1409	-	-	-
Class A Income	-	-	-	-	-	0.0365	0.0509	-
Class B	16.0905	18.9144	2.0746	0.4903	12.4309	0.0312	0.0541	0.0454
Class C	-	-	-	-	0.1406	2.6003	6.3338	0.0539
Class D	-	-	-	-	-	0.0546	-	0.0688
Class Dh – B	-	0.1180	-	-	-	-	-	-
Class E	-	-	-	-	-	2.6921	-	-
Class EH-B	-	-	-	-	-	0.3376	-	-
Class EH-T	-	-	-	-	-	-	-	0.0426
Class EU	-	-	0.0314	-	-	-	-	-
Class F	14.9115	16.3408	2.9991	-	-	-	-	-
Class G	-	-	-	-	-	-	-	-
Class J	-	-	-	-	-	-	-	0.0439
Class K	-	-	-	0.2725	-	0.0414	-	-
Class L	-	-	-	-	-	-	-	-
Class MZ	0.1392	0.1585	0.0332	-	-	0.0371	-	-
Class N	-	-	-	-	-	-	-	0.3512
Sovereign Class	-	-	-	-	-	-	-	-
SGAM Retail	-	-	-	-	-	-	-	-
SGAM Institutional	-	-	-	-	-	-	-	-
Class P Income	0.1728	-	-	0.4832	-	0.0559	-	-
Class I Income	0.2173	0.2445	0.0332	-	0.1485	0.0422	0.0739	-
Class I Accum	0.2577	0.2869	0.0438	-	0.1257	0.0427	0.0751	0.0816
PAM EU Class	-	-	-	-	-	-	-	-
Class J Accumulation	-	-	-	-	-	-	-	-
Class R Roll-Up	-	-	-	-	-	-	-	-
Class S Accumulation	1.2816	-	-	-	-	-	-	-
Class SH-B	-	-	-	-	-	-	-	0.6607
Class Q	-	-	-	-	-	-	-	-
Class TYA	-	-	-	-	-	-	-	0.0277
CS Class	-	-	-	-	-	-	-	-

Notes to the Financial Statements - continued

30 September 2008

16. Significant Events During the Period

Lehman’s Counterparty Exposure

During the reporting period a number of Lehman Brothers (“Lehman”) entities filed for Chapter 11 bankruptcy. These entities had been used as counterparties on spot and forward foreign exchange contracts, over-the-counter derivatives and exchange-traded futures by various money managers appointed to the Funds.

As at 30 September 2008, there was no counterparty exposure to the RIC II plc Funds.

Lehman Bonds

As at the 30 September 2008, two of the eight Funds in the Company had an exposure to Lehman entities through the following bond trades held at market value:

The adjustments made to the individual Funds Net Asset Values as at 31 October 2008 are as follows:

Fund	Market Value of Bonds		Basis Point Impact
RIC II plc The Euro Fixed Income Fund	EUR	13,827.82	(0.01)%
RIC II plc The Global Bond (Euro-Hedged) Fund	EUR	549,492.27	(0.12)%

Investment in Russell Investment Company III plc - The U.S. Dollar Cash Plus Fund

The Company also experienced an indirect exposure from the Lehman bankruptcy filing. As at the 15 September 2008, various Funds within the Company held investments within a sub-fund of Russell Investment Company III plc - The U.S. Dollar Cash Plus Fund - which held three separate holdings of commercial paper issued by a Lehman entity. As a consequence of the bankruptcy of Lehman, the market value of these securities dropped significantly. In order to protect investors and to ensure that the sub-fund continues to maintain a stable net asset value, Frank Russell Company agreed to provide support to the sub-fund to cover any losses suffered by the sub-fund as a result of its holding of the commercial paper issued by Lehman in the form of a credit support agreement which is backed by a guarantee provided by its parent, The Northwestern Mutual Life Insurance Company.

The Company as a consequence has experienced no losses from its investments in the Russell Investment Company III plc - The U.S. Dollar Cash Plus Fund.

17. Significant Events After the Period

Securities Lending

On 30 September 2008, the SFT Collective Investment Fund (“eSec SFT Fund”) which holds collateral as part of the securities lending programme with eSecLending as lending agent, suspended trading as a consequence of its downgrade by Moody’s Investor Services. The suspension of dealings in the eSec SFT Fund has resulted in a breach by the relevant funds that participate in the securities lending programme of the Financial Regulator’s requirement that cash collateral be invested in a daily dealing triple A-related money market fund. The Financial Regulator has been informed of this situation.

Russell Investments believed the most prudent course of action was to accrue for the expected losses from the eSec SFT Fund in the Funds which had their cash collateral from the securities lending programme invested in the eSec SFT Fund.

The adjustments made 20 October 2008 are as follows using the Net Asset Value of each relevant Fund as at 30 September 2008.

