

2016 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

Russell Investment Company V plc

an umbrella fund with segregated liability between sub-funds

31 March 2016



Russell Multi-Asset 35 Fund
Russell Multi-Asset 50 Fund
Russell Multi-Asset 70 Fund
Russell Multi-Asset 90 Fund
Russell Multi-Asset Defensive Fund

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Administration of the Company

Board of Directors of the Company*

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

Members of the Manager's Audit Committee

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

Registered Office

78 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager

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

Independent Auditors

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

Legal Advisers

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

Administrator

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

Custodian and Trustee

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

Global Sub-Custodian

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

Promoter

Frank Russell Company
1301 Second Avenue
18th Floor
Seattle, WA 98101
United States of America

Company Secretary

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

Adviser and Money Manager

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

Paying Agent and Centralising Agent in France

Société Générale
29, boulevard Haussmann
75009 Paris
France

Paying Agent in Switzerland**

Banque Cantonale de Genève
17, quai de l'Ile
1204 Geneva
Switzerland

Representative in Switzerland**

Carnegie Fund Services S.A.
11, rue du Général-Dufour
1204 Geneva
Switzerland

* As of 31 March 2016.

** The Company's Memorandum and Articles of Association, the Prospectus, the Key Investor Information Documents, the unaudited semi-annual reports, as well as the audited annual reports can be obtained free of charge from the representative in Switzerland. Subscription and redemption prices of the shares of each Fund of the Company are published jointly and daily in Switzerland on "www.fundinfo.com" for information purposes only and do not constitute an invitation to subscribe for or repurchase the Company's shares at those prices.

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.

Background to the Company

Russell Investment Company V plc (the “Company”), was incorporated in Ireland as a public limited company on 15 August 2002. The Company operates pursuant to Irish company law under the Companies Act, 2014 and is authorised by the Central Bank of Ireland (the “Central Bank”).

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

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds and as at 31 March 2016 had seven constituent funds available for investment (each a “Fund” collectively the “Funds”).

Please see each Fund’s Manager’s Report for details of the investment objectives of the particular Fund.

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

The Net assets under management for the Funds as at 31 March 2016 amounted to USD 552,932,948 (as at 31 March 2015: USD 551,422,138) are broken down as follows:

Fund	Funded during the year ended	Functional Currency	Net Assets 31 March 2016 ‘000	Net Assets 31 March 2015 ‘000
Russell Multi-Asset 35 Fund	31 March 2005	USD	75,940	66,090
Russell Multi-Asset 50 Fund	31 March 2005	USD	126,972	133,984
Russell Multi-Asset 70 Fund	31 March 2005	USD	130,046	142,791
Russell Multi-Asset 90 Fund	31 March 2005	USD	115,927	120,568
Russell Multi-Asset Defensive Fund	31 March 2007	USD	104,048	87,989

Russell Controlled Growth Fund and Russell Investments Global Ethical Equity Fund remained unfunded as at 31 March 2016.

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

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

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2016.

Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the Directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland) and Irish law.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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

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

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

The Directors are also responsible for safeguarding the assets of the Company. In this regard they have appointed State Street Custodial Services (Ireland) Limited (the "Custodian and Trustee") as custodian and trustee to the Company pursuant to the terms of a custodian agreement. The Directors have a responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors believe that they have complied with the requirements of the Companies Act 2014, with regard to accounting records by employing an experienced administrator with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained by the Administrator at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Distribution policy

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

Directors' Report - continued

Connected party transactions

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

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

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

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

Principal risks

A detailed analysis of the risks facing each Fund is included in Note 12 of the financial statements.

Results and dividends

The results for the year are set out on the Profit and Loss Account of each individual Fund. There were no dividends declared for the year ended 31 March 2016.

Significant events during the year

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

Significant events since the year end

Significant events since the year end are disclosed in Note 18 of the financial statements.

Voluntary adoption of the Corporate Governance Code

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

Directors

The name and nationality of persons who were Directors at any time during the year ended 31 March 2016 are set out below. All Directors are non-executive directors and all acted as Directors for the full financial year.

Mr. James Firm (American and British) (Chairman)
Mr. James Beveridge (British)
Mr. Peter Gonella (British)
Mr. Neil Jenkins (British)
Mr. John McMurray (American)
Mr. Tom Murray (Irish)
Mr. William Roberts (British and Irish resident)
Mr. David Shubotham (Irish)
Mr. Kenneth Willman (American and British)

Directors' and Company Secretary's interests

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

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

Directors' Report - continued

Independent Auditors

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

On behalf of the Board

12 July 2016

Mr. William Roberts

Mr. Tom Murray

The image shows two handwritten signatures in black ink. The signature on the left is for Mr. William Roberts and appears to be 'W. Roberts'. The signature on the right is for Mr. Tom Murray and is more stylized, appearing to be 'Tom Murray'.

Custodian and Trustee's Report

We have enquired into the conduct of Russell Investment Company V plc (the "Company") for the year ended 31 March 2016, in our capacity as Custodian and Trustee to the Company.

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

Responsibilities of the Custodian and Trustee

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

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

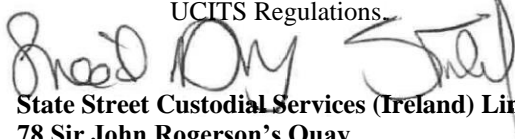
Basis of Custodian and Trustee Opinion

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

Opinion

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

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



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

12 July 2016



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

Report on the financial statements

Our opinion

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

- give a true and fair view of the company's and funds' assets, liabilities and financial position as at 31 March 2016 and of their results for the year then ended;
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 March 2016;
- the profit and loss account for the year then ended;
- the statement of changes in net assets attributable to redeemable participating shareholders for the year then ended;
- the schedule of investments for each of the funds as at 31 March 2016; and
- the notes to the financial statements for the company and for each of its funds which include a summary of significant accounting policies and other explanatory information.

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

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



Independent auditors' report to the members of Russell Investment Company V plc - continued

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

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

Matter on which we are required to report by exception

Directors' remuneration and transactions

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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



Independent auditors' report to the members of Russell Investment Company V plc - continued

What an audit of financial statements involves

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

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

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

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

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

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

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

12 July 2016

Combined Balance Sheet

As at 31 March 2016

	Total 31 March 2016 USD '000	Total 31 March 2015 USD '000
Assets		
Financial assets at fair value through profit or loss	477,623	545,553
Cash at bank	74,371	6,343
Cash held with brokers and counterparties for open financial derivative instruments	3,858	-
Debtors:		
Receivable on fund shares issued	450	2,737
Prepayments and other debtors	248	267
	<u>556,550</u>	<u>554,900</u>
Liabilities		
Financial liabilities at fair value through profit or loss	(1,141)	-
Creditors – amounts falling due within one year:		
Payable for investments purchased	-	(2,320)
Payable on fund shares redeemed	(2,184)	(830)
Management fees payable	(199)	(220)
Custodian and Trustee fees payable	(7)	(7)
Administration fees payable	(21)	(19)
Audit fees payable	(65)	(68)
Other fees payable	-	(14)
	<u>(3,617)</u>	<u>(3,478)</u>
Net assets attributable to redeemable participating shareholders	<u><u>552,933</u></u>	<u><u>551,422</u></u>

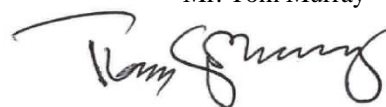
On behalf of the Board

12 July 2016

Mr. William Roberts



Mr. Tom Murray



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

Combined Profit and Loss Account

For the year ended 31 March 2016

	Total 2016 USD '000	Total 2015 USD '000
Income		
Dividends	11	4
Net gain (loss) on investment activities	(18,245)	28,280
Total investment income (expense)	<u>(18,234)</u>	<u>28,284</u>
Expenses		
Management fees	(1,347)	(1,540)
Custodian and Trustee fees	(46)	(31)
Administration and transfer agency fees	(538)	(427)
Audit fees	(65)	(68)
Professional fees	(149)	(129)
Other fees	(121)	(74)
Total operating expenses	<u>(2,266)</u>	<u>(2,269)</u>
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	<u>(20,500)</u>	<u>26,015</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.

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

For the year ended 31 March 2016

	Total 2016 USD '000	Total 2015 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(20,500)	26,015
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions	<u>22,011</u>	<u>53,971</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	1,511	79,986
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>551,422</u>	<u>471,436</u>
End of year	<u><u>552,933</u></u>	<u><u>551,422</u></u>

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

Manager's Report

Investment Objective

The investment objective of Russell Multi-Asset 35 Fund (the "Fund") is to maintain capital value and to generate modest levels of long-term capital appreciation while maintaining a high level of risk control. The Fund seeks to achieve this objective by investing predominantly in other regulated investment funds that invest in equities, fixed income securities and alternative asset classes. Approximately 35 per cent of the Fund's net asset value will be invested in regulated investment funds that invest in growth assets.

Fund Performance

During the year ended 31 March 2016, Russell Multi-Asset 35 Fund (Class A) returned -0.7 per cent on a gross-of-fee basis (-2.7 per cent on a net-of-fee basis), while the benchmark* returned 0.2 per cent.

Market Comment

Global Markets gained in aggregate over the second quarter of 2015, despite Greece's sovereign-debt crisis casting a growing shadow over market sentiment. In the U.S., economic data trends were mixed over the quarter, but evidence that the economy is bouncing back from its first quarter economic slowdown materialised by the end of the period. Employment, consumption and housing data all improved markedly, supporting expectations for a first interest rate hike later this year. Stocks rose marginally over the period, with the pace of subsequent rate hikes at the forefront of investor concerns. Japanese equity markets performed well over the quarter, extending year to date gains. Better than expected GDP growth in the first quarter and strong corporate earnings buoyed market sentiment. Meanwhile, continental European stocks registered losses of 4.2 per cent in local currency terms (-0.6 per cent in U.S. Dollar terms), as worries over Greece outweighed evidence that the Eurozone recovery was gaining momentum. In Emerging Markets (EM), Brazilian stocks rebounded in what was a solid quarter overall for Latin American bourses. Meanwhile, China's long bull market continued for much of the quarter before concerns that the country's stocks were overvalued led to a major sell-off in June. In bonds, the Barclays Global Aggregate Bond index fell by 2.2 per cent over the quarter (in U.S. Dollar hedged terms). This notable negative return, reflected in both safe haven as well as riskier debt, was largely driven by the sharp selloff in German bunds, as overbought positions reverted from historically low levels on positive Eurozone economic data. Investors also shunned riskier spread sectors due to the resurgent Greek debt crisis and the large correction in the Chinese equity market. Government bond yields were broadly higher over the quarter, as the continued impasse between Greece and its creditors weighed heavy on the markets. In the U.S., thinner market liquidity as well as rising expectations of an interest rate hike later this year on the back of improving economic data over the quarter, impacted demand for 10 year Treasuries which rose to 2.35 per cent from 1.92 per cent.

Global equities, as measured by the Russell Global Large Cap index, fell by 9.4 per cent over the third quarter of 2015. Early in the quarter, the renewed bailout deal with Greece brought a degree of harmony in Europe. This positive development soon became a distant memory, as two central stories unfolded over the period. In China, the country's devaluation of its currency, amid slowing growth, gave rise to a severe sell-off in global markets. This, in turn, became a lead factor in preventing the U.S. Federal Reserve (the "Fed") from raising its interest rate in September. The combination of these major events engendered the fourth biggest quarterly increase in volatility in the past 10 years, as measured by the Chicago Board Options Exchange Volatility Index. It also handed over renewed market uncertainty to the final quarter of this year. In bonds, the Barclays Global Aggregate Bond Index rose by 1.3 per cent. In the U.S., the benchmark 10 year treasury yield declined 32 basis points (bps) to 2.04 per cent, the seventh biggest fall in yields in the last 10 years. U.K.'s 10-year gilt yield declined 26 bps to 1.76 per cent, as second quarter GDP growth stood at 0.7 per cent. Whilst the unemployment rate fixed down to 5.5 per cent, flatter retail and inflation figures convinced the Bank of England to hold the interest rate firmly at 0.5 per cent. Eurozone country yields were more stable after a new bailout deal was agreed with Greece and with the re-election of Alexis Tsipras as Greece's Prime Minister. The yields in both Germany and France crept lower over the quarter (-18 bps to 0.59 per cent and -21 bps to 0.99 per cent, respectively). European peripheral countries (Spain, Italy, Portugal, Greece and Ireland) also saw yields decline over the period. In Japan, yields fell as poorer second quarter GDP figures and lower consumer confidence added increased demand for safe haven debt.

Global equities, as measured by the Russell Global Large Cap index, rose by 5.1 per cent over the final quarter of 2015 in U.S. Dollar terms. Global Markets gained in aggregate as the negative effects of China's third quarter slowdown began to fade and the Fed moved towards policy tightening, exhibiting confidence in the American economy's steady recovery. In Europe, investors were slightly disappointed by the European Central Bank's (ECB) timid actions to quell sluggish growth, whilst the downward trend of the oil price weighed on EM. In bonds, the Barclays Global Aggregate Bond Index rose by 0.1 per cent in the fourth quarter, in hedged U.S. Dollar terms. In the U.S., the benchmark 10 year treasury increased 23 bps to 2.27 per cent. Over the period, the 10 year gilt yield climbed 20 bps to 1.96 per cent. The yields in both Germany and France were slightly flatter this quarter (+4 bps to 0.63 per cent and +0 bps to 0.99 per cent, respectively). In Japan, yields fell with the nation's economy escaping a technical recession as third quarter GDP growth was revised upwards from -0.8 to +1.0 per cent on an annualised basis. The Bank of Japan also left its interest rate unchanged and would continue to buy Japanese Government Bonds (JGBs) at an annual pace of JPY 80 trillion.

Global equities, as measured by the Russell Global Large Cap index, rose by 0.4 per cent over the first quarter of 2016 in U.S. Dollar terms. The period was characterised by two halves. In the first half, slowing growth in China coupled with an ongoing commodities rout (especially in oil), engendered significant market volatility and a considerable risk-off sentiment.

Manager's Report - continued

However in the latter part of the quarter, more accommodative Central Bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree. In bonds, the Barclays Global Aggregate Bond Index rose by 3.3 per cent in the first quarter (in hedged U.S. Dollar terms). In the U.S., the benchmark 10 year Treasury rallied with its yield decreasing 50 bps to 1.77 per cent, even though GDP growth during the fourth quarter of 2015 was revised further upwards to 1.4 per cent quarter-on-quarter (QoQ). Nonfarm payrolls also rose by 242,000 in February, whilst the core inflation rate (2.3 per cent year-on-year in February) beat expectations of 2.2 per cent. Over the period, the benchmark 10 year gilt declined 55 bps to 1.42 per cent. In Europe, the ECB President Draghi delivered on his promise to do "whatever it takes" by introducing raft of new accommodative stimulus measures in an effort to boost Eurozone inflation and encourage new credit provision. This pushed yields in both Germany and France lower by 48 bps to 0.15 per cent and 50 bps to 0.49 per cent, respectively. In Japan, the negative rates environment and poor final fourth quarter GDP growth readings (-0.3 per cent QoQ), dragged the 10-year yield curve into negative territory by 29 bps to -0.03 per cent.

Portfolio Changes

The Fund experienced a challenging second quarter environment. News flow was dominated by Greece's debt negotiations, causing volatility in both equity and bond markets. The allocation to real assets also held back gains; the allocation to real estate struggled, as the listed property market continued to lag relative to most other equity sectors. On the upside, the allocation to high yield bonds contributed to performance. Over the quarter, we neutralised our equity overweights by hedging a short to the Euro and Japanese Yen, plus a long to the U.S. Dollar.

Against the backdrop of a turbulent market environment, where both equity and bond markets suffered heavy selloffs, the Fund lost ground over the third quarter of 2015. Global Markets fell after economic news from China disappointed and the country's Central Bank allowed the Chinese currency to depreciate against the U.S. Dollar. EM saw the largest outflows, with the market hitting a new four-year low. On the upside, not holding commodities paid off, as well as the allocation to listed infrastructure and volatility (Amundi). As the market bottomed out, we added risk back to the portfolio by moving 2 per cent out of cash and reallocating across our regional equity exposures.

The Fund benefited from the allocation to global stocks over the final quarter of 2015, buoyed by an upbeat earnings season and expectations of extended accommodative measures from central banks worldwide. Markets also benefited from the release of the U.S. Federal Committee's October meeting minutes, which revealed that a majority of members leaned towards a rate rise. As expected, the Fed raised interest rates in December. Pockets of volatility driven by weakness in China and declining oil prices dampened investor demand for risk assets, such as higher yielding bonds. Over the period, we increased our underweight to the U.S. by selling spread calls on the S&P 500, but kept the physical exposure.

The first quarter of 2016 proved a difficult environment for the Fund, as turmoil in Chinese equity markets, concerns about global economic growth and low commodity prices drove bearish investor sentiment. Over the period, we hedged out all Euro, Sterling and Japanese Yen exposure back to the U.S. Dollar. We also reduced our position in absolute return bonds and reallocated the assets to cash. Later on in the period, a rebound in oil prices and improved investor sentiment towards risk assets, helped the Fund regain ground. After the rally, we took profits from equities and added to convertible bonds and introduced U.S. Treasury Futures to the Fund.

Outlook

Global Markets got off to a rough start in 2016. By mid-February global developed equities had lost nearly 20 per cent from their 2015 peak. They rebounded by around 10 per cent by mid-March, but we expect volatility to be a headline throughout 2016. This volatility will continue to be driven by China fears, the Fed monetary tightening, U.S. recession concerns, bank balance sheet worries, and soft corporate profits. Moreover, the move to negative interest rates in Europe and Japan has triggered fears that central banks have run out of easing options. Negative rates also tend to squeeze the margin between banks' borrowing and lending rates. This squeeze could, in turn, hurt bank profitability, and end up making things worse for the markets. In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're holding to that view, with the exception we think equity growth is more likely to be in the low single digits. Moreover, we're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for EM. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market, provided the U.S. does not fall into recession. Right now we see recession as a low probability over the next several years. It's true we're deep into the current business cycle, but we're not seeing excesses in the U.S. economy that could trigger recession.

Past performance is no indication of current or future performance.

* Benchmark is a Composite of: 17.5 per cent Russell Global Large Cap Index Net, 17.5 per cent Russell Global Large Cap Index USD Hedged Net, 65 per cent Barclays Global Aggregate USD Hedged.

Russell Investment Company V plc
Russell Multi-Asset 35 Fund

Balance Sheet

As at 31 March 2016

	31 March 2016	31 March 2015
	USD '000	USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	68,592	65,445
Cash at bank (Note 3)	8,247	726
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	100	-
Debtors:		
Receivable on fund shares issued	86	985
Prepayments and other debtors	28	25
	<u>77,053</u>	<u>67,181</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(90)	-
Creditors – amounts falling due within one year:		
Payable for investments purchased	-	(910)
Payable on fund shares redeemed	(992)	(149)
Management fees payable	(14)	(14)
Custodian and Trustee fees payable	(1)	(1)
Administration fees payable	(3)	(2)
Audit fees payable	(13)	(15)
	<u>(1,113)</u>	<u>(1,091)</u>
Net assets attributable to redeemable participating shareholders	<u>75,940</u>	<u>66,090</u>

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

Russell Investment Company V plc
Russell Multi-Asset 35 Fund

Profit and Loss Account

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Income		
Dividends	2	-
Net gain (loss) on investment activities (Note 4)	(1,263)	2,670
Total investment income (expense)	(1,261)	2,670
Expenses		
Management fees (Note 5)	(45)	(58)
Custodian and Trustee fees (Note 6)	(6)	(3)
Administration and transfer agency fees (Note 6)	(80)	(60)
Audit fees (Note 6)	(13)	(13)
Professional fees	(24)	(13)
Other fees	(19)	(11)
Total operating expenses	(187)	(158)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(1,448)	2,512

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 V plc
Russell Multi-Asset 35 Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(1,448)	2,512
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>11,298</u>	<u>25,512</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	9,850	28,024
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>66,090</u>	<u>38,066</u>
End of year	<u><u>75,940</u></u>	<u><u>66,090</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 35 Fund

Schedule of Investments

31 March 2016

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Investment Funds (90.28%) (2015: 99.02%)			Russell Global Defensive Equity Fund		
Ireland (83.25%)			Class A USD		
OpenWorld plc (2.73%)			Accumulated Shares		
Global Listed Infrastructure Class A USD			1,948	2,611	3.44
981	2,075	2.73	Russell Pan European Equity Fund		
Russell Investment Company plc (44.06%)			Class B Accumulated Shares		
Russell Absolute Return Bond Fund			2,228	3,106	4.09
6,921	6,833	9.00	Russell World Equity Fund		
Russell Asia Pacific Ex Japan Fund			2,865	4,193	5.52
25,720	568	0.75	Class USD-H Shares		
Russell Global Bond Fund				24,512	32.28
Class DH-B USD			Russell Investment Company IV plc (4.18%)		
889,137	14,609	19.24	Russell Alpha Fund		
Russell Global High Yield Fund			Class USD Roll-Up		
Class DH-B			274	3,172	4.18
1,861	2,093	2.76	Total Ireland		
Russell Japan Equity Fund				63,221	83.25
Class B Accumulated			Luxembourg (7.03%)		
128,059	1,659	2.18	Amundi Funds (2.14%)		
Russell U.S. Equity Fund			Absolute Volatility World Equities		
Class K Accumulated			Class USD		
107,243	2,788	3.67	1,624	1,625	2.14
Russell World Equity Fund II			BlueBay Funds Management Company (4.89%)		
Class USDN-H			BlueBay Global Convertible Bond Fund		
34,628	4,912	6.46	Class B USD		
			40,892	3,716	4.89
33,462 44.06			Total Luxembourg		
Russell Investment Company II plc (32.28%)				5,341	7.03
Russell Global Bond (Euro Hedged) Fund			Total Investment Funds ...		
Class DH-B Accumulated				68,562	90.28
869,661	14,602	19.23	Total Investments excluding Financial Derivative Instruments		

Financial Derivative Instruments ((0.08)% (2015: 0.00%))

Open Futures Contracts (0.04%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
2,187	128.64	13 of 10 Year U.S. Treasury Note Futures Long Futures Contracts Expiring June 2016	30	0.04
Net unrealised gain (loss) on open futures contracts			30	0.04

Open Forward Foreign Currency Exchange Contracts ((0.12)%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
15/06/2016	USD 2,169	EUR 1,960	(70)	(0.09)
15/06/2016	USD 1,120	GBP 790	(15)	(0.02)

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

Russell Investment Company V plc
Russell Multi-Asset 35 Fund

Schedule of Investments - continued

31 March 2016

<u>Settlement Date</u>	<u>Amount Bought '000</u>	<u>Amount Sold '000</u>	<u>Unrealised Gain (Loss) USD '000</u>	<u>Fund %</u>
15/06/2016	USD 1,886	JPY 212,050	(5)	(0.01)
Net unrealised gain (loss) on open forward foreign currency exchange contracts .			(90)	(0.12)
Total Financial Derivative Instruments			(60)	(0.08)
			<u>Fair Value USD '000</u>	<u>Fund %</u>
Total Financial Assets at Fair Value through Profit or Loss (90.32%)			68,592	90.32
Total Financial Liabilities at Fair Value through Profit or Loss ((0.12)%)			(90)	(0.12)
Net Financial Assets at Fair Value through Profit or Loss (90.20%)			68,502	90.20
Other Net Assets (9.80%)			7,438	9.80
Net Assets			75,940	100.00
				<u>% of gross assets</u>
Analysis of gross assets (unaudited)				
Investment funds (UCITS).....				88.98
Exchange traded financial derivative instruments				0.04
Other assets				10.98
				100.00

The broker for the open futures contracts is Morgan Stanley.

The counterparty for the open forward foreign currency exchange contracts is State Street Bank.

Fair Value Hierarchy (Note 12 b i))

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

As at 31 March 2016

	<u>Level 1 USD '000</u>	<u>Level 2 USD '000</u>	<u>Level 3 USD '000</u>	<u>Total USD '000</u>
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Investment funds	-	68,562	-	68,562
Unrealised gain on open futures contracts	30	-	-	30
Total assets	30	68,562	-	68,592
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on forward foreign currency exchange contracts				
	-	(90)	-	(90)
Total liabilities	-	(90)	-	(90)

All investments were classified within Level 2 as at 31 March 2015.

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

Russell Investment Company V plc
Russell Multi-Asset 35 Fund

Statement of Changes in Composition of Portfolio

Listed below are the total cumulative investment purchases and sales during the year ended 31 March 2016

<u>Portfolio Securities</u>	<u>Acquisition Cost USD '000</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD '000</u>
Russell Investment Company II plc		Russell Investments Company plc	
Russell Global Bond (Euro Hedged) Fund		Russell Absolute Return Bond Fund	
Class DH-B Accumulated Shares	3,018	Class I USD Shares	(3,810)
Russell Investment Company plc		Russell Investment Company IV plc	
Russell Global Bond Fund		Russell Alpha Fund	
Class DH-B USD Accumulated Shares	2,986	Class USD Roll-Up Shares	(2,320)
Russell Investments Company plc		Russell Investment Company II plc	
Russell Absolute Return Bond Fund		Russell World Equity Fund	
Class I USD Shares	2,078	Class USD-H Shares	(1,330)
Russell Investment Company IV plc		Russell Investment Company plc	
Russell Alpha Fund		Russell Global Bond Fund	
Class USD Roll-Up Shares	1,400	Class DH-B USD Accumulated Shares	(1,250)
Russell Investment Company II plc		Russell Investment Company II plc	
Russell World Equity Fund		Russell Global Bond (Euro Hedged) Fund	
Class USD-H Shares	1,395	Class DH-B Accumulated Shares	(1,250)
Russell Investment Company plc		Russell Investment Company plc	
Russell World Equity Fund II		Russell U.S. Equity Fund	
Class USDH-N Accumulated Shares	1,105	Class K Accumulated Shares	(1,090)
Russell Investment Company plc		Russell Investment Company plc	
Russell U.S. Equity Fund		Russell Emerging Markets Equity Fund	
Class K Accumulated Shares	940	Class B Shares	(877)
Russell Investment Company II plc		Russell Investment Company II plc	
Russell Pan European Equity Fund		Russell Pan European Equity Fund	
Class B Accumulated Shares	796	Class B Accumulated Shares	(300)
BlueBay Funds Management Company		Russell Investment Company plc	
BlueBay Global Convertible Bond Fund		Russell World Equity Fund II	
Class USD B Accumulated Shares	760	Class USDH-N Accumulated Shares	(270)
Russell Investment Company II plc		OpenWorld	
Russell Global Defensive Equity Fund		Global Listed Infrastructure	
Class A USD Accumulated Shares	600	Class A USD Accumulated Shares	(150)
Russell Investment Company plc		Russell Investment Company II plc	
Russell Emerging Markets Equity Fund		Russell Global Defensive Equity Fund	
Class B Shares	300	Class A USD Accumulated Shares	(100)
Russell Investment Company plc		Russell Investment Company plc	
Russell Global High Yield Fund		Russell Global High Yield Fund	
Class DH-B Roll-Up Shares	250	Class DH-B Roll-Up Shares	(50)
OpenWorld			
Global Listed Infrastructure			
Class A USD Accumulated Shares	240		
Russell Investment Company plc			
Russell Japan Equity Fund			
Class B Accumulated Shares	200		
Russell Investment Company plc			
Russell Asia Pacific Ex Japan Fund			
Class B Shares	176		

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.

Manager's Report

Investment Objective

The investment objective of Russell Multi-Asset 50 Fund (the "Fund") is to generate long-term capital appreciation while maintaining high level of risk control. The Fund seeks to achieve this objective by investing predominantly in other regulated investment funds that invest in equities, fixed income securities and alternative asset classes. Approximately 50 per cent of the Fund's net asset value will be invested in regulated investment funds that invest in growth assets.

Fund Performance

During the year ended 31 March 2016, Russell Multi-Asset 50 Fund (Class A) returned -1.5 per cent on a gross-of-fee basis (-3.6 per cent on a net-of-fee basis), while the benchmark* returned -0.8 per cent.

Market Comment

Global markets gained in aggregate over the second quarter of 2015, despite Greece's sovereign-debt crisis casting a growing shadow over market sentiment. In the U.S., economic data trends were mixed over the quarter, but evidence that the economy is bouncing back from its first quarter economic slowdown materialised by the end of the period. Employment, consumption and housing data all improved markedly, supporting expectations for a first interest rate hike later this year. Stocks rose marginally over the period, with the pace of subsequent rate hikes at the forefront of investor concerns. Japanese equity markets performed well over the quarter, extending year to date gains. Better than expected GDP growth in the first quarter and strong corporate earnings buoyed market sentiment. Meanwhile, continental European stocks registered losses of 4.2 per cent in local currency terms (-0.6 per cent in U.S. Dollar terms), as worries over Greece outweighed evidence that the Eurozone recovery was gaining momentum. In Emerging Markets (EM), Brazilian stocks rebounded in what was a solid quarter overall for Latin American bourses. Meanwhile, China's long bull market continued for much of the quarter before concerns that the country's stocks were overvalued led to a major sell-off in June. In bonds, the Barclays Global Aggregate Bond index fell by 2.2 per cent over the quarter (in U.S. Dollar hedged terms). This notable negative return, reflected in both safe haven as well as riskier debt, was largely driven by the sharp selloff in German bunds, as overbought positions reverted from historically low levels on positive Eurozone economic data. Investors also shunned riskier spread sectors due to the resurgent Greek debt crisis and the large correction in the Chinese equity market. Government bond yields were broadly higher over the quarter, as the continued impasse between Greece and its creditors weighed heavy on the markets. In the U.S., thinner market liquidity as well as rising expectations of an interest rate hike later this year on the back of improving economic data over the quarter, impacted demand for 10 year Treasuries which rose to 2.35 per cent from 1.92 per cent.

Global equities, as measured by the Russell Global Large Cap index, fell by 9.4 per cent over the third quarter of 2015. Early in the quarter, the renewed bailout deal with Greece brought a degree of harmony in Europe. This positive development soon became a distant memory, as two central stories unfolded over the period. In China, the country's devaluation of its currency, amid slowing growth, gave rise to a severe sell-off in global markets. This, in turn, became a lead factor in preventing the U.S. Federal Reserve (the "Fed") from raising its interest rate in September. The combination of these major events engendered the fourth biggest quarterly increase in volatility in the past 10 years, as measured by the Chicago Board Options Exchange Volatility Index. It also handed over renewed market uncertainty to the final quarter of this year. In bonds, the Barclays Global Aggregate Bond Index rose by 1.3 per cent. In the U.S., the benchmark 10 year treasury yield declined 32 basis points (bps) to 2.04 per cent, the seventh biggest fall in yields in the last 10 years. U.K.'s 10 year gilt yield declined 26 bps to 1.76 per cent, as second quarter GDP growth stood at 0.7 per cent. Whilst the unemployment rate fixed down to 5.5 per cent, flatter retail and inflation figures convinced the Bank of England to hold the interest rate firmly at 0.5 per cent. Eurozone country yields were more stable after a new bailout deal was agreed with Greece and with the re-election of Alexis Tsipras as Greece's Prime Minister. The yields in both Germany and France crept lower over the quarter (-18 bps to 0.59 per cent and -21 bps to 0.99 per cent, respectively). European peripheral countries (Spain, Italy, Portugal, Greece and Ireland) also saw yields decline over the period. In Japan, yields fell as poorer second quarter GDP figures and lower consumer confidence added increased demand for safe haven debt.

Global equities, as measured by the Russell Global Large Cap index, rose by 5.1 per cent over the final quarter of 2015 in U.S. Dollar terms. Global markets gained in aggregate as the negative effects of China's third quarter slowdown began to fade and the Fed moved towards policy tightening, exhibiting confidence in the American economy's steady recovery. In Europe, investors were slightly disappointed by the European Central Bank's (ECB) timid actions to quell sluggish growth, whilst the downward trend of the oil price weighed on EM. In bonds, the Barclays Global Aggregate Bond Index rose by 0.1 per cent in the fourth quarter, in hedged U.S. Dollar terms. In the U.S., the benchmark 10 year treasury increased 23 bps to 2.27 per cent. Over the period, the 10 year gilt yield climbed 20 bps to 1.96 per cent. The yields in both Germany and France were slightly flatter this quarter (+4 bps to 0.63 per cent and +0 bps to 0.99 per cent, respectively). In Japan, yields fell with the nation's economy escaping a technical recession as third quarter GDP growth was revised upwards from -0.8 to +1.0 per cent on an annualised basis. The Bank of Japan also left its interest rate unchanged and would continue to buy Japanese Government Bonds (JGBs) at an annual pace of JPY 80 trillion.

Manager's Report - continued

Global equities, as measured by the Russell Global Large Cap index, rose by 0.4 per cent over the first quarter of 2016 in U.S. Dollar terms. The period was characterised by two halves. In the first half, slowing growth in China coupled with an ongoing commodities rout (especially in oil), engendered significant market volatility and a considerable risk-off sentiment. However in the latter part of the quarter, more accommodative Central Bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree. In bonds, the Barclays Global Aggregate Bond Index rose by 3.3 per cent in the first quarter (in hedged U.S. Dollar terms). In the U.S., the benchmark 10 year Treasury rallied with its yield decreasing 50 bps to 1.77 per cent, even though GDP growth during the fourth quarter of 2015 was revised further upwards to 1.4 per cent quarter on quarter (QoQ). Nonfarm payrolls also rose by 242,000 in February, whilst the core inflation rate (2.3 per cent year on year in February) beat expectations of 2.2 per cent. Over the period, the benchmark 10 year gilt declined 55 bps to 1.42 per cent. In Europe, the ECB President Draghi delivered on his promise to do “whatever it takes” by introducing raft of new accommodative stimulus measures in an effort to boost Eurozone inflation and encourage new credit provision. This pushed yields in both Germany and France lower by 48 bps to 0.15 per cent and 50 bps to 0.49 per cent, respectively. In Japan, the negative rates environment and poor final fourth quarter GDP growth readings (-0.3 per cent QoQ), dragged the 10 year yield curve into negative territory by 29 bps to -0.03 per cent.

Portfolio Changes

The Fund experienced a challenging second quarter environment. News flow was dominated by Greece's debt negotiations, causing volatility in both equity and bond markets. The allocation to real assets also held back gains; the allocation to real estate struggled, as the listed property market continued to lag relative to most other equity sectors. On the upside, the allocation to high yield bonds contributed to performance. Over the quarter, we neutralised our equity overweights by hedging a short to the Euro and Japanese Yen, plus a long to the U.S. Dollar.

Against the backdrop of a turbulent market environment, where both equity and bond markets suffered heavy selloffs, the Fund lost ground over the third quarter of 2015. Global markets fell after economic news from China disappointed and the country's Central Bank allowed the Chinese currency to depreciate against the U.S. Dollar. EM saw the largest outflows, with the market hitting a new four year low. On the upside, not holding commodities paid off, as well as the allocation to listed infrastructure and volatility (Amundi). As the market bottomed out, we added risk back to the portfolio by moving 2 per cent out of cash and reallocating across our regional equity exposures.

The Fund benefited from the allocation to global stocks over the final quarter of 2015, buoyed by an upbeat earnings season and expectations of extended accommodative measures from central banks worldwide. Markets also benefited from the release of the U.S. Federal Committee's October meeting minutes, which revealed that a majority of members leaned towards a rate rise. As expected, the Fed raised interest rates in December. Pockets of volatility driven by weakness in China and declining oil prices dampened investor demand for risk assets, such as higher yielding bonds. Over the period, we increased our underweight to the U.S. by selling spread calls on the S&P 500, but kept the physical exposure.

The first quarter of 2016 proved a difficult environment for the Fund, as turmoil in Chinese equity markets, concerns about global economic growth and low commodity prices drove bearish investor sentiment. Over the period, we hedged out all Euro, Sterling and Japanese Yen exposure back to the U.S. Dollar. We also reduced our position in absolute return bonds and reallocated the assets to cash. Later on in the period, a rebound in oil prices and improved investor sentiment towards risk assets, helped the Fund regain ground. After the rally, we took profits from equities and added to convertible bonds and introduced U.S. Treasury Futures to the Fund.

Outlook

Global markets got off to a rough start in 2016. By mid-February global developed equities had lost nearly 20 per cent from their 2015 peak. They rebounded by around 1 per cent by mid-March, but we expect volatility to be a headline throughout 2016. This volatility will continue to be driven by China fears, the Fed monetary tightening, U.S. recession concerns, bank balance sheet worries, and soft corporate profits. Moreover, the move to negative interest rates in Europe and Japan has triggered fears that Central Banks have run out of easing options. Negative rates also tend to squeeze the margin between banks' borrowing and lending rates. This squeeze could, in turn, hurt bank profitability, and end up making things worse for the markets. In our 2016 Global Market Outlook Annual report, we forecast mid to low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're holding to that view, with the exception we think equity growth is more likely to be in the low single digits. Moreover, we're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for EM. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market – provided the U.S. does not fall into recession. Right now we see recession as a low probability over the next several years. It's true we're deep into the current business cycle, but we're not seeing excesses in the U.S. economy that could trigger recession.

Past performance is no indication of current or future performance.

* Benchmark is a Composite of: 25 per cent Russell Global Large Cap Index Net, 25 per cent Russell Global Large Cap Index USD hedged Net, 50 per cent Barclays Global Aggregate USD Hedged.