Fund	USD Impact	Basis Point Impact
RIC II plc The World Equity Fund	(2,340,987)	(0.08)%
RIC II plc The Pan European Equity Fund	(2,234,186)	(0.58)%
RIC II plc The U.S. Growth Fund	(27,856)	(0.01)%

On Monday 17 November 2008, Russell Investments made a further provision in several Russell funds for losses that are likely to be incurred due to the presence of some impaired assets held in the eSec SFT Fund.

Notes to the Financial Statements - continued

30 September 2008

The adjustments made 17 November 2008 are as follows using the Net Asset Value of each relevant Fund as at 14 November 2008.

<u>Fund</u>	<u>USD Impact</u>	<u>Basis Point Impact</u>
RIC II plc The World Equity Fund	(2,214,205)	(0.11)%
RIC II plc The Pan European Equity Fund	(2,113,188)	(0.82)%
RIC II plc The U.S. Growth Fund	(26,347)	(0.01)%

Dependent on the valuation of assets held in the eSec SFT Fund, it is possible that Russell Investments will need to accrue for additional losses in respect of the funds which have cash collateral invested in the eSec SFT Fund.

Director resignation

Mr. Randall P. Lert resigned from the Board of Directors of the Company with effect from 17 October 2008. Mr. Neil Jenkins resigned as alternate director for Mr. Lert with effect from 17 October 2008.

Revised Articles of Association

The memorandum and articles of association of the Company were revised by way of special resolution of the shareholders at the annual general meeting held on 30 September 2008. The provisions relating to the valuation of over-the-counter derivatives and to the application of the amortised cost method of calculation were amended for conformity with Financial Regulator's guidelines.

Adoption of performance fees

Shareholders of The Global Bond (Euro Hedged) Fund, The Pan European Equity Fund, The U.S. Growth Fund, The U.S. Quant Fund, The U.S. Value Fund and The World Equity Fund voted in favour of the special resolution to adopt performance fees at the extraordinary general meeting of each Fund held on 30 September 2008. Shareholders of The Euro Fixed Income Fund voted in favour of the special resolution to adopt performance fees at the extraordinary general meeting of the Fund held on 13 October 2008.

Revocation of approval of The U.K. Systematic Fund

The revocation of approval of the U.K. Systematic Fund was confirmed by the Financial Regulator on 18 November 2008.

Prospectus update

The Prospectus was amended to reflect general updates and, in particular, to reflect the amendments made to the memorandum and articles of association of the Company as described above. Also, a performance fee was inserted in respect of each of the Funds described above.

Revised administration agreement and custodian and trusteeship agreement

The Company entered into a revised administration agreement and a revised custodian and trusteeship agreement with the Administrator and the Custodian and Trustee respectively on 21 November 2008.

It is intended that a revised prospectus will be filed on 21 November 2008 along with the administration agreement and custodian and trusteeship agreement. Please note that the filing dates may change.

18. Approval of the Financial Statements

The financial statements were approved by the Directors on 21 November 2008.

Total Expense Ratio

For the period ended 30 September 2008

The average total expense ratio (“TER”) table shows the annualised actual expenses incurred by each Fund (with the exception of the unfunded Funds which are detailed in the Background to the Company on page 5) during the reporting period, expressed as a percentage of the average (avg.) net assets (NAV) of that Fund for the corresponding period.

	Expense % of avg. NAV of Fund
The Euro Fixed Income Fund	
Class A	1.52%
Class B	0.92%
Class F	1.72%
Class I	0.72%
Class I Income	0.72%
Class MZ	0.52%
Class P Income	1.12%
Class S	1.14%
The Global Bond (Euro Hedged) Fund	
Class A	1.60%
Class B	1.00%
Class DH-B	1.00%
Class F	1.90%
Class I	0.74%
Class I Income	0.74%
Class MZ Income	0.50%
The Pan European Equity Fund	
Class A	1.80%
Class B	1.20%
Class F	2.00%
Class I	1.10%
Class MZ Income	0.58%
Class PAM EU	2.50%
Class R Roll-Up	1.45%
The U.K. Equity Plus Fund	
Class B	0.44%
Class C	0.98%
Class I Income	0.44%
Class K	1.04%
Class P Income	1.04%
The U.S. Growth Fund	
Class A Income	1.72%
Class B	1.12%
Class C	1.72%
Class I	1.12%
Class I Income	1.12%
The U.S. Quant Fund	
Class A Income	1.58%
Class B	1.14%
Class C	1.70%
Class D	0.78%
Class I	0.94%
Class K	1.74%
Class MZ Income	0.54%
Class P Income	1.64%
Class R Roll-Up	1.34%
Class SH-B	1.32%

Total Expense Ratio - continued

For the period ended 30 September 2008

	Expense % of avg. NAV of Fund
The U.S. Value Fund	
Class A Income	1.72%
Class B	1.12%
Class C	1.72%
Class I	1.12%
Class I Income	1.12%
The World Equity Fund	
Class B	0.98%
Class C	1.70%
Class D	0.84%
Class EH-T	1.24%
Class I	0.98%
Class J	1.70%
Class N	2.40%
Class SH-B	1.04%
Class TDC NV Income	0.66%
Class TYA	0.76%

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