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Balance Sheet

As at 31 March 2016

	31 March 2016 USD '000	31 March 2015 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	112,550	132,607
Cash at bank (Note 3)	14,043	1,573
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	1,000	-
Debtors:		
Receivable on fund shares issued	119	1,077
Prepayments and other debtors	51	57
	<u>127,763</u>	<u>135,314</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(253)	-
Creditors – amounts falling due within one year:		
Payable for investments purchased	-	(1,160)
Payable on fund shares redeemed	(456)	(81)
Management fees payable	(62)	(67)
Custodian and Trustee fees payable	(2)	(2)
Administration fees payable	(5)	(5)
Audit fees payable	(13)	(15)
	<u>(791)</u>	<u>(1,330)</u>
Net assets attributable to redeemable participating shareholders	<u><u>126,972</u></u>	<u><u>133,984</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Profit and Loss Account

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Income		
Dividends	3	-
Net gain (loss) on investment activities (Note 4)	(3,986)	6,898
Total investment income (expense)	(3,983)	6,898
Expenses		
Management fees (Note 5)	(542)	(530)
Custodian and Trustee fees (Note 6)	(11)	(7)
Administration and transfer agency fees (Note 6)	(142)	(107)
Audit fees (Note 6)	(13)	(14)
Professional fees	(33)	(30)
Other fees	(29)	(16)
Total operating expenses	(770)	(704)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(4,753)	6,194

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 V plc
Russell Multi-Asset 50 Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2016

	<u>2016</u> USD '000	<u>2015</u> USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(4,753)	6,194
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(2,259)</u>	<u>16,924</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(7,012)	23,118
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>133,984</u>	<u>110,866</u>
End of year	<u><u>126,972</u></u>	<u><u>133,984</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Schedule of Investments

31 March 2016

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Investment funds (88.52%) (2015: 98.97%)			Russell Pan European Equity Fund		
Ireland (81.57%)			Russell Investment Company IV plc (3.27%)		
OpenWorld plc (3.38%)			Russell Alpha Fund		
Global Listed Infrastructure Class A USD			Class USD Roll-Up		
2,030	Accumulated Shares	4,292 3.38	5,993	Shares	8,354 6.58
Russell Investment Company plc (47.32%)			3,120	Class USD-H Shares	4,567 3.60
Russell Absolute Return Bond Fund			<u>35,050 27.60</u>		
8,953	Class I Shares	8,840 6.96	Russell Investment Company IV plc (3.27%)		
Russell Asia Pacific Ex Japan Fund			Russell Alpha Fund		
72,739	Class B Shares	1,605 1.26	Class USD Roll-Up		
Russell Global Bond Fund			359	Shares	4,152 3.27
1,170,517	Class DH-B Shares	19,232 15.15	Total Ireland		
Russell Global High Yield Fund			<u>103,581 81.57</u>		
Class DH-B			Luxembourg (6.95%)		
3,853	Roll-Up Shares	4,334 3.41	Amundi Funds (2.40%)		
Russell Japan Equity Fund			Absolute Volatility World Equities		
234,816	Class B Shares	3,042 2.40	Class USD		
Russell U.S. Equity Fund			3,040	Accumulated Shares	3,041 2.40
360,511	Class K Shares	9,373 7.38	BlueBay Funds Management Company (4.55%)		
Russell World Equity Fund II			BlueBay Global Convertible Bond Fund		
96,297	Class USDH-N Shares	13,661 10.76	Class B USD		
<u>60,087 47.32</u>			63,578	Accumulated Shares	5,778 4.55
Russell Investment Company II plc (27.60%)			Total Luxembourg		
Russell Global Bond (Euro Hedged) Fund			<u>8,819 6.95</u>		
1,072,339	Class DH-B Shares	18,005 14.17	Total Investment Funds		
Russell Global Defensive Equity Fund			<u>112,400 88.52</u>		
Class A USD			Total Investments excluding Financial Derivative Instruments		
3,077	Accumulated Shares	4,124 3.25	<u>112,400 88.52</u>		

Financial Derivative Instruments ((0.08%) (2015: 0.00%))

Open Futures Contracts (0.09%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
2,444	128.64	19 of 10 Year U.S. Treasury Note Futures Long Futures Contracts		
		Expiring June 2016	33	0.03
4,219	2,009.03	42 of S&P 500 E Mini Index Futures Long Futures Contracts		
		Expiring June 2016	89	0.07
1,401	3,416.02	41 of Euro Stoxx 50 Index Futures Long Futures Contracts		
		Expiring June 2016	(31)	(0.03)

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

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Schedule of Investments - continued

31 March 2016

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
1,171	11.71	10 of Topix Index Futures Long Futures Contracts Expiring June 2016	28	0.02
		Unrealised gain on open futures contracts	150	0.12
		Unrealised loss on open futures contracts	(31)	(0.03)
		Net unrealised gain (loss) on open futures contracts	119	0.09

Open Forward Foreign Currency Exchange Contracts ((0.17)%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
15/06/2016	USD 2,706	EUR 2,445	(87)	(0.07)
15/06/2016	USD 2,706	EUR 2,445	(87)	(0.07)
15/06/2016	USD 1,333	GBP 940	(18)	(0.01)
15/06/2016	USD 1,333	GBP 940	(18)	(0.01)
15/06/2016	USD 2,379	JPY 267,555	(6)	(0.01)
15/06/2016	USD 2,379	JPY 267,555	(6)	0.00
		Net unrealised gain (loss) on open forward foreign currency exchange contracts ..	(222)	(0.17)
		Total Financial Derivative Instruments	(103)	(0.08)

	Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (88.64%)	112,550	88.64
Total Financial Liabilities at Fair Value through Profit or Loss ((0.20)%	(253)	(0.20)
Net Financial Assets at Fair Value through Profit or Loss (88.44%)	112,297	88.44
Other Net Assets (11.56%)	14,675	11.56
Net Assets	126,972	100.00

Analysis of gross assets (unaudited)

	% of gross assets
Investment funds (UCITS)	87.98
Exchange traded financial derivative instruments	0.12
Other assets	11.90
	100.00

The broker for open futures contracts is Morgan Stanley.

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

BNP Paribas State Street Bank & Trust Company

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

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Schedule of Investments - continued

31 March 2016

Fair Value Hierarchy (Note 12 b i))

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

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Investment funds	-	112,400	-	112,400
Unrealised gain on open futures contracts	150	-	-	150
Total assets	150	112,400	-	112,550
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(31)	-	-	(31)
Unrealised loss on forward foreign currency exchange contracts	-	(222)	-	(222)
Total liabilities	(31)	(222)	-	(253)

All investments were classified within Level 2 as at 31 March 2015.

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

Russell Investment Company V plc
Russell Multi-Asset 50 Fund

Statement of Changes in Composition of Portfolio

Listed below are the total cumulative investment purchases and sales during the year ended 31 March 2016

Portfolio Securities	Acquisition Cost USD '000	Portfolio Securities	Disposal Proceeds USD '000
Russell Investment Company plc		Russell Investment Company II plc	
Russell Global Bond Fund		Russell World Equity Fund	
Class DH-B Shares	1,850	Class USD-H Shares	(9,850)
Russell Investment Company II plc		Russell Investments Company plc	
Russell Global Bond (Euro Hedged) Fund		Russell Absolute Return Bond Fund	
Class DH-B Shares	1,850	Class I Shares	(6,684)
Russell Investment Company plc		Russell Investment Company IV plc	
Russell U.S. Equity Fund		Russell Alpha Fund	
Class K Shares	1,773	Class USD Roll-Up Shares	(4,450)
Russell Investment Company plc		Russell Investment Company II plc	
Russell World Equity Fund II		Russell Global Defensive Equity Fund	
Class USDH-N Shares	1,729	Class A USD Accumulated Shares	(3,320)
Russell Investment Company II plc		Russell Investment Company plc	
Russell World Equity Fund		Russell Emerging Markets Equity Fund	
Class USD-H Shares	1,703	Class B Shares	(2,455)
Russell Investments Company plc		Russell Investment Company plc	
Russell Absolute Return Bond Fund		Russell U.S. Equity Fund	
Class I Shares	1,200	Class K Shares	(1,650)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Pan European Equity Fund		Russell Global Bond Fund	
Class B Accumulated Shares	1,126	Class DH-B Shares	(1,380)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Global Defensive Equity Fund		Russell Japan Equity Fund	
Class A USD Accumulated Shares	1,020	Class B Shares	(1,300)
Russell Investment Company IV plc		Russell Investment Company II plc	
Russell Alpha Fund		Russell Global Bond (Euro Hedged) Fund	
Class USD Roll-Up Shares	900	Class DH-B Shares	(1,150)
Russell Investment Company plc		Russell Investment Company plc	
Russell Emerging Markets Equity Fund		Russell World Equity Fund II	
Class B Shares	754	Class USDH-N Shares	(835)
Amundi Funds		Russell Investment Company II plc	
Absolute Volatility World Equities		Russell Pan European Equity Fund	
Class USD Accumulated Shares	500	Class B Accumulated Shares	(550)
Russell Investment Company plc		Russell OpenWorld	
Russell Global High Yield Fund		Global Listed Infrastructure	
Class DH-B Roll-Up Shares	450	Class A USD Accumulated Shares	(100)
Russell Investment Company plc		Russell Investment Company plc	
Russell Asia Pacific Ex Japan Fund		Russell Global High Yield Fund	
Class B Shares	372	Class DH-B Roll-Up Shares	(100)
Russell Investment Company plc			
Russell Japan Equity Fund			
Class B Shares	307		
Russell OpenWorld			
Global Listed Infrastructure			
Class A USD Accumulated Shares	300		
BlueBay Funds Management Company			
BlueBay Global Convertible Bond Fund			
Class B USD Accumulated Shares	250		

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.

Manager's Report

Investment Objective

The investment objective of Russell Multi-Asset 70 Fund (the "Fund") is to generate long-term capital appreciation while maintaining a moderate level of risk control. The Fund seeks to achieve this objective by investing predominantly in other regulated investment funds that invest in equities, fixed income securities and alternative asset classes. Approximately 70 per cent of the Fund's net asset value will be invested in regulated investment funds that invest in growth assets.

Fund Performance

During the year ended 31 March 2016, Russell Multi-Asset 70 Fund (Class A) returned -2.6 per cent on a gross of fee basis (-4.9 per cent on a net-of-fee basis), while the benchmark* returned -2.2 per cent.

Market Comment

Global markets gained in aggregate over the second quarter of 2015, despite Greece's sovereign-debt crisis casting a growing shadow over market sentiment. In the U.S., economic data trends were mixed over the quarter, but evidence that the economy is bouncing back from its first quarter economic slowdown materialised by the end of the period. Employment, consumption and housing data all improved markedly, supporting expectations for a first interest rate hike later this year. Stocks rose marginally over the period, with the pace of subsequent rate hikes at the forefront of investor concerns. Japanese equity markets performed well over the quarter, extending year to date gains. Better than expected GDP growth in the first quarter and strong corporate earnings buoyed market sentiment. Meanwhile, continental European stocks registered losses of 4.2 per cent in local currency terms (-0.6 per cent in U.S. Dollar terms), as worries over Greece outweighed evidence that the Eurozone recovery was gaining momentum. In Emerging Markets (EM), Brazilian stocks rebounded in what was a solid quarter overall for Latin American bourses. Meanwhile, China's long bull market continued for much of the quarter before concerns that the country's stocks were overvalued led to a major sell-off in June. In bonds, the Barclays Global Aggregate Bond index fell by 2.2 per cent over the quarter (in U.S. Dollar hedged terms). This notable negative return, reflected in both safe haven as well as riskier debt, was largely driven by the sharp selloff in German bunds, as overbought positions reverted from historically low levels on positive Eurozone economic data. Investors also shunned riskier spread sectors due to the resurgent Greek debt crisis and the large correction in the Chinese equity market. Government bond yields were broadly higher over the quarter, as the continued impasse between Greece and its creditors weighed heavy on the markets. In the U.S., thinner market liquidity as well as rising expectations of an interest rate hike later this year on the back of improving economic data over the quarter, impacted demand for 10 year Treasuries which rose to 2.35 per cent from 1.92 per cent.

Global equities, as measured by the Russell Global Large Cap index, fell by 9.4 per cent over the third quarter of 2015. Early in the quarter, the renewed bailout deal with Greece brought a degree of harmony in Europe. This positive development soon became a distant memory, as two central stories unfolded over the period. In China, the country's devaluation of its currency, amid slowing growth, gave rise to a severe sell-off in global markets. This, in turn, became a lead factor in preventing the U.S. Federal Reserve (the "Fed") from raising its interest rate in September. The combination of these major events engendered the fourth biggest quarterly increase in volatility in the past 10 years, as measured by the Chicago Board Options Exchange Volatility Index. It also handed over renewed market uncertainty to the final quarter of this year. In bonds, the Barclays Global Aggregate Bond Index rose by 1.3 per cent. In the U.S., the benchmark 10-year treasury yield declined 32 basis points (bps) to 2.04 per cent, the seventh biggest fall in yields in the last 10 years. U.K.'s 10-year gilt yield declined 26 bps to 1.76 per cent, as second quarter GDP growth stood at 0.7 per cent. Whilst the unemployment rate fixed down to 5.5 per cent, flatter retail and inflation figures convinced the Bank of England to hold the interest rate firmly at 0.5 per cent. Eurozone country yields were more stable after a new bailout deal was agreed with Greece and with the re-election of Alexis Tsipras as Greece's Prime Minister. The yields in both Germany and France crept lower over the quarter (-18 bps to 0.59 per cent and -21 bps to 0.99 per cent, respectively). European peripheral countries (Spain, Italy, Portugal, Greece and Ireland) also saw yields decline over the period. In Japan, yields fell as poorer second quarter GDP figures and lower consumer confidence added increased demand for safe haven debt.

Global equities, as measured by the Russell Global Large Cap index, rose by 5.1 per cent over the final quarter of 2015 in U.S. Dollar terms. Global Markets gained in aggregate as the negative effects of China's third quarter slowdown began to fade and the Fed moved towards policy tightening, exhibiting confidence in the American economy's steady recovery. In Europe, investors were slightly disappointed by the European Central Bank's (ECB) timid actions to quell sluggish growth, whilst the downward trend of the oil price weighed on EM. In bonds, the Barclays Global Aggregate Bond Index rose by 0.1 per cent in the fourth quarter, in hedged U.S. Dollar terms. In the U.S., the benchmark 10 year treasury increased 23 bps to 2.27 per cent. Over the period, the 10 year gilt yield climbed 20 bps to 1.96 per cent. The yields in both Germany and France were slightly flatter this quarter (+4 bps to 0.63 per cent and +0 bps to 0.99 per cent, respectively). In Japan, yields fell with the nation's economy escaping a technical recession as third quarter GDP growth was revised upwards from -0.8 to +1.0 per cent on an annualised basis. The Bank of Japan also left its interest rate unchanged and would continue to buy Japanese Government Bonds (JGBs) at an annual pace of JPY 80 trillion.

Global equities, as measured by the Russell Global Large Cap index, rose by 0.4 per cent over the first quarter of 2016 in U.S. Dollar terms. The period was characterised by two halves. In the first half, slowing growth in China coupled with an ongoing commodities rout (especially in oil), engendered significant market volatility and a considerable risk-off sentiment. However in the latter part of the quarter, more accommodative Central Bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree.

Manager's Report - continued

In bonds, the Barclays Global Aggregate Bond Index rose by 3.3 per cent in the first quarter (in hedged U.S. Dollar terms). In the U.S., the benchmark 10 year Treasury rallied with its yield decreasing 50 bps to 1.77 per cent, even though GDP growth during the fourth quarter of 2015 was revised further upwards to 1.4 per cent quarter-on-quarter (QoQ). Nonfarm payrolls also rose by 242,000 in February, whilst the core inflation rate (2.3 per cent year-on-year in February) beat expectations of 2.2 per cent. Over the period, the benchmark 10 year gilt declined 55 bps to 1.42 per cent. In Europe, the ECB President Draghi delivered on his promise to do "whatever it takes" by introducing raft of new accommodative stimulus measures in an effort to boost Eurozone inflation and encourage new credit provision. This pushed yields in both Germany and France lower by 48 bps to 0.15 per cent and 50 bps to 0.49 per cent, respectively. In Japan, the negative rates environment and poor final fourth quarter GDP growth readings (-0.3 per cent QoQ), dragged the 10 year yield curve into negative territory by 29 bps to -0.03 per cent.

Portfolio Changes

The Fund experienced a challenging second quarter environment. News flow was dominated by Greece's debt negotiations, causing volatility in both equity and bond markets. The allocation to real assets also held back gains; the allocation to real estate struggled, as the listed property market continued to lag relative to most other equity sectors. On the upside, the allocation to high yield bonds contributed to performance. Over the quarter, we neutralised our equity overweights by hedging a short to the Euro and Japanese Yen, plus a long to the U.S. Dollar.

Against the backdrop of a turbulent market environment, where both equity and bond markets suffered heavy selloffs, the Fund lost ground over the third quarter of 2015. Global Markets fell after economic news from China disappointed and the country's Central Bank allowed the Chinese currency to depreciate against the U.S. Dollar. EM saw the largest outflows, with the market hitting a new four year low. On the upside, not holding commodities paid off, as well as the allocation to listed infrastructure and volatility (Amundi). As the market bottomed out, we added risk back to the portfolio by moving 2 per cent out of cash and reallocating across our regional equity exposures.

The Fund benefited from the allocation to global stocks over the final quarter of 2015, buoyed by an upbeat earnings season and expectations of extended accommodative measures from Central Banks worldwide. Markets also benefited from the release of the U.S. Federal Committee's October meeting minutes, which revealed that a majority of members leaned towards a rate rise. As expected, the Fed raised interest rates in December. Pockets of volatility driven by weakness in China and declining oil prices dampened investor demand for risk assets, such as higher yielding bonds. Over the period, we increased our underweight to the U.S. by selling spread calls on the S&P 500, but kept the physical exposure.

The first quarter of 2016 proved a difficult environment for the Fund, as turmoil in Chinese equity markets, concerns about global economic growth and low commodity prices drove bearish investor sentiment. Over the period, we hedged out all euro, sterling and yen exposure back to the U.S. Dollar. We also reduced our position in absolute return bonds and reallocated the assets to cash. Later on in the period, a rebound in oil prices and improved investor sentiment towards risk assets, helped the Fund regain ground. After the rally, we took profits from equities and added to convertible bonds and introduced U.S. Treasury Futures to the Fund.

Outlook

Global markets got off to a rough start in 2016. By mid-February global developed equities had lost nearly 20 per cent from their 2015 peak. They rebounded by around 10 per cent by mid-March, but we expect volatility to be a headline throughout 2016. This volatility will continue to be driven by China fears, the Fed monetary tightening, U.S. recession concerns, bank balance sheet worries, and soft corporate profits. Moreover, the move to negative interest rates in Europe and Japan has triggered fears that Central Banks have run out of easing options. Negative rates also tend to squeeze the margin between banks' borrowing and lending rates. This squeeze could, in turn, hurt bank profitability, and end up making things worse for the markets. In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're holding to that view, with the exception we think equity growth is more likely to be in the low single digits. Moreover, we're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for EM. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market, provided the U.S. does not fall into recession. Right now we see recession as a low probability over the next several years. It's true we're deep into the current business cycle, but we're not seeing excesses in the U.S. economy that could trigger recession.

Past performance is no indication of current or future performance.

* Benchmark is a Composite of: 35 per cent Russell Global Large Cap Index Net, 35 per cent Russell Global Large Cap Index USD Hedged Net, 30 per cent Barclays Global Aggregate USD Hedged

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Balance Sheet

As at 31 March 2016

	31 March 2016 USD '000	31 March 2015 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	112,739	141,020
Cash at bank (Note 3)	16,666	1,751
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	1,200	-
Debtors:		
Receivable on fund shares issued	64	212
Prepayments and other debtors	<u>52</u>	<u>67</u>
	<u>130,721</u>	<u>143,050</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(380)	-
Creditors – amounts falling due within one year:		
Payable on fund shares redeemed	(186)	(135)
Management fees payable	(89)	(101)
Custodian and Trustee fees payable	(2)	(2)
Administration fees payable.....	(5)	(5)
Audit fees payable	<u>(13)</u>	<u>(16)</u>
	<u>(675)</u>	<u>(259)</u>
Net assets attributable to redeemable participating shareholders	<u>130,046</u>	<u>142,791</u>

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

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Profit and Loss Account

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Income		
Dividends	2	-
Net gain (loss) on investment activities (Note 4)	(5,552)	8,753
Total investment income (expense)	(5,550)	8,753
Expenses		
Management fees (Note 5)	(848)	(881)
Custodian and Trustee fees (Note 6)	(11)	(9)
Administration and transfer agency fees (Note 6)	(140)	(112)
Audit fees (Note 6)	(13)	(14)
Professional fees	(34)	(34)
Other fees	(29)	(18)
Total operating expenses	(1,075)	(1,068)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(6,625)	7,685

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 V plc
Russell Multi-Asset 70 Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(6,625)	7,685
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>(6,120)</u>	<u>3,409</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(12,745)	11,094
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>142,791</u>	<u>131,697</u>
End of year	<u><u>130,046</u></u>	<u><u>142,791</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Schedule of Investments

31 March 2016

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Investment Funds (86.54%) (2015: 98.76%)			Russell Global Defensive Equity Fund		
Ireland (80.18%)			Class A USD		
OpenWorld plc (3.57%)			4,422 Accumulated Shares		
Global Listed Infrastructure Class A USD			5,927 4.56		
2,198	4,649	3.57	Russell Pan European Equity Fund		
Russell Investment Company plc (49.00%)			Class B Accumulated		
Russell Absolute Return Bond Fund			9,432 Shares		
7,015	6,926	5.33	13,149 10.11		
Russell Asia Pacific Ex Japan Fund			3,775 Class USD-H Shares		
96,575	2,131	1.64	5,526 4.25		
Russell Emerging Markets Equity Fund			<u>33,985</u> <u>26.14</u>		
35,383	656	0.50	Russell Investment Company IV plc (1.47%)		
Russell Global Bond Fund Class DH-B			Russell Alpha Fund		
685,139	11,257	8.66	Class USD Roll-Up		
Russell Global High Yield Fund Class DH-B			165 Shares		
3,276	3,684	2.83	<u>1,916</u> <u>1.47</u>		
Russell Japan Equity Fund Class B Accumulated			Total Ireland		
434,713	5,631	4.33	<u>104,268</u> <u>80.18</u>		
Russell U.S. Equity Fund Class K Accumulated			Luxembourg (6.36%)		
525,157	13,654	10.50	Amundi Funds (1.86%)		
Russell World Equity Fund II Class USDH-N			Absolute Volatility World Equities		
139,432	19,779	15.21	Class USD		
<u>63,718</u> <u>49.00</u>			2,419 Accumulated Shares		
Russell Investment Company II plc (26.14%)			<u>2,420</u> <u>1.86</u>		
Russell Global Bond (Euro Hedged) Fund Class DH-B Accumulated			BlueBay Funds Management Company (4.50%)		
558,843	9,383	7.22	BlueBay Global Convertible Bond Fund		
			Class B USD		
			64,384 Accumulated Shares		
			<u>5,850</u> <u>4.50</u>		
			Total Luxembourg		
			<u>8,270</u> <u>6.36</u>		
			Total Investment Funds		
			<u>112,538</u> <u>86.54</u>		
			Total Investments excluding Financial Derivative Instruments		
			<u>112,538</u> <u>86.54</u>		

Financial Derivative Instruments ((0.14%) (2015: 0.00%))

Open Futures Contracts (0.11%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
2,444	128.64	19 of 10 Year U.S. Treasury Note Futures Long Futures Contracts		
		Expiring June 2016	33	0.02
7,132	2,009.03	71 of S&P 500 E Mini Index Futures Long Futures Contracts		
		Expiring June 2016	151	0.12
2,189	3,420.89	64 of Euro Stoxx 50 Index Futures Long Futures Contracts		
		Expiring June 2016	(52)	(0.04)

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

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Schedule of Investments - continued

31 March 2016

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
703	11.71	6 of Topix Index Futures Long Futures Contracts Expiring June 2016	17	0.01
		Unrealised gain on open futures contracts	201	0.15
		Unrealised loss on open futures contracts	(52)	(0.04)
		Net unrealised gain (loss) on open futures contracts	149	0.11

Open Forward Foreign Currency Exchange Contracts ((0.25)%)

Settlement Date	Amount Bought '000	Amount Sold '000	Unrealised Gain (Loss) USD '000	Fund %
15/06/2016	USD 4,039	EUR 3,650	(129)	(0.09)
15/06/2016	USD 4,040	EUR 3,650	(129)	(0.10)
15/06/2016	USD 2,007	GBP 1,415	(27)	(0.02)
15/06/2016	USD 2,007	GBP 1,415	(27)	(0.02)
15/06/2016	USD 3,083	JPY 346,730	(8)	(0.01)
15/06/2016	USD 3,084	JPY 346,730	(8)	(0.01)
		Net unrealised gain (loss) on open forward foreign currency exchange contracts ..	(328)	(0.25)
		Total Financial Derivative Instruments	(179)	(0.14)

	Fair Value USD '000	Fund %
Total Financial Assets at Fair Value through Profit or Loss (86.69%)	112,739	86.69
Total Financial Liabilities at Fair Value through Profit or Loss ((0.29)%	(380)	(0.29)
Net Financial Assets at Fair Value through Profit or Loss (86.40%)	112,359	86.40
Other Net Assets (13.60%)	17,687	13.60
Net Assets	130,046	100.00

<u>Analysis of gross assets (unaudited)</u>	<u>% of gross assets</u>
Investment funds (UCITS)	86.09
Exchange traded financial derivative instruments	0.15
Other assets	13.76
	100.00

The broker for the open futures contracts is Morgan Stanley.

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

BNP Paribas State Street Bank

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

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Schedule of Investments - continued

31 March 2016

Fair Value Hierarchy (Note 12 b i))

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

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Investment funds	-	112,538	-	112,538
Unrealised gain on open futures contracts	201	-	-	201
Total assets	201	112,538	-	112,739
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(52)	-	-	(52)
Unrealised loss on forward foreign currency exchange contracts	-	(328)	-	(328)
Total liabilities	(52)	(328)	-	(380)

All investments were classified within Level 2 as at 31 March 2015.

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

Russell Investment Company V plc
Russell Multi-Asset 70 Fund

Statement of Changes in Composition of Portfolio

Listed below are the total cumulative investment purchases and sales during the year ended 31 March 2016

<u>Portfolio Securities</u>	<u>Acquisition Cost USD '000</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD '000</u>
Russell Investment Company II plc		Russell Investment Company II plc	
Russell Pan European Equity Fund		Russell World Equity Fund	
Class B Accumulated Shares	2,872	Class USD-H Shares	(15,310)
Russell Investment Company plc		Russell Investments Company plc	
Russell World Equity Fund II		Russell Absolute Return Bond Fund	
Class USDH-N Accumulated Shares	1,950	Class I USD Shares	(4,654)
Russell Investment Company plc		Russell Investment Company II plc	
Russell U.S. Equity Fund		Russell Global Defensive Equity Fund	
Class K Accumulated Shares	1,500	Class A USD Accumulated Shares	(4,570)
Russell Investment Company II plc		Russell Investment Company IV plc	
Russell World Equity Fund		Russell Alpha Fund	
Class USD-H Shares	1,200	Class USD Roll-Up Shares	(3,200)
Russell Investments Company plc		Russell Investment Company plc	
Russell Absolute Return Bond Fund		Russell U.S. Equity Fund	
Class I USD Shares	800	Class K Accumulated Shares	(2,550)
Russell Investments Company plc		Russell Investment Company plc	
Russell Global Bond Fund		Russell Emerging Markets Equity Fund	
Class DH-B Accumulated Shares	550	Class B Shares	(2,540)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Global Bond (Euro Hedged) Fund		Russell World Equity Fund II	
Class DH-B Accumulated Shares	530	Class USDH-N Accumulated Shares	(1,850)
Russell Investment Company plc		Russell Investment Company II plc	
Russell Emerging Markets Equity Fund		Russell Pan European Equity Fund	
Class B Shares	500	Class B Accumulated Shares	(1,150)
Russell Investment Company II plc		Russell Investments Company plc	
Russell Global Defensive Equity Fund		Russell Global Bond Fund	
Class A USD Accumulated Shares	500	Class DH-B Accumulated Shares	(850)
Russell Investment Company plc		Russell Investment Company II plc	
Russell Asia Pacific Ex Japan Fund		Russell Global Bond (Euro Hedged) Fund	
Class B Shares	450	Class DH-B Accumulated Shares	(500)
Russell Investment Company IV plc		Russell Investment Company plc	
Russell Alpha Fund		Russell Asia Pacific Ex Japan Fund	
Class USD Roll-Up Shares	450	Class B Shares	(400)
Amundi Funds		Russell Investment Company plc	
Absolute Volatility World Equities		Russell Japan Equity Fund	
Class USD Accumulated Shares	300	Class B Accumulated Shares	(200)
Russell Investment Company plc		Russell Investment Company plc	
Russell Japan Equity Fund		Russell Global High Yield Fund	
Class B Accumulated Shares	200	Class DH-B Roll-Up Shares	(150)
Russell Investment Company plc			
Russell Global High Yield Fund			
Class DH-B Roll-Up Shares	200		

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.

Manager's Report

Investment Objective

The investment objective of Russell Multi-Asset 90 Fund (the "Fund") is to maximise long-term capital appreciation, while maintaining a level of moderate risk control. The Fund seeks to achieve this objective by investing predominantly in other regulated investment funds that invest in equities, fixed income securities and alternative asset classes. Approximately 90 per cent of the Fund's net asset value will be invested in regulated investment funds that invest in growth assets.

Fund Performance

During the year ended 31 March 2016, Russell Multi-Asset 90 Fund returned -3.7 per cent on a gross of fee basis (-6.1 per cent on a net of fee basis), while the benchmark* returned -3.7 per cent.

Market Comment

Global Markets gained in aggregate over the second quarter of 2015, despite Greece's sovereign-debt crisis casting a growing shadow over market sentiment. In the U.S., economic data trends were mixed over the quarter, but evidence that the economy is bouncing back from its first-quarter economic slowdown materialised by the end of the period. Employment, consumption and housing data all improved markedly, supporting expectations for a first interest rate hike later this year. Stocks rose marginally over the period, with the pace of subsequent rate hikes at the forefront of investor concerns. Japanese equity markets performed well over the quarter, extending year to date gains. Better than expected GDP growth in the first quarter and strong corporate earnings buoyed market sentiment. Meanwhile, continental European stocks registered losses of 4.2 per cent in local currency terms (-0.6 per cent in U.S. Dollar terms), as worries over Greece outweighed evidence that the Eurozone recovery was gaining momentum. In Emerging Markets (EM), Brazilian stocks rebounded in what was a solid quarter overall for Latin American bourses. Meanwhile, China's long bull market continued for much of the quarter before concerns that the country's stocks were overvalued led to a major sell-off in June. In bonds, the Barclays Global Aggregate Bond index fell by 2.2 per cent over the quarter (in U.S. Dollar hedged terms). This notable negative return, reflected in both safe haven as well as riskier debt, was largely driven by the sharp selloff in German bunds, as overbought positions reverted from historically low levels on positive Eurozone economic data. Investors also shunned riskier spread sectors due to the resurgent Greek debt crisis and the large correction in the Chinese equity market. Government bond yields were broadly higher over the quarter, as the continued impasse between Greece and its creditors weighed heavy on the markets. In the U.S., thinner market liquidity as well as rising expectations of an interest rate hike later this year on the back of improving economic data over the quarter, impacted demand for 10 year Treasuries which rose to 2.35 per cent from 1.92 per cent.

Global equities, as measured by the Russell Global Large Cap index, fell 9.4 per cent over the third quarter of 2015. Early in the quarter, the renewed bailout deal with Greece brought a degree of harmony in Europe. This positive development soon became a distant memory, as two central stories unfolded over the period. In China, the country's devaluation of its currency, amid slowing growth, gave rise to a severe sell-off in global markets. This, in turn, became a lead factor in preventing the U.S. Federal Reserve (the "Fed") from raising its interest rate in September. The combination of these major events engendered the fourth biggest quarterly increase in volatility in the past 10 years, as measured by the Chicago Board Options Exchange Volatility Index. It also handed over renewed market uncertainty to the final quarter of this year. In bonds, the Barclays Global Aggregate Bond Index rose by 1.3 per cent. In the U.S., the benchmark 10-year treasury yield declined 32 basis points (bps) to 2.04 per cent, the seventh biggest fall in yields in the last 10 years. UK's 10-year gilt yield declined 26 bps to 1.76 per cent, as second quarter GDP growth stood at 0.7 per cent. Whilst the unemployment rate fixed down to 5.5 per cent, flatter retail and inflation figures convinced the Bank of England to hold the interest rate firmly at 0.5 per cent. Eurozone country yields were more stable after a new bailout deal was agreed with Greece and with the re-election of Alexis Tsipras as Greece's Prime Minister. The yields in both Germany and France crept lower over the quarter (-18 bps to 0.59 per cent and -21 bps to 0.99 per cent, respectively). European peripheral countries (Spain, Italy, Portugal, Greece and Ireland) also saw yields decline over the period. In Japan, yields fell as poorer second quarter GDP figures and lower consumer confidence added increased demand for safe haven debt.

Global equities, as measured by the Russell Global Large Cap index, rose by 5.1 per cent over the final quarter of 2015 in U.S. Dollar terms. Global Markets gained in aggregate as the negative effects of China's third quarter slowdown began to fade and the U.S. Federal Reserve (the "Fed") moved towards policy tightening, exhibiting confidence in the American economy's steady recovery. In Europe, investors were slightly disappointed by the European Central Bank's (ECB) timid actions to quell sluggish growth, whilst the downward trend of the oil price weighed on EM. In bonds, the Barclays Global Aggregate Bond Index rose by 0.1 per cent in the fourth quarter, in hedged U.S. Dollar terms. In the U.S., the benchmark 10 year treasury increased 23 bps to 2.27 per cent. Over the period, the 10 year gilt yield climbed 20 bps to 1.96 per cent. The yields in both Germany and France were slightly flatter this quarter (+4 bps to 0.63 per cent and +0 bps to 0.99 per cent, respectively). In Japan, yields fell with the nation's economy escaping a technical recession as third quarter GDP growth was revised upwards from -0.8 to +1.0 per cent on an annualised basis. The Bank of Japan also left its interest rate unchanged and would continue to buy Japanese Government Bonds (JGBs) at an annual pace of JPY 80 trillion.

Global equities, as measured by the Russell Global Large Cap index, rose by 0.4 per cent over the first quarter of 2016 in U.S. Dollar terms. The period was characterised by two halves. In the first half, slowing growth in China coupled with an ongoing commodities rout (especially in oil), engendered significant market volatility and a considerable risk-off sentiment.

Manager's Report - continued

However in the latter part of the quarter, more accommodative Central Bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree. In bonds, the Barclays Global Aggregate Bond Index rose by 3.3 per cent in the first quarter (in hedged U.S. Dollar terms). In the U.S., the benchmark 10 year Treasury rallied with its yield decreasing 50 bps to 1.77 per cent, even though GDP growth during the fourth quarter of 2015 was revised further upwards to 1.4 per cent quarter-on-quarter (QoQ). Nonfarm payrolls also rose by 242,000 in February, whilst the core inflation rate (2.3 per cent year-on-year in February) beat expectations of 2.2 per cent. Over the period, the benchmark 10 year gilt declined 55 bps to 1.42 per cent. In Europe, the ECB President Draghi delivered on his promise to do "whatever it takes" by introducing raft of new accommodative stimulus measures in an effort to boost Eurozone inflation and encourage new credit provision. This pushed yields in both Germany and France lower by 48 bps to 0.15 per cent and 50 bps to 0.49 per cent, respectively. In Japan, the negative rates environment and poor final fourth quarter GDP growth readings (-0.3 per cent QoQ), dragged the 10 year yield curve into negative territory by 29 bps to -0.03 per cent.

Portfolio Changes

The Fund experienced a challenging second quarter environment. News flow was dominated by Greece's debt negotiations, causing volatility in both equity and bond markets. The allocation to real assets also held back gains; the allocation to real estate struggled, as the listed property market continued to lag relative to most other equity sectors. On the upside, the allocation to high yield bonds contributed to performance. Over the quarter, we neutralised our equity overweights by hedging a short to the Euro and Japanese Yen, plus a long to the U.S. Dollar.

Against the backdrop of a turbulent market environment, where both equity and bond markets suffered heavy selloffs, the Fund lost ground over the third quarter of 2015. Global Markets fell after economic news from China disappointed and the country's Central Bank allowed the Chinese currency to depreciate against the U.S. Dollar. EM saw the largest outflows, with the market hitting a new four year low. On the upside, not holding commodities paid off, as well as the allocation to listed infrastructure and volatility (Amundi). As the market bottomed out, we added risk back to the portfolio by moving 2 per cent out of cash and reallocating across our regional equity exposures.

The Fund benefited from the allocation to global stocks over the final quarter of 2015, buoyed by an upbeat earnings season and expectations of extended accommodative measures from central banks worldwide. Markets also benefited from the release of the U.S. Federal Committee's October meeting minutes, which revealed that a majority of members leaned towards a rate rise. As expected, the Fed raised interest rates in December. Pockets of volatility driven by weakness in China and declining oil prices dampened investor demand for risk assets, such as higher yielding bonds. Over the period, we increased our underweight to the U.S. by selling spread calls on the S&P 500, but kept the physical exposure.

The first quarter of 2016 proved a difficult environment for the Fund, as turmoil in Chinese equity markets, concerns about global economic growth and low commodity prices drove bearish investor sentiment. Over the period, we hedged out all Euro, Sterling and Japanese Yen exposure back to the U.S. Dollar. We also reduced our position in absolute return bonds and reallocated the assets to cash. Later on in the period, a rebound in oil prices and improved investor sentiment towards risk assets, helped the Fund regain ground. After the rally, we took profits from equities and added to convertible bonds and introduced U.S. Treasury Futures to the Fund.

Outlook

Global markets got off to a rough start in 2016. By mid-February global developed equities had lost nearly 20 per cent from their 2015 peak. They rebounded by around 10 per cent by mid-March, but we expect volatility to be a headline throughout 2016. This volatility will continue to be driven by China fears, the Fed monetary tightening, U.S. recession concerns, bank balance sheet worries, and soft corporate profits. Moreover, the move to negative interest rates in Europe and Japan has triggered fears that Central Banks have run out of easing options. Negative rates also tend to squeeze the margin between banks' borrowing and lending rates. This squeeze could, in turn, hurt bank profitability, and end up making things worse for the markets. In our 2016 Global Market Outlook Annual report, we forecast mid to low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're holding to that view, with the exception we think equity growth is more likely to be in the low single digits. Moreover, we're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for EM. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market, provided the U.S. does not fall into recession. Right now we see recession as a low probability over the next several years. It's true we're deep into the current business cycle, but we're not seeing excesses in the U.S. economy that could trigger recession.

Past performance is no indication of current or future performance.

* Benchmark is a Composite of: 45 per cent Russell Global Large Cap Index Net, 45 per cent Russell Global Large Cap Index USD hedged Net, 10 per cent Barclays Global Aggregate USD hedged

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Balance Sheet

As at 31 March 2016

	31 March 2016	31 March 2015
	USD '000	USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	98,568	119,355
Cash at bank (Note 3)	16,407	1,266
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	1,500	-
Debtors:		
Receivable on fund shares issued	181	430
Prepayments and other debtors	45	56
	<u>116,701</u>	<u>121,107</u>
Liabilities		
Financial liabilities at fair value through profit or loss (Note 2)	(418)	-
Creditors – amounts falling due within one year:		
Payable for investments purchased	-	(250)
Payable on fund shares redeemed	(318)	(244)
Management fees payable	(20)	(25)
Custodian and Trustee fees payable	(1)	(1)
Administration fees payable	(4)	(4)
Audit fees payable	(13)	(15)
	<u>(774)</u>	<u>(539)</u>
Net assets attributable to redeemable participating shareholders	<u><u>115,927</u></u>	<u><u>120,568</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Profit and Loss Account

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Income		
Dividends	2	-
Net gain (loss) on investment activities (Note 4)	(6,200)	8,213
Total investment income (expense)	(6,198)	8,213
Expenses		
Management fees (Note 5)	(37)	(92)
Custodian and Trustee fees (Note 6)	(10)	(8)
Administration and transfer agency fees (Note 6)	(123)	(104)
Audit fees (Note 6)	(13)	(14)
Professional fees	(31)	(30)
Other fees	(29)	(16)
Total operating expenses	(243)	(264)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(6,441)	7,949

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 V plc
Russell Multi-Asset 90 Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2016

	<u>2016</u> <u>USD '000</u>	<u>2015</u> <u>USD '000</u>
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(6,441)	7,949
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>1,800</u>	<u>(816)</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	(4,641)	7,133
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>120,568</u>	<u>113,435</u>
End of year	<u><u>115,927</u></u>	<u><u>120,568</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Schedule of Investments

31 March 2016

Number of Shares	Fair Value USD '000	Fund %	Number of Shares	Fair Value USD '000	Fund %
Investment Funds (84.86%) (2015: 98.99%)			Russell Investment Company II plc (25.90%)		
Ireland (78.07%)			Russell Pan European Equity Fund		
OpenWorld plc (3.94%)			Class B Accumulated		
Global Listed Infrastructure Class A USD			10,217	14,244	12.29
2,159	Accumulated Shares	4,567 3.94	Russell Global Defensive Equity Fund		
Russell Investment Company plc (48.23%)			Class A USD		
Russell Absolute Return Bond Fund			4,950	6,635	5.72
3,146	Class I USD Shares	3,106 2.68	Russell World Equity Fund		
Russell Asia Pacific Ex Japan Fund			6,250	9,148	7.89
111,427	Class B Shares	2,459 2.12	Total Ireland		
Russell Emerging Markets Equity Fund				30,027	25.90
52,710	Class B Shares	977 0.84	90,502 78.07		
Russell Global Bond Fund Class DH-B			Luxembourg (6.79%)		
177,730	Accumulated Shares	2,920 2.52	Amundi Funds (1.34%)		
Russell Global High Yield Fund			Absolute Volatility World Equities		
Class DH-B			Class USD		
2,475	Roll-Up Shares	2,783 2.40	1,549	1,550	1.34
Russell Japan Equity Fund Class B Accumulated			BlueBay Funds Management Company (5.45%)		
526,424	Shares	6,819 5.88	BlueBay Global Convertible Bond Fund		
Russell U.S. Equity Fund Class K Accumulated			Class B USD		
577,379	Shares	15,012 12.95	69,497	6,316	5.45
Russell World Equity Fund II			Total Luxembourg		
Class USDH-N			7,866 6.79		
153,907	Accumulated Shares	21,832 18.84	Total Investment Funds		
		55,908 48.23	98,368 84.86		
			Total Investments excluding Financial Derivative Instruments		
			98,368 84.86		

Financial Derivative Instruments ((0.19)%) (2015: 0.00%)

Open Futures Contracts (0.12%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
8,137	2,009.03	81 of S&P 500 E Mini Index Futures Long Futures Contracts		
		Expiring June 2016	172	0.15
2,600	3,420.91	78 of Euro Stoxx 50 Index Futures Long Futures Contracts		
		Expiring June 2016	(61)	(0.05)
1,171	11.71	10 of Topix Index Futures Long Futures Contracts		
		Expiring June 2016	28	0.02
Unrealised gain on open futures contracts			200	0.17
Unrealised loss on open futures contracts			(61)	(0.05)
Net unrealised gain (loss) on open futures contracts			139	0.12

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

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Schedule of Investments - continued

31 March 2016

Open Forward Foreign Currency Exchange Contracts ((0.31)%)

<u>Settlement Date</u>	<u>Amount Bought '000</u>	<u>Amount Sold '000</u>	<u>Unrealised Gain (Loss) USD '000</u>	<u>Fund %</u>
15/06/2016	USD 2,895	EUR 2,617	(94)	(0.08)
15/06/2016	USD 2,896	EUR 2,617	(93)	(0.08)
15/06/2016	USD 2,896	EUR 2,617	(92)	(0.08)
15/06/2016	USD 1,452	GBP 1,023	(20)	(0.01)
15/06/2016	USD 1,452	GBP 1,023	(19)	(0.01)
15/06/2016	USD 1,451	GBP 1,023	(20)	(0.02)
15/06/2016	USD 2,469	JPY 277,580	(6)	(0.01)
15/06/2016	USD 2,469	JPY 277,580	(6)	(0.01)
15/06/2016	USD 2,468	JPY 277,580	(7)	(0.01)
Net unrealised gain (loss) on open forward foreign currency exchange contracts .			(357)	(0.31)
Total Financial Derivative Instruments			(218)	(0.19)
			<u>Fair Value USD '000</u>	<u>Fund %</u>
Total Financial Assets at Fair Value through Profit or Loss (85.03%)			98,568	85.03
Total Financial Liabilities at Fair Value through Profit or Loss ((0.36)%			(418)	(0.36)
Net Financial Assets at Fair Value through Profit or Loss (84.67%)			98,150	84.67
Other Net Assets (15.33%)			17,777	15.33
Net Assets			115,927	100.00
<u>Analysis of gross assets (unaudited)</u>				<u>% of gross assets</u>
Investment funds (UCITS)				84.29
Exchange traded financial derivative instruments				0.17
Other assets				15.54
				100.00

The broker for the open futures contracts is Morgan Stanley.

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

BNP Paribas State Street Bank
Bank of America

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

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Schedule of Investments - continued

31 March 2016

Fair Value Hierarchy (Note 12 b i))

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

As at 31 March 2016

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Investment funds	-	98,368	-	98,368
Unrealised gain on open futures contracts	200	-	-	200
Total assets	200	98,368	-	98,568
Liabilities				
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open futures contracts	(61)	-	-	(61)
Unrealised loss on forward foreign currency exchange contracts	-	(357)	-	(357)
Total liabilities	(61)	(357)	-	(418)

All investments were classified within Level 2 as at 31 March 2015.

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

Russell Investment Company V plc
Russell Multi-Asset 90 Fund

Statement of Changes in Composition of Portfolio

Listed below are the total cumulative investment purchases and sales during the year ended 31 March 2016

<u>Portfolio Securities</u>	<u>Acquisition Cost USD '000</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD '000</u>
Russell Investment Company plc		Russell Investment Company II plc	
Russell U.S. Equity Fund		Russell World Equity Fund	
Class K Accumulated Shares	3,460	Class USD H Shares	(15,640)
Russell Investment Company II plc		Russell Investment Company II plc	
Russell Pan European Equity Fund		Russell Global Defensive Equity Fund	
Class B Accumulated Shares	3,455	Class A USD Accumulated Shares	(6,400)
Russell Investment Company plc		Russell Investment Company plc	
Russell World Equity Fund II		Russell U.S. Equity Fund	
Class USDH-N Accumulated Shares	3,070	Class K Accumulated Shares	(4,850)
Russell Investment Company II plc		Russell Investment Company plc	
Russell World Equity Fund		Russell Emerging Markets Equity Fund	
Class USD H Shares	2,950	Class B Shares	(3,090)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Global Defensive Equity Fund		Russell World Equity Fund II	
Class A USD Accumulated Shares	1,930	Class USDH-N Accumulated Shares	(3,030)
Russell Investment Company plc		Russell Investments Company plc	
Russell Japan Equity Fund		Russell Absolute Return Bond Fund	
Class B Accumulated Shares	1,280	Class I USD Shares	(2,600)
Russell Investment Company plc		Russell Investment Company II plc	
Russell Emerging Markets Equity Fund		Russell Pan European Equity Fund	
Class B Shares	1,250	Class B Accumulated Shares	(1,600)
Russell Investments Company plc		Russell Investment Company IV plc	
Russell Absolute Return Bond Fund		Russell Alpha Fund	
Class I USD Shares	990	Class USD Roll-Up Shares	(596)
Russell Investment Company plc		Russell Investment Company II plc	
Russell Asia Pacific Ex Japan Fund		Russell Global Bond (Euro Hedged) Fund	
Class B Shares	580	Class DH-B Accumulated Shares	(482)
OpenWorld		Russell Investment Company plc	
Global Listed Infrastructure		Russell Japan Equity Fund	
Class A USD Accumulated Shares	560	Class B Accumulated Shares	(390)
Russell Investments Company plc		OpenWorld	
Russell Global Bond Fund		Global Listed Infrastructure	
Class DH-B USD Accumulated Shares	300	Class A USD Accumulated Shares	(350)
Amundi Funds		Russell Investments Company plc	
Absolute Volatility World Equities		Russell Global Bond Fund	
Class USD Accumulated Shares	300	Class DH-B USD Accumulated Shares	(250)
Russell Investment Company plc		Russell Investment Company plc	
Russell Global High Yield Fund		Russell Global High Yield Fund	
Class DH-B Roll-Up Shares	200	Class DH-B Roll-Up Shares	(200)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Global Bond (Euro Hedged) Fund		Russell Asia Pacific Ex Japan Fund	
Class DH-B Accumulated Shares	150	Class B Shares	(150)

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 V plc

Russell Multi-Asset Defensive Fund

Manager's Report

Investment Objective

The investment objective of Russell Multi-Asset Defensive Fund (the "Fund") is to achieve capital appreciation with limited net asset value volatility. The Fund will seek to achieve investment returns in excess of one month U.S. Dollar LIBOR over the medium term, although in the short-term returns may be more volatile.

Fund Performance

During the year ended 31 March 2016, Russell Multi-Asset Defensive Fund (A Class) returned -0.4 per cent on a gross of fee basis (-1.8 per cent on a net of fee basis), while the benchmark* returned 0.3 per cent.

Market Comment

Global Markets gained in aggregate over the second quarter of 2015, despite Greece's sovereign-debt crisis casting a growing shadow over market sentiment. In the U.S., economic data trends were mixed over the quarter, but evidence that the economy is bouncing back from its first quarter economic slowdown materialised by the end of the period. Employment, consumption and housing data all improved markedly, supporting expectations for a first interest rate hike later this year. Stocks rose marginally over the period, with the pace of subsequent rate hikes at the forefront of investor concerns. Japanese equity markets performed well over the quarter, extending year to date gains. Better than expected GDP growth in the first quarter and strong corporate earnings buoyed market sentiment. Meanwhile, continental European stocks registered losses of 4.2 per cent in local currency terms (-0.6 per cent in U.S. Dollar terms), as worries over Greece outweighed evidence that the Eurozone recovery was gaining momentum. In Emerging Markets (EM), Brazilian stocks rebounded in what was a solid quarter overall for Latin American bourses. Meanwhile, China's long bull market continued for much of the quarter before concerns that the country's stocks were overvalued led to a major sell-off in June. In bonds, the Barclays Global Aggregate Bond index fell by 2.2 per cent over the quarter (in U.S. Dollar hedged terms). This notable negative return, reflected in both safe haven as well as riskier debt, was largely driven by the sharp selloff in German bunds, as overbought positions reverted from historically low levels on positive Eurozone economic data. Investors also shunned riskier spread sectors due to the resurgent Greek debt crisis and the large correction in the Chinese equity market. Government bond yields were broadly higher over the quarter, as the continued impasse between Greece and its creditors weighed heavy on the markets. In the U.S., thinner market liquidity as well as rising expectations of an interest rate hike later this year on the back of improving economic data over the quarter, impacted demand for 10 year Treasuries which rose to 2.35 per cent from 1.92 per cent.

Global equities, as measured by the Russell Global Large Cap index, fell 9.4 per cent over the third quarter of 2015. Early in the quarter, the renewed bailout deal with Greece brought a degree of harmony in Europe. This positive development soon became a distant memory, as two central stories unfolded over the period. In China, the country's devaluation of its currency, amid slowing growth, gave rise to a severe sell-off in global markets. This, in turn, became a lead factor in preventing the U.S. Federal Reserve (the "Fed") from raising its interest rate in September. The combination of these major events engendered the fourth biggest quarterly increase in volatility in the past 10 years, as measured by the Chicago Board Options Exchange Volatility Index. It also handed over renewed market uncertainty to the final quarter of this year. In bonds, the Barclays Global Aggregate Bond Index rose by 1.3 per cent. In the U.S., the benchmark 10 year treasury yield declined 32 basis points (bps) to 2.04 per cent, the seventh biggest fall in yields in the last 10 years. U.K.'s 10 year gilt yield declined 26 bps to 1.76 per cent, as second quarter GDP growth stood at 0.7 per cent. Whilst the unemployment rate fixed down to 5.5 per cent, flatter retail and inflation figures convinced the Bank of England to hold the interest rate firmly at 0.5 per cent. Eurozone country yields were more stable after a new bailout deal was agreed with Greece and with the re-election of Alexis Tsipras as Greece's Prime Minister. The yields in both Germany and France crept lower over the quarter (-18 bps to 0.59 per cent and -21 bps to 0.99 per cent, respectively). European peripheral countries (Spain, Italy, Portugal, Greece and Ireland) also saw yields decline over the period. In Japan, yields fell as poorer second quarter GDP figures and lower consumer confidence added increased demand for safe haven debt.

Global equities, as measured by the Russell Global Large Cap index, rose by 5.1 per cent over the final quarter of 2015 in U.S. Dollar terms. Global Markets gained in aggregate as the negative effects of China's third quarter slowdown began to fade and the Fed moved towards policy tightening, exhibiting confidence in the American economy's steady recovery. In Europe, investors were slightly disappointed by the European Central Bank's (ECB) timid actions to quell sluggish growth, whilst the downward trend of the oil price weighed on EM. In bonds, the Barclays Global Aggregate Bond Index rose by 0.1 per cent in the fourth quarter, in hedged U.S. Dollar terms. In the U.S., the benchmark 10 year treasury increased 23 bps to 2.27 per cent. Over the period, the 10 year gilt yield climbed 20 bps to 1.96 per cent. The yields in both Germany and France were slightly flatter this quarter (+4 bps to 0.63 per cent and +0 bps to 0.99 per cent, respectively). In Japan, yields fell with the nation's economy escaping a technical recession as third quarter GDP growth was revised upwards from -0.8 to +1.0 per cent on an annualised basis. The Bank of Japan also left its interest rate unchanged and would continue to buy Japanese Government Bonds (JGBs) at an annual pace of JPY 80 trillion.

Global equities, as measured by the Russell Global Large Cap index, rose by 0.4 per cent over the first quarter of 2016 in U.S. Dollar terms. The period was characterised by two halves. In the first half, slowing growth in China coupled with an ongoing commodities rout (especially in oil), engendered significant market volatility and a considerable risk-off sentiment. However in the latter part of the quarter, more accommodative Central Bank policies alongside oil price stabilisation, thawed sentiment for global equities to some degree.

Manager's Report - continued

In bonds, the Barclays Global Aggregate Bond Index rose by 3.3 per cent in the first quarter (in hedged U.S. Dollar terms). In the U.S., the benchmark 10 year Treasury rallied with its yield decreasing 50 bps to 1.77 per cent, even though GDP growth during the fourth quarter of 2015 was revised further upwards to 1.4 per cent quarter-on-quarter (QoQ). Nonfarm payrolls also rose by 242,000 in February, whilst the core inflation rate (2.3 per cent year on year in February) beat expectations of 2.2 per cent. Over the period, the benchmark 10-year gilt declined 55 bps to 1.42 per cent. In Europe, the ECB President Draghi delivered on his promise to do "whatever it takes" by introducing raft of new accommodative stimulus measures in an effort to boost Eurozone inflation and encourage new credit provision. This pushed yields in both Germany and France lower by 48 bps to 0.15 per cent and 50 bps to 0.49 per cent, respectively. In Japan, the negative rates environment and poor final fourth quarter GDP growth readings (-0.3 per cent QoQ), dragged the 10 year yield curve into negative territory by 29 bps to -0.03 per cent.

Portfolio changes

The Fund experienced a challenging second quarter environment. News flow was dominated by Greece's debt negotiations, causing volatility in both equity and bond markets. The allocation to real assets also held back gains; the allocation to real estate struggled, as the listed property market continued to lag relative to most other equity sectors. On the upside, the allocation to high yield bonds contributed to performance. Over the quarter, we neutralised our equity overweights by hedging a short to the Euro and Japanese Yen, plus a long to the U.S. Dollar.

Against the backdrop of a turbulent market environment, where both equity and bond markets suffered heavy selloffs, the Fund lost ground over the third quarter of 2015. Global markets fell after economic news from China disappointed and the country's central bank allowed the Chinese currency to depreciate against the U.S. Dollar. The Fund benefited from its exposure to government bonds, although the allocation to higher yielding bonds hindered performance overall. In response to the market turmoil and as volatility spiked, we moved assets out of cash and re-allocated to the Russell Multi-Strategy Volatility Fund. As the market bottomed out, we added risk back to the portfolio by adding to global equities.

The Fund benefited from the allocation to global stocks of the final quarter of 2015, buoyed by an upbeat earnings season and expectations of extended accommodative measures from central banks worldwide. Markets also benefited from the release of the U.S. Federal Committee's October meeting minutes, which revealed that a majority of members leaned towards a rate rise. As expected, the Fed raised interest rates in December. Pockets of volatility driven by weakness in China and declining oil prices dampened investor demand for risk assets, such as higher yielding bonds, which held back further gains for the Fund. Elsewhere, the allocation to listed infrastructure added value.

The Fund performed well over the first quarter of 2016, despite turmoil in Chinese equity markets, concerns about global economic growth and low commodity prices driving bearish investor sentiment. To align the Fund with our key strategic views, we moved assets from Emerging Market Debt and our absolute return book into cash. We also reduced our exposure to multi-strategy volatility. Later on in the period, a rebound in oil prices and improved investor sentiment towards risk assets. After the rally, we introducing U.S. Treasury Futures to the Fund.

Outlook

Global Markets got off to a rough start in 2016. By mid-February global developed equities had lost nearly 20 per cent from their 2015 peak. They rebounded by around 10 per cent by mid-March, but we expect volatility to be a headline throughout 2016. This volatility will continue to be driven by China fears, the Fed monetary tightening, U.S. recession concerns, bank balance sheet worries, and soft corporate profits. Moreover, the move to negative interest rates in Europe and Japan has triggered fears that central banks have run out of easing options. Negative rates also tend to squeeze the margin between banks' borrowing and lending rates. This squeeze could, in turn, hurt bank profitability, and end up making things worse for the markets. In our 2016 Global Market Outlook Annual report, we forecast mid-to-low single digit returns for global equities, along with a gradual rise in long-term interest rates. We're holding to that view, with the exception we think equity growth is more likely to be in the low single digits. Moreover, we're now seeing corporate profits weakening, softness in global trade and manufacturing, and slightly higher risks for EM. These elements all contribute to a less supportive environment for equities. That said, we're not forecasting a sustained bear market, provided the U.S. does not fall into recession. Right now we see recession as a low probability over the next several years. It's true we're deep into the current business cycle, but we're not seeing excesses in the U.S. economy that could trigger recession.

Past performance is no indication of current or future performance.

* Benchmark is a Composite of the Underlying Fund Benchmarks, according to the Allocation: 6.25 per cent Russell Global Large Cap Net USD hedged Index; 1.8 per cent FTSE EPRA/NAREIT Developed Real Estate Index; 37 per cent Barclays Global Agg (USD hedged); 19.5 per cent Barclays 1-3 Month T-Bill index; 16.6 per cent USD Libor 1 month; 14.65 per cent USD Libor 3 Month; 1.8 per cent S&P Global Listed Infrastructure; 2.4 per cent DJ UBS Index

Russell Investment Company V plc
Russell Multi-Asset Defensive Fund

Balance Sheet

As at 31 March 2016

	31 March 2016 USD '000	31 March 2015 USD '000
Assets		
Financial assets at fair value through profit or loss (Note 2)	85,174	87,126
Cash at bank (Note 3)	19,008	1,027
Cash held with brokers and counterparties for open financial derivative instruments (Note 3)	58	-
Debtors:		
Receivable on fund shares issued	-	33
Prepayments and other debtors	72	62
	<u>104,312</u>	<u>88,248</u>
Liabilities		
Creditors – amounts falling due within one year:		
Payable on fund shares redeemed	(232)	(221)
Management fees payable	(14)	(13)
Custodian and Trustee fees payable	(1)	(1)
Administration fees payable	(4)	(3)
Audit fees payable	(13)	(14)
Other fees payable	-	(7)
	<u>(264)</u>	<u>(259)</u>
Net assets attributable to redeemable participating shareholders	<u>104,048</u>	<u>87,989</u>

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

Russell Investment Company V plc
Russell Multi-Asset Defensive Fund

Profit and Loss Account

For the year ended 31 March 2016

	2016 USD '000	2015 USD '000
Income		
Dividends	2	4
Net gain (loss) on investment activities (Note 4)	(1,244)	1,746
Total investment income (expense)	(1,242)	1,750
Expenses		
Management fees (Note 5)	125	21
Custodian and Trustee fees (Note 6)	(8)	(4)
Administration and transfer agency fees (Note 6)	(53)	(44)
Audit fees (Note 6)	(13)	(13)
Professional fees	(27)	(22)
Other fees	(15)	(13)
Total operating expenses	9	(75)
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(1,233)	1,675

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 V plc
Russell Multi-Asset Defensive Fund

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

For the year ended 31 March 2016

	<u>2016</u> <u>USD '000</u>	<u>2015</u> <u>USD '000</u>
Net increase (decrease) in net assets attributable to redeemable participating shareholders resulting from operations	(1,233)	1,675
Share transactions		
Net increase (decrease) in net assets resulting from redeemable participating share transactions (Note 10)	<u>17,292</u>	<u>8,942</u>
Total net increase (decrease) in net assets attributable to redeemable participating shareholders	16,059	10,617
Net assets attributable to redeemable participating shareholders		
Beginning of year	<u>87,989</u>	<u>77,372</u>
End of year	<u><u>104,048</u></u>	<u><u>87,989</u></u>

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

Russell Investment Company V plc
Russell Multi-Asset Defensive Fund

Schedule of Investments

31 March 2016

Number of Shares		Fair Value USD '000	Fund %	Number of Shares		Fair Value USD '000	Fund %
Investment Funds (81.81%) (2015: 99.02%)				Russell Investment Company III plc (1.80%)			
Ireland (74.37%)				The U.S. Dollar Cash Fund			
OpenWorld plc (1.69%)				II			
	Global Listed Infrastructure			1,872	Class R Roll-Up Shares	1,875	1.80
	Class A USD						
830	Accumulated Shares	1,754	1.69				
Russell Investment Company plc (43.22%)				Russell Investment Company IV plc (15.47%)			
Russell Absolute Return				Russell Alpha Fund			
Bond Fund				Class USD Roll-Up			
16,364	Class I USD Shares	16,157	15.53	1,390	Shares	16,097	15.47
Russell Global Bond Fund				Total Ireland			
Class DH-B						77,381	74.37
1,019,912	Accumulated Shares	16,757	16.11	Luxembourg (7.44%)			
Russell Global High Yield				Amundi Funds (3.79%)			
Fund				Absolute Volatility World			
Class DH-B				Equities			
4,231	Roll-Up Shares	4,758	4.57	3,938	Class USD		
Russell World Equity Fund				Accumulated Shares			
II						3,939	3.79
Class USDH-N				BlueBay Funds Management Company (3.65%)			
51,429	Accumulated Shares	7,296	7.01	BlueBay Global Convertible			
				Bond Fund			
				Class B USD			
				41,812	Accumulated Shares	3,800	3.65
				Total Luxembourg			
						7,739	7.44
				Total Investment Funds			
						85,120	81.81
				Total Investments			
				excluding Financial			
				Derivative Instruments			
						85,120	81.81

Financial Derivative Instruments (0.05%) (2015: 0.00%)

Open Futures Contracts (0.05%)

Notional Amount USD '000	Average Cost Price USD		Unrealised Gain (Loss) USD '000	Fund %
3,988	128.64	31 of 10 Year U.S. Treasury Note Futures		
		Long Futures Contracts		
		Expiring June 2016	54	0.05
Net unrealised gain (loss) on open futures contracts			54	0.05
			Fair Value	Fund
			USD '000	%
Total Financial Assets at Fair Value through Profit or				
Loss (81.86%)			85,174	81.86
Other Net Assets (18.14%)			18,874	18.14
Net Assets			104,048	100.00

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

Russell Investment Company V plc
Russell Multi-Asset Defensive Fund

Schedule of Investments - continued

31 March 2016

<u>Analysis of gross assets (unaudited)</u>	<u>% of gross assets</u>
Investment funds (UCITS)	81.60
Exchange traded financial derivative instruments	0.05
Other assets	18.35
	<u>100.00</u>

The broker for the open futures contracts is Morgan Stanley.

Fair Value Hierarchy (Note 12 b i))

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

As at 31 March 2016

	<u>Level 1 USD '000</u>	<u>Level 2 USD '000</u>	<u>Level 3 USD '000</u>	<u>Total USD '000</u>
Assets				
Financial assets at fair value through profit or loss:				
Investments at fair value:				
Investment funds	-	85,120	-	85,120
Unrealised gain on open futures contracts	54	-	-	54
Total assets	<u>54</u>	<u>85,120</u>	<u>-</u>	<u>85,174</u>

All investments were classified within Level 2 as at 31 March 2015.

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

Russell Investment Company V plc
Russell Multi-Asset Defensive Fund

Statement of Changes in Composition of Portfolio

Listed below are the total cumulative investment purchases and sales during the year ended 31 March 2016

<u>Portfolio Securities</u>	<u>Acquisition Cost USD '000</u>	<u>Portfolio Securities</u>	<u>Disposal Proceeds USD '000</u>
Russell Investments Company plc		Russell Investment Company IV plc	
Russell Global Bond Fund		Russell Alpha Fund	
Class DH-B Accumulated Shares	2,930	Class USD Roll-Up Shares	(3,650)
Russell Investment Company IV plc		Russell Investments Company plc	
Russell Alpha Fund		Russell Absolute Return Bond Fund	
Class USD Roll-Up Shares	2,750	Class I USD Shares	(3,400)
Russell Investment Company plc		Russell Investment Company IV plc	
Russell World Equity Fund II		Russell Multi Strategy Volatility Fund	
Class USDH-N Accumulated Shares	2,700	Class A USD Roll-Up Shares	(3,291)
Russell Investments Company plc		Russell Investment Company II plc	
Russell Absolute Return Bond Fund		Russell Emerging Market Debt Local Currency Fund	
Class I USD Shares	2,680	Class I USD Shares	(2,923)
Russell Investment Company II plc		Russell Investment Company III plc	
Russell Global Bond (Euro Hedged) Fund		The U.S. Dollar Cash Fund II	
Class DH-B Accumulated Shares	2,450	Class R Roll-Up Shares	(2,400)
Russell Investment Company IV plc		Russell Investment Company II plc	
Russell Multi Strategy Volatility Fund		Russell Global Bond (Euro Hedged) Fund	
Class A USD Roll-Up Shares	1,900	Class DH-B Accumulated Shares	(970)
Russell Investment Company plc		Russell Investments Company plc	
Russell Global High Yield Fund		Russell Global Bond Fund	
Class DH-B Roll-Up Shares	750	Class DH-B Accumulated Shares	(940)
Russell Investment Company II plc		Russell Investment Company plc	
Russell Emerging Market Debt Local Currency Fund		Russell World Equity Fund II	
Class I USD Shares	715	Class USDH-N Accumulated Shares	(800)
Russell Investment Company III plc		Russell Investment Company plc	
The U.S. Dollar Cash Fund II		Russell Global High Yield Fund	
Class R Roll-Up Shares	580	Class DH-B Roll-Up Shares	(350)
OpenWorld		OpenWorld	
Global Listed Infrastructure		Global Listed Infrastructure	
Class A USD Accumulated Shares	300	Class A USD Accumulated Shares	(50)
Amundi Funds			
Absolute Volatility World Equities			
Class USD Accumulated Shares	300		

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

Notes to the Financial Statements

31 March 2016

1. Basis of preparation

a) Statement of Compliance

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

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

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

b) Transition to FRS 102

In 2012, 2013 and 2014 the FRC revised Financial Reporting Standards in the United Kingdom and Republic of Ireland. The revisions fundamentally reformed financial reporting, replacing the extant standards with a number of new Financial Reporting Standards. The new standards relevant to the Company are FRS 102: the Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 104: Interim Financial Reporting. FRS 102 and FRS 104 are effective for accounting periods beginning on or after 1 January 2015 with early adoption permitted.

The Directors, on the recommendation of the Manager's Audit Committee, resolved to adopt and prepare the Company's financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The date of transition to the new accounting framework is 1 April 2014 and accordingly the comparative amounts presented for the year ended 31 March 2015 are based on the Company's financial statements for that year after adjustment for the transition to FRS 102.

The accounting policies applied in preparing these financial statements under FRS 102 are consistent with the accounting policies applied, except where noted, in preparing the prior year financial statements under the previous accounting framework. Please refer to Note 2 to the financial statements for details of changes to the Company's accounting policies as a result of adoption of FRS 102.

c) Combined Financial Statements

The combined financial statements of the Company are measured using U.S. Dollars, being the currency of the primary environment in which it operates and the functional currency of all the Funds in the Company. The Company has also adopted the U.S. Dollar as the presentation currency.

d) Estimates and judgements

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

Notes to the Financial Statements - continued

31 March 2016

2. Accounting Policies

The significant accounting policies adopted by the Company for the year ended 31 March 2016 are as follows:

a) Changes to the Company's Accounting Policies

Changes in the Company's accounting policies have been made as required in accordance with the transitional provisions in FRS 102.

i) Fair value measurement and recognition

On initial application of FRS 102, in accounting for its financial instruments at fair value through profit and loss a reporting entity is required to apply either:

- a) the full provisions of section 11 "Basis Financial Instruments" and section 12 "Other Financial Instruments" of FRS 102; or
- b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of Sections 11 and 12 of FRS 102; or
- c) the recognition and measurement provisions of IFRS 9 Financial Instruments and/or IAS 39 (as amended following the publication of IFRS 9) and only the disclosure requirements of Sections 11 and 12 of FRS 102.

The Company has chosen to implement the recognition and measurement provisions of IAS 39 and only the disclosure requirements of Sections 11 and 12 of FRS 102.

As the Funds invest solely in investment funds and financial derivative instruments there is no impact in the valuation of these investments as a result of adoption of the above.

b) Financial Instruments at Fair Value through Profit or Loss

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

i) Investments

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

ii) Forward and Spot Foreign Currency Exchange Contracts

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

iii) Futures Contracts

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

c) Net Gain (Loss) on Investment Activities

In respect of each instrument type classified as financial instruments at fair value through profit or loss, the movement in unrealised gains (losses) since the prior year end and realised gains (losses) are recognised within net gain (loss) on investment activities in the Profit and Loss Account for each relevant Fund.

See Note 4 for details of realised gains (losses) and movement in unrealised gains (losses) since the prior financial year end. Gains and losses on foreign currency exchange contracts are included in foreign currency exchange gains (losses).

Notes to the Financial Statements - continued

31 March 2016

2. Accounting Policies - continued

d) Accounting for Investment Transactions, Income and Expenses

Purchases and sales of investments are recognised on trade date, the date on which the Fund commits to purchase or sell the asset, provided the trade instructions have been received by the Custodian and Trustee prior to the calculation of the Fund's net asset value, being 2.30pm (Irish time) on each dealing day (the "Valuation Point"). Any trade instructions received by the Custodian and Trustee after the Valuation Point will be recognised on the next dealing day. Investments are initially recognised at fair value and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

Investments are recognised when the rights to receive cash flows from the investments are transferred to the Fund or the Fund has exposure to substantially all risks and rewards of ownership. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Realised gains and losses on investment transactions are calculated using the average cost method. Gains and losses realised on the sale of all financial assets and financial liabilities carried at fair value through profit or loss are recognised in the Profit and Loss Account.

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend".

Each Fund pays all of its expenses and such proportion of the Company's expenses as is allocated to that Fund, other than those expressly assumed by the Manager. All expenses, as disclosed in the Profit and Loss Account, with the exception of Professional and Other fees, are accrued on a daily basis. To the extent that expenses are attributable to a specific share class of a Fund, that share class bears such expenses.

e) Foreign Currency Transactions

In accordance with Section 30 of FRS 102, items included in the individual Fund's financial statements are measured using the currency of the primary economic environment in which it operates (functional currency). The Directors' selection of the functional currency is attributable to the functional currency being: (a) the major component of the Fund's benchmarks; or (b) the common currency of monies received on subscriptions and paid out on redemptions of shares for most clients in the Funds' varied client base or (c) the common currency of the majority of the investments held on the Fund. The functional currency assessment is done on a Fund by Fund basis. The functional currency of the Company is the U.S. Dollar.

Each individual Fund has also adopted its functional currency as the presentation currency. Foreign currency transactions are translated to the functional currency of the relevant Fund at the rate of exchange ruling on the date of the transaction.

For each relevant Fund:

- (i) Currency gains and losses can arise where there is a difference between the amounts of foreign dividends and interest recorded on the Fund's books and the Fund's functional currency equivalent to the amounts actually received or paid. These gains or losses are included where appropriate in the dividend and interest income figure in the Fund's Profit and Loss Account;
- (ii) Currency gains and losses realised on securities purchase and sales transactions are included in net gain (loss) on investment activities in the relevant Fund's Profit and Loss Account;
- (iii) Unrealised currency gains and losses on securities held at year end are included in net gain (loss) on investment activities in the relevant Fund's Profit and Loss Account;
- (iv) Monetary assets and liabilities denominated in currencies other than the Fund's functional currency are translated at the rate of exchange ruling at the close of business on the relevant reporting date and exchange differences are included in net gain (loss) on investment activities in the relevant Fund's Profit and Loss Account; and
- (v) Share transactions which are settled in a currency other than the functional currency of a Fund are settled using the applicable foreign currency exchange rate as of the trade date. As a result, there is no foreign currency impact on the Funds for such transactions.

Notes to the Financial Statements - continued

31 March 2016

2. Accounting Policies - continued

f) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable shares can be repurchased by the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable share is carried at the redemption amount that is payable at the balance sheet date if a shareholder exercised his or her right to have the Company repurchase his or her share. In accordance with the Prospectus, for the relevant Funds, the Company is contractually obliged to redeem shares at dealing prices and the liability to redeemable participating shareholders has been adjusted to reflect this. Monetary value share transactions during the year are recognised in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders of the relevant Fund.

3. Cash at Bank and Cash Held with Brokers and Counterparties

a) Cash at Bank

Cash at bank balances with the exception of amounts on overnight deposit are comprised of cash balances held within State Street Bank and Trust Company's ("State Street") custodian network and unrestricted margin accounts held by brokers for exchange traded derivative instruments held by the Funds. No unrestricted cash was held as at 31 March 2015.

The tables in this section of the note details all such cash held on the Funds, including relevant broker and location of broker, as of 31 March 2016. All cash held on Russell Multi-Asset Defensive Fund is held within State Street's custodian network.

Broker	Location	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Total USD'000
State Street Bank and Trust	Multiple	7,949	13,448	16,071	15,882	53,350
UBS Securities LLC	Stamford, U.S.A.	298	595	595	525	2,013
		<u>8,247</u>	<u>14,043</u>	<u>16,666</u>	<u>16,407</u>	<u>55,363</u>

b) Cash held with brokers and counterparties for financial derivative instruments

Cash is also deposited by or on behalf of the Funds for initial margin purposes with brokers for futures contracts held on the Fund. As this amount is the minimum deemed by the broker for collateral requirements the cash is as such restricted and is reported separately to the unrestricted cash on the relevant Fund's Balance Sheet. As at 31 March 2016 such cash was held with Morgan Stanley. No restricted cash was held as at 31 March 2015.

4. Net Gain (Loss) on Investment Activities

a) Year ended 31 March 2016

i) Net realised gain (loss)

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Investments	496	2,742	5,608	4,603	(648)
Futures contracts	-	154	186	265	-
Foreign currency exchange	(146)	(365)	(445)	(464)	-
	<u>350</u>	<u>2,531</u>	<u>5,349</u>	<u>4,404</u>	<u>(648)</u>

ii) Net change in unrealised gain (loss) on:

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Investments	(1,553)	(6,416)	(10,725)	(10,390)	(650)
Futures contracts	30	119	149	138	54
Foreign currency exchange	(90)	(220)	(325)	(352)	-
	<u>(1,613)</u>	<u>(6,517)</u>	<u>(10,901)</u>	<u>(10,604)</u>	<u>(596)</u>

Notes to the Financial Statements - continued

31 March 2016

4. Net Gain (Loss) on Investment Activities - continued

iii) Net gain (loss) on investment activities

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Net realised gain (loss) on investments	350	2,531	5,349	4,404	(648)
Net change in unrealised gain (loss) on investments	(1,613)	(6,517)	(10,901)	(10,604)	(596)
Net gain (loss) on investment activities	<u>(1,263)</u>	<u>(3,986)</u>	<u>(5,552)</u>	<u>(6,200)</u>	<u>(1,244)</u>

b) Year ended 31 March 2015

i) Net realised gain (loss)

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Investments	<u>900</u>	<u>2,208</u>	<u>3,283</u>	<u>5,390</u>	<u>179</u>

ii) Net change in unrealised gain (loss) on:

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Investments	<u>1,770</u>	<u>4,690</u>	<u>5,470</u>	<u>2,823</u>	<u>1,567</u>

iii) Net gain (loss) on investment activities

	Russell Multi-Asset 35 Fund USD '000	Russell Multi-Asset 50 Fund USD '000	Russell Multi-Asset 70 Fund USD '000	Russell Multi-Asset 90 Fund USD '000	Russell Multi-Asset Defensive Fund USD '000
Net realised gain (loss) on investments	900	2,208	3,283	5,390	179
Net change in unrealised gain (loss) on investments	<u>1,770</u>	<u>4,690</u>	<u>5,470</u>	<u>2,823</u>	<u>1,567</u>
Net gain (loss) on investment activities	<u>2,670</u>	<u>6,898</u>	<u>8,753</u>	<u>8,213</u>	<u>1,746</u>

5. Transactions with Related Parties

a) Related Parties

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions. The following entities were related parties to the Company during the years ended 31 March 2016 and 31 March 2015:

Relation to the Company	Name of entity	Details disclosed in section of this note
Manager	Russell Investments Ireland Limited	b), i)
Adviser and Money Manager (the "Adviser")	Russell Investments Limited	b), ii)
Promoter	Frank Russell Company	b), iii)
Directors of the Company	As listed in the Administration of the Company page	b), iv)
Related Party Investees	Affiliated Russell entities and Russell managed funds	b), v)

Notes to the Financial Statements - continued

31 March 2016

5. Transactions with Related Parties - continued

b) Related Party Transactions

i) Manager and Management Fee

Russell Investments Ireland Limited, a wholly owned subsidiary of Frank Russell Company, which in turn is a 100 per cent owned subsidiary of The London Stock Exchange Group (“LSEG”), is the Manager of the Company. The Manager is engaged in the business of providing investment management and administrative services to investment funds. The Manager has: (a) appointed the Adviser to advise it on the Funds’ investments; (b) delegated the administration of the Company to the Administrator; and (c) appointed the Adviser to market and promote the shares of the Funds.

Management Fee

For services rendered under the management agreement, the Company paid the Manager a fee, accrued daily and paid quarterly in arrears, at the following annual rates based on the respective average daily net asset values of each class of shares for the financial years ended 31 March 2016 and 31 March 2015.

Russell Multi-Asset 35 Fund		Russell Multi-Asset 50 Fund		Russell Multi-Asset 70 Fund	
Class A	0.90%	Class A	1.05%	Class A	1.20%
Class B	0.70%	Class B	0.76%	Class B	0.81%
Class E	0.10%	Class E	0.06%	Class E	0.01%
Class V	0.70%	Class V	0.76%	Class V	0.81%
Class W	1.70%	Class W	1.76%	Class W	1.81%

Russell Multi-Asset 90 Fund		Russell Multi-Asset Defensive Fund	
Class A	1.35%	Class A	0.60%
Class B	0.85%	Class E	0.10%
Class E	0.00%		
Class V	0.85%		
Class W	1.85%		

Each Fund will receive a rebate of the management fees after applying the weighted average of the management fees paid to the Manager in respect of any underlying regulated investment funds managed by the same Manager. The maximum level of the weighted average of management fees are disclosed in the Prospectus. During the year, the total management fee rebate amounted to USD 1,073,392 (year ended 31 March 2015: USD 1,040,762) of which USD 231,509 was receivable at year end (as at 31 March 2015: USD 268,084) and is recognised within the management fees in the Combined Profit and Loss Account.

ii) Adviser

The Manager discharges all fees payable to the Adviser out of its management fee.

iii) Promoter

Frank Russell Company acts as promoter to the Company (the “Promoter”). The Promoter is not entitled to a fee in its capacity as Promoter to the Company.

iv) Directors and Directors’ Fees

The Articles of Association provide that the Directors are entitled to a fee by way of remuneration at a rate to be determined from time to time by the Directors. Directors’ fees are paid to non-executive Directors not employed by Russell group companies. Directors’ fees shall not exceed the limits contained in the Prospectus and the Directors are entitled to certain additional expenses as listed in the Prospectus. Directors’ fees charged during the year ended 31 March 2016 were USD 2,200 (year ended 31 March 2015: USD 1,512), these amounts are included in other fees in the Combined Profit and Loss Account.

All of the Directors of the Company are also directors of the Underlying Russell Funds listed in Note 16.

The following Directors of the Company are employed by the Russell group companies: Mr. James Beveridge, Mr. Peter Gonella, Mr. Neil Jenkins, Mr. John McMurray and Mr. Kenneth Willman.

Mr. James Firm is a former employee of Russell Investments who retired in June 2014. He continues to act as a Director of Russell Investments Ireland Limited and the Funds managed by Russell Investments Ireland Limited.

The Adviser operates a defined contribution pension plan for its employees which invests in Russell managed funds including the Funds. The pension fund is subject to a management fee rebate. The Directors who are employed by the Russell group companies may be indirectly exposed to the Company through the pension scheme.

Notes to the Financial Statements - continued

31 March 2016

5. Transactions with Related Parties - continued

v) Related Party Investees

See Note 16 to the financial statements for details of Russell Funds invested in by the Funds during the financial year under review and prior financial year.

vi) FTSE Russell Indices

Each of the following Funds' benchmark is a FTSE Russell index. FTSE Russell is wholly owned by London Stock Exchange Group. No fees are payable by the Company to FTSE Russell for this service.

Fund	Index
Russell Multi-Asset 35 Fund	17.5% Russell Global Large Cap Index Net, 17.5% Russell Global Large Cap Index US\$ Hedged Net, 65% Barclays Global Aggregate US\$Hedged
Russell Multi-Asset 50 Fund	25% Russell Global Large Cap Index Net, 25% Russell Global Large Cap Index US\$ Hedged Net, 50% Barclays Global Aggregate US\$Hedged
Russell Multi-Asset 70 Fund	35% Russell Global Large Cap Index Net, 35% Russell Global Large Cap Index US\$ Hedged Net, 30% Barclays Global Aggregate US\$Hedged
Russell Multi-Asset 90 Fund	45% Russell Global Large Cap Index Net, 45% Russell Global Large Cap Index US\$ Hedged Net, 10% Barclays Global Aggregate US\$Hedged
Russell Multi-Asset Defensive Fund	6.25% Russell Global Large Cap Net US\$ Hedged Index; 1.8% FTSE EPRA/NAREIT Developed Real Estate Index; 37% Barclays Global Agg (\$ Hedged); 19.5% Barclays 1-3 Month T-Bill Index; 16.6% USD Libor 1 month; 14.65% USD Libor 3 Month; 1.8% S&P Global Listed Infrastructure; 2.4% DJ UBS Index

6. Significant Agreements

i) Custodian and Trustee

State Street Custodial Services (Ireland) Limited is the Custodian and Trustee.

Custodian and Trustee fees accrue daily and are paid monthly in arrears.

Included within the custodian agreement is a right of set off for fees owing to and monies lent by the Custodian and Trustee.

ii) Administrator and Transfer Agency

State Street Fund Services (Ireland) Limited is the Administrator. The Administrator is responsible for the daily determination of net asset value, maintaining the books and records of the Funds in respect of the Company and other administrative services. The Manager has also appointed the Administrator as the Company's Transfer Agent.

Transfer agency fees are charged based on the number of Funds in the umbrella structure, the number of shareholders, number of statements issued, number of share classes and volume of shareholder transactions in a period and are subject to adequate thresholds. Transfer agency fees charged are paid on a daily basis and are recognised within Administration and transfer agency fees in the Profit and Loss Account for each Fund.

The aggregate Custodian and Trustee fees and Administration fees will not exceed 0.10% per annum of the Net Asset Value of any Fund.

The Manager shall discharge reasonable out of pocket expenses payable to the Administrator out of the Funds' assets.

iii) Transaction Costs

Transaction costs relating to the broker commission on the purchase and sale of exchange traded FDI's and OTC FDI's, are included in the purchase and sale price of the investment.

Transaction costs on the purchase and sale of OTC FDI's cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Transaction costs on purchases and sales of exchange traded FDI's are readily identifiable.

Notes to the Financial Statements - continued

31 March 2016

6. Significant Agreements - continued

Total transaction costs, incorporating broker commissions and transaction costs of the Custodian and Trustee and sub-custodians are as follows:

Fund	Functional Currency	Year ended 31 March 2016 '000
Russell Multi-Asset 35 Fund	USD	-
Russell Multi-Asset 50 Fund	USD	2
Russell Multi-Asset 70 Fund	USD	3
Russell Multi-Asset 90 Fund	USD	3
Russell Multi-Asset Defensive Fund	USD	-

iv) Auditors' Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial year under review and prior financial year is as follows:

	2016 USD '000	2015 USD '000
Statutory audit of accounts*	55	52
Tax advisory services**	13	19
Total	68	71

* The fees for statutory audit of the accounts disclosed in the table above are exclusive of VAT. The audit fees recognised in the Profit and Loss Account are inclusive of VAT.

** Exclusive of VAT

There were no fees for other assurance services or other non-audit services during the year ended 31 March 2016 (year ended 31 March 2015: Nil).

7. Soft Commissions

There were no soft commission arrangements in place during the financial year or prior financial year under review.

8. Distributions

The Company conducts its affairs so as to enable U.K. Reporting Fund status to be obtained under the United Kingdom Income and Corporation Tax Act 1988 for the purposes of U.K. taxation for each applicable Fund.

With the exception of Roll-Up Class Shares, the distribution policy of each Fund is to distribute out of net income. Roll-Up Class Shares do not declare or distribute net income and their net asset value reflects net income. Distributions declared by Income Class Shares are paid in cash unless the shareholder chooses to reinvest part or all of the amount in the capital of the relevant Share Class. Accumulation Class Shares declare a distribution which is then reinvested in the capital of the relevant share class. All share classes in issue during the year and prior year were accumulation share classes.

Net income includes all interest, dividends and other amounts deemed by the Administrator to be in the nature of income less the estimated expenses of that Fund applicable to that dividend period.

The distributions of the Funds are calculated on a calendar quarterly basis (i.e. quarterly periods ended 31 March, 30 June, 30 September and 31 December). Due to insufficient available net income, none of the Funds declared a distribution during the year or prior year.

9. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares in the Company for a period of eight years or more.

No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Company or where the Company has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Notes to the Financial Statements - continued

31 March 2016

9. Taxation - continued

Distributions, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders

a) Authorised Share Capital

The authorised share capital of the Company shall not be less than EUR 2.00 represented by two shares of no par value and the maximum issued share capital shall not be more than EUR 500 billion participating shares of no par value. The Company has issued two subscriber shares.

Holders of subscriber shares (being Frank Russell Company and Russell Investments Limited) are not entitled to dividends or any surplus of assets over liabilities upon the winding up of the Company. They are thus described in the financial statements by way of this note only.

b) Redeemable Participating Shares

Each of the shares entitles the holder to participate equally on a pro rata basis in the profits and dividends of the relevant Fund attributable to such shares and to attend and vote at meetings of the Company and of the Fund represented by those shares. No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of shares or any voting rights in relation to matters relating solely to any other class of shares.

Each share will represent an individual beneficial interest in the Company. The shares are not debt obligations or guaranteed by the Company or the Manager. 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. However, in a relatively illiquid market, a Fund may not be able to dispose of its investments quickly and as such a Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties and the price repaid to the shareholders in such circumstances will not equal the final published net asset value per share.

Net assets attributable to shareholders represent a liability on the Balance Sheet, carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised the right to redeem the shares in the Company.

Participating Share Transactions

Net asset value per share may not recalculate due to rounding of fractional shares.

Russell Multi-Asset 35 Fund

Number of Shares in issue

Share Class	Year ended 31 March 2015				Year ended 31 March 2016		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	57,521	17,756	(7,631)	67,646	5,336	(10,329)	62,653
Class B	31,181	39,522	(49,537)	21,166	16,487	(18,932)	18,721
Class E	1,876,195	2,604,899	(761,943)	3,719,151	2,776,851	(1,926,052)	4,569,950
Class V	-	-	-	-	110,392	(25,752)	84,640
Class W	-	10	-	10	-	-	10

Value of Share Transactions

Share Class	Year ended 31 March 2015		Year ended 31 March 2016	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	2,681	(1,155)	802	(1,557)
Class B	5,878	(7,368)	2,493	(2,861)
Class E	35,921	(10,446)	38,336	(26,525)
Class V	-	-	794	(184)
Class W	1	-	-	-

Notes to the Financial Statements - continued

31 March 2016

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Russell Multi-Asset 50 Fund

Number of Shares in issue

Share Class	Year ended 31 March 2015				Year ended 31 March 2016		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	396,907	54,252	(56,034)	395,125	15,293	(50,969)	359,449
Class B	93,408	91,445	(99,514)	85,339	52,812	(58,535)	79,616
Class E	2,632,472	2,137,849	(821,187)	3,949,134	2,023,263	(1,845,004)	4,127,393
Class V	-	-	-	-	183,423	(9,439)	173,984
Class W	-	10	-	10	-	-	10

Value of Share Transactions

Share Class	Year ended 31 March 2015		Year ended 31 March 2016	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	8,642	(8,836)	2,436	(8,021)
Class B	14,115	(15,301)	8,284	(9,118)
Class E	29,618	(11,315)	28,480	(25,576)
Class V	-	-	1,323	(67)
Class W	1	-	-	-

Russell Multi-Asset 70 Fund

Number of Shares in issue

Share Class	Year ended 31 March 2015				Year ended 31 March 2016		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	532,822	23,116	(40,990)	514,948	16,996	(66,902)	465,042
Class B	124,720	74,450	(93,160)	106,010	33,026	(44,237)	94,799
Class E	2,039,939	1,345,997	(674,342)	2,711,594	1,432,397	(1,247,319)	2,896,672
Class V	-	-	-	-	144,381	(14,270)	130,111
Class W	-	10	-	10	292	-	302

Value of Share Transactions

Share Class	Year ended 31 March 2015		Year ended 31 March 2016	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	3,792	(6,668)	2,854	(11,126)
Class B	11,791	(14,761)	5,329	(7,154)
Class E	18,455	(9,201)	20,030	(17,013)
Class V	-	-	1,031	(101)
Class W	1	-	30	-

Russell Multi-Asset 90 Fund

Number of Shares in issue

Share Class	Year ended 31 March 2015				Year ended 31 March 2016		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	143,373	2,706	(55,551)	90,528	7,624	(25,249)	72,903
Class B	95,559	37,951	(67,988)	65,522	24,387	(27,346)	62,563
Class E	6,012,554	2,967,621	(2,068,630)	6,911,545	3,344,569	(3,103,435)	7,152,679
Class V	-	-	-	-	220,865	(11,799)	209,066
Class W	-	10	-	10	-	-	10

Notes to the Financial Statements - continued

31 March 2016

10. Number of Shares in Issue and Net Assets Attributable to Redeemable Participating Shareholders - continued

Value of Share Transactions

Share Class	Year ended 31 March 2015		Year ended 31 March 2016	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	415	(8,638)	1,170	(3,960)
Class B	6,069	(10,832)	3,901	(4,427)
Class E	39,466	(27,297)	44,936	(41,317)
Class V	-	-	1,577	(80)
Class W	1	-	-	-

Russell Multi-Asset Defensive Fund

Number of Shares in issue

Share Class	Year ended 31 March 2015				Year ended 31 March 2016		
	Beginning of year	Shares Issued	Shares Redeemed	End of year	Shares Issued	Shares Redeemed	End of year
Class A	126,649	54	(20,575)	106,128	-	-	106,128
Class E	543,528	259,566	(163,694)	639,400	336,916	(189,712)	786,604

Value of Share Transactions

Share Class	Year ended 31 March 2015		Year ended 31 March 2016	
	Subscriptions USD '000	Redemptions USD '000	Subscriptions USD '000	Redemptions USD '000
Class A	6	(2,362)	-	-
Class E	30,460	(19,162)	39,535	(22,243)

c) Significant Shareholders

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant Fund's net asset value and the aggregate monetary value and percentage (of that Fund's net asset value) of that holding as at 31 March 2016.

Fund	Number of Significant Shareholders	Value of Holding '000	Aggregate Shareholding as a % of the Fund
Russell Multi-Asset 35 Fund	1	USD 63,096	83.09%
Russell Multi-Asset 50 Fund	1	USD 57,226	45.07%
Russell Multi-Asset 70 Fund	2	USD 82,783	63.66%
Russell Multi-Asset 90 Fund	1	USD 92,236	79.56%
Russell Multi-Asset Defensive Fund	1	USD 91,982	88.40%

The following table details the number of shareholders with significant holdings of at least 20 per cent of the relevant Fund's net asset value and the aggregate monetary value and percentage (of that Fund's net asset value) of that holding as at 31 March 2015.

Fund	Number of Significant Shareholders	Value of Holding '000	Aggregate Shareholding as a % of the Fund
Russell Multi-Asset 35 Fund	1	USD 52,359	79.22%
Russell Multi-Asset 50 Fund	1	USD 56,215	41.96%
Russell Multi-Asset 70 Fund	2	USD 83,913	58.76%
Russell Multi-Asset 90 Fund	1	USD 95,333	79.07%
Russell Multi-Asset Defensive Fund	1	USD 75,821	86.17%

Notes to the Financial Statements - continued

31 March 2016

11. Efficient Portfolio Management

Use of Efficient Portfolio Management Techniques and Financial Derivative Instruments

The Company may enter into stock lending arrangements and repurchase agreements (together “Efficient Portfolio Management Techniques”) and may invest in OTC financial derivative instruments, subject to the restrictions set forth in Schedule 3 of the Prospectus and to the extent consistent with the Fund’s investment objective and policies.

The use of techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which the Funds invest for efficient portfolio management purposes will generally be made for one or more of the following reasons:

- i) the reduction of risk;
- ii) the reduction of cost; or
- iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Notices.

Efficient Portfolio Management Techniques

Efficient Portfolio Management Techniques may only be effected in accordance with normal market practice. All assets received in the context of Efficient Portfolio Management Techniques should be considered as collateral and should comply with the criteria set out below in relation to collateral. All the revenues arising from Efficient Portfolio Management Techniques employed shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or stock lending agents engaged by the Company from time to time.

None of the Funds participated in Efficient Portfolio Management Techniques during the financial period under review or prior financial year.

12. Financial Risks

The activities of each Fund expose it to various financial risks such as market risk (including market price risk, interest rate risk, and currency risk), credit risk and liquidity risk.

The Funds invest in regulated investment funds (the “Underlying Funds”) with varied investment styles to achieve returns in a broad range of market conditions and to manage exposure to risk through diversification. The risk management process operates at a number of levels.

The Underlying Russell Funds delegate some of the management of its portfolio to external Money Managers.

The Adviser primarily monitors and manages market risk (including market price risk, interest rate risk, and currency risk), credit risk and liquidity risk of the Funds and Underlying Russell Funds by the following techniques:

- The Adviser monitors each Underlying Russell Fund’s characteristics in detail with the Money Manager(s) at least quarterly and in some cases monthly.
- The Adviser also reviews the portfolio characteristics of each Fund and Underlying Russell Fund in its entirety.
- This review may include as appropriate a review of country allocations, country weights, capitalisation, distribution, industry sector weights, price/book levels, currency exposure, portfolio maturity, portfolio duration, sector exposure and quality exposure and other key risk measures.
- In addition to monitoring investment activity and exposure at the point of execution by a Money Manager, the Adviser also receives daily exposure reporting from the Administrator and Money Managers, with which they can review various event exposures on the Underlying Russell Funds.
- The Adviser also oversees and monitors the overall level of risk in a Fund and Underlying Russell Fund.

Notes to the Financial Statements - continued

31 March 2016

12. Financial Risks - continued

a) Global Exposure

The Funds will use advanced risk measurement methodology, namely Value at Risk (“VaR”) as a risk measurement technique, in addition to other techniques, to measure, monitor and manage market risk. The absolute or relative VaR approach is executed in accordance with the CESR (Committee of European Securities Regulators) 10/788 guidelines. VaR quantifies the estimate of the maximum potential loss due to market risk at a given confidence level over a specified time period under the prevailing market conditions.

VaR is a model-based estimate. As with any model-derived figure, it is subject to imprecision due to such factors as data and measurement errors and model risk. The calculation of VaR is based on daily unaudited accounting book of record position data. In addition, VaR assumes that future asset return distributions and correlations remain stable and consistent with the prevailing market conditions. The Funds utilise additional measures such as stress testing analysis and exposure measurement to provide a holistic view to the Funds’ market risk that includes tail risk and derivative exposure quantification. Furthermore, accuracy of the VaR models is regularly checked via out-of-time/out-of-sample back testing.

VaR is calculated with Monte Carlo simulations approach (1000 paths) using granular market risk models. The approach estimates VaR by simulating random scenarios for each relevant pricing inputs (e.g., specific equity, commodity prices, foreign exchange and interest rates, implied volatility, etc.) used in valuing securities held in the portfolio and revaluing the positions for each of the paths generated for pricing inputs. For Funds using the absolute VaR approach, the VaR of the Fund shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a “one-tailed” 95 per cent confidence interval using observation period of at least 1 year. For Funds using the relative VaR approach, the VaR of the Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a “one-tailed” 95 per cent confidence interval using historical observation period of at least 1 year. A Fund VaR of 1 per cent means that there is a 5 per cent chance that the Fund will lose more than 1 per cent of its value over any given day, assuming that the prevailing market conditions continue into the future.

The below table details the VaR expressed as a percentage of the NAV at year end 31 March 2016 and at year end 31 March 2015, VaR approach for each Fund and for those Funds utilising the relative VaR methodology, the reference portfolio is also listed.

Global Exposure Calculation Methodology and VaR as at the year end

<u>Fund Name</u>	<u>Approach</u>	<u>Reference Portfolio</u>	<u>VaR as at 31 March 2016</u>	<u>VaR as at 31 March 2015</u>
Russell Multi-Asset 35 Fund	Absolute	N/A	0.62%	0.6%
Russell Multi-Asset 50 Fund	Absolute	N/A	0.76%	0.7%
Russell Multi-Asset 70 Fund	Relative	RMMF Global 70 Blended Benchmark*	0.97%	0.8%
Russell Multi-Asset 90 Fund	Relative	RMMF Global 90 Blended Benchmark**	1.23%	1.0%
Russell Multi-Asset Defensive Fund	Absolute	N/A	0.49%	0.5%

* Holds 30% of Barclays Capital Global Aggregate and 70% of Russell Global LC Index

** Holds 10% of Barclays Capital Global Aggregate and 90% of Russell Global LC Index

VaR utilisation measures the Fund’s VaR relative to the Fund’s VaR limit. The below table details the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 31 March 2016 and during the one year period ending 31 March 2015.

Daily VaR Utilisation*

<u>Fund Name</u>	<u>31 March 2016</u>			<u>31 March 2015</u>		
	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
Russell Multi-Asset 35 Fund	15.0%	22.6%	18.6%	8%	20%	13%
Russell Multi-Asset 50 Fund	17.4%	30.5%	23.1%	8%	22%	16%
Russell Multi-Asset 70 Fund	<0%	12.4%	1.1%	<0%	17%	5%
Russell Multi-Asset 90 Fund	<0%	15.3%	3.9%	<0%	14%	3%
Russell Multi-Asset Defensive Fund	11.5%	18.5%	15.3%	6%	16%	9%

*Absolute VaR Limit Utilisation = VaR(95% CI, 1 day) / 3.16%

Relative VaR Limit Utilisation = [Fund VaR / Benchmark VaR] - 1

Utilisation >100% equates to breaking the limit

The Daily VaR Utilisation calculation excludes VaR values occurring during Fund opening or closing due to accounting and timing issues.

Notes to the Financial Statements - continued

31 March 2016

12. Financial Risks - continued

The below table details the Fund’s VaR relative to the Fund’s VaR limit at the year end 31 March 2016 and 31 March 2015.

VaR Utilisation		
Fund Name	Year ended	Year ended
	31 March 2016	31 March 2015
	Level	Level
Russell Multi-Asset 35 Fund	20%	19%
Russell Multi-Asset 50 Fund	24%	22%
Russell Multi-Asset 70 Fund	<0%	2%
Russell Multi-Asset 90 Fund	<0%	1%
Russell Multi-Asset Defensive Fund	16%	15%

The average level of leverage figures provided below are calculated as the sum of the absolute value of notionals of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Funds may have in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. As these netting and hedging arrangements, if taken into account, may reduce the level of leverage, this calculation may not provide an accurate measure of the Funds’ actual leverage position. Below is the daily average level of leverage for each Fund during the one year period ending 31 March 2016 and 31 March 2015.

Level of Leverage*		
Fund Name	Year ended	Year ended
	31 March 2016	31 March 2015
Russell Multi-Asset 35 Fund	6.6%	4.2%
Russell Multi-Asset 50 Fund	9.6%	6.4%
Russell Multi-Asset 70 Fund	11.4%	9.1%
Russell Multi-Asset 90 Fund	12.7%	11.5%
Russell Multi-Asset Defensive Fund	0.2%	2.6%

* The Daily Average Leverage calculation excludes distorted daily leverage values occurring during Fund opening or closing due to accounting and timing issues.

b) Market Price Risk

Market price risk is defined in FRS 102 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices other than those caused by interest rate risk or currency risk.

All investments present a risk of loss of capital. The Funds invest primarily in sub-funds of the Underlying Russell Funds and selected third party funds (collectively the “Underlying Funds”). The Underlying Funds are exposed to market risk arising from uncertainties about future prices of the instruments held by the respective Underlying Funds. Except for derivatives, maximum risk resulting from financial instruments is determined by fair value of the financial instruments. Possible losses from derivatives can be unlimited. The Underlying Funds minimise market risk by investing in a diversified portfolio of securities as described in the Prospectus of the relevant Underlying Fund. The Underlying Russell Funds’ Money Managers monitor their portfolio holdings on a daily basis.

i) Fair valuation hierarchy

FRS 102 Section 11.27 on “Fair Value: Disclosure” requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. On 8 March 2016, the Financial Reporting Council (FRC) issued Amendments to FRS 102 - Fair value hierarchy disclosures. The amendment is effective for accounting periods commencing 1 January 2017, however, the Board of Directors have agreed to early adopt this amendment in preparing these financial statements for the year ended 31 March 2016.

The fair value hierarchy of inputs is summarised in the three broad levels listed below.

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Notes to the Financial Statements - continued

31 March 2016

12. Financial Risks - continued

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment funds. As at 31 March 2016 and 31 March 2015, each Fund's investments comprise of the Underlying Funds and are therefore classified as Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 securities are securities that may be priced by a single pricing vendor or may have prolonged stale prices or may have no valid market information (indications or comparable security types) available. As at 31 March 2016 and 31 March 2015, there are no securities classified within Level 3.

Please refer to the base of each Fund's Schedule of Investments for analysis, within the fair value hierarchy, of each Fund's financial assets and liabilities (by investment type) measured at fair value at 31 March 2016 and 31 March 2015.

c) Interest Rate Risk

The majority of the Funds' assets comprise mainly of investments in the Underlying Funds which neither bear interest nor have a maturity date. Therefore, there is no direct interest rate exposure where the value of these securities may fluctuate as a result of a change in interest rates. There is an indirect exposure resulting from the underlying investments held by the Underlying Funds. As a result, Funds are not subject to significant amounts of interest rate risk.

d) Currency Risk

Foreign exchange risk exists where assets and liabilities are denominated in currencies other than the functional currency of the Fund with the effect that the Balance Sheet and Profit and Loss Account may be affected by currency movements. Investments which comprise the majority of net assets of each Fund are denominated in the currency of the Underlying Fund on the Schedule of Investments for the relevant Fund, unless otherwise indicated. The Funds have an indirect exposure resulting from the investments held by the Underlying Funds.

As at 31 March 2016 and 31 March 2015, none of the Funds had material direct exposure to monetary foreign currency risk.

e) Credit Risk

The Funds and Underlying Funds take on credit risk which is the risk that a counterparty or issuer will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any.

The Company's and Underlying Funds' credit risk concentrations arise from trading equity and debt securities, investment funds and Financial Derivative Instruments ("FDIs") in addition to cash balances held at the Custodian and Trustee.

The Company and Underlying Funds are exposed to credit risk on the counterparties with which it trades in relation to derivatives that are not traded on a recognised exchange (Over the Counter ("OTC") derivatives). Such instruments are not afforded the same protections as may apply to participants trading on organised exchanges, such as the performance guarantee of an exchange clearing house. Concentrations of credit risk are minimised by undertaking transactions with a large number of counterparties.

Notes to the Financial Statements - continued

31 March 2016

12. Financial Risks - continued

The Money Managers and Adviser of the Funds and the principal money manager/adviser of the Underlying Russell Funds employ a credit research team that performs robust quantitative and qualitative analysis on banks, insurance companies, and other counterparties. The credit research analyst assigned to a particular counterparty performs full credit analysis and writes a credit research report and subsequently sets investment parameters on over-the-counter counterparty ratings and exposures where appropriate. The credit research team only reviews counterparties in respect of those assets directly managed by Russell entities. The individual Money Managers appointed to the Underlying Russell Funds have their own research process for the assets under their management. Each Underlying Russell Fund's Money Managers monitor each credit position on a daily basis.

OTC FDIs create an exposure to counterparty risk such that the counterparty may become insolvent or otherwise incapable of meeting its obligations under an FDI contract. This includes the legal risk arising from a contract being unenforceable. At 31 March 2016 and 31 March 2015, none of the Funds were exposed to direct significant concentrations of credit risk.

The names of brokers and counterparties used by each individual Fund can be found at the base of each relevant Fund's Schedule of Investments.

Collateral may be pledged by the Funds, generally by way of cash or cash equivalents, and held by the counterparties. Amounts of cash collateral held at year-end by counterparties are disclosed on the Balance Sheet of the Funds. See Note 3 to the financial statements for full details of cash collateral pledged to or by the relevant Funds as at 31 March 2016. No such cash was held as at 31 March 2015.

The Funds' cash at bank balances are held by the Custodian and Trustee through its affiliate, State Street.

In respect of the Company and Underlying Funds, all securities, cash at bank balances and cash or non-cash collaterals received by these funds are held by the Custodian and Trustee through its affiliate, State Street or through a sub-custodian within the State Street custodial network. All OTC FDIs, investment funds, term deposits margin or other similar investments/monies deposited by or entered into on behalf of the Company and each Underlying Russell Fund with a counterparty, options exchange, clearing broker or other parties are not held within the State Street custodial network. The Custodian and Trustee are therefore not be liable in any way for the default of any counterparty with whom the Company and Underlying Russell Funds trade.

Bankruptcy or insolvency of the Custodian and Trustee or a State Street affiliate company may cause the Company's and Underlying Russell Funds' rights with respect to cash and securities held by State Street to be delayed or limited and the Company and Underlying Russell Funds' would be treated as a general creditor of that entity in respect of its cash balances. Periodic monitoring and an annual credit review are performed on the Custodian and Trustee by the Adviser. This review may include as appropriate an assessment of the Custodian and Trustee's liquidity position, income streams, asset quality and credit ratings. The long term credit rating of State Street as of 31 March 2016 was Aa2 (31 March 2015: Aa3), as rated by Moody's rating agency.

f) **Liquidity Risk**

Each Fund is exposed to daily cash redemptions of redeemable shares. The Underlying Funds' assets are composed of actively traded and highly liquid securities. The Underlying Funds may engage in leverage to the extent disclosed in each of their prospectuses. In addition, each Fund may restrict redemptions and borrow monies on a temporary basis as detailed in the Company's Prospectus.

The risk management guidelines adopted by the Adviser require that coverage be composed of cash reserves or physical securities.

The Adviser monitors the Funds' liquidity positions on a daily basis and monitors the Underlying Russell Fund's portfolio characteristics in detail with the Money Managers at least quarterly and in some cases monthly. The Adviser also reviews each Fund's portfolio characteristics in its entirety.

As of 31 March 2016 and 31 March 2015, all of the Funds liabilities, including net assets attributable to redeemable participating shareholders are payable within three months.

Notes to the Financial Statements - continued

31 March 2016

12. Financial Risks - continued

The tables below analyse each Fund's FDIs that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the Balance Sheet to the contractual maturity date.

Year ended 31 March 2016

Global 35 Multi-Manager Fund

	<u>Currency</u>	<u>Less than 3 months</u>
Inflows	USD	5,175
Outflows	USD	5,265

Global 50 Multi-Manager Fund

	<u>Currency</u>	<u>Less than 3 months</u>
Inflows	USD	12,837
Outflows	USD	13,059

Global 70 Multi-Manager Fund

	<u>Currency</u>	<u>Less than 3 months</u>
Inflows	USD	18,259
Outflows	USD	18,587

Global 90 Multi-Manager Fund

	<u>Currency</u>	<u>Less than 3 months</u>
Inflows	USD	20,446
Outflows	USD	20,803

13. Exchange Rates

Where applicable, the Administrator used the exchange rates listed below to translate foreign currency amounts, fair value of investments and other assets and liabilities into U.S. Dollars at the following rates for each USD 1.

<u>31 March 2016</u>			<u>31 March 2015</u>		
British Pound	GBP	0.6957	British Pound	GBP	0.6736
Euro	EUR	0.8775	Euro	EUR	0.9311
Japanese Yen	JPY	112.3950	Japanese Yen	JPY	119.9250
Singapore Dollar	SGD	1.3466			

14. Comparative Dealing Net Assets

Russell Multi-Asset 35 Fund

	<u>Class A USD *000</u>	<u>Class B USD *000</u>	<u>Class E USD *000</u>	<u>Class V SGD *000</u>	<u>Class W USD *000</u>
Total net asset value					
31 March 2016	9,462	2,782	63,090	814	1
31 March 2015	10,502	3,227	52,360	-	1
31 March 2014.....	8,524	4,529	25,013	-	-
	<u>Class A USD</u>	<u>Class B USD</u>	<u>Class E USD</u>	<u>Class V SGD</u>	<u>Class W USD</u>
Net asset value per share					
31 March 2016	151.03	148.62	13.81	9.62	100.73
31 March 2015	155.25	152.47	14.08	-	104.34
31 March 2014.....	148.19	145.25	13.33	-	-

Notes to the Financial Statements - continued

31 March 2016

14. Comparative Dealing Net Assets - continued

Russell Multi-Asset 50 Fund

	Class A USD '000	Class B USD '000	Class E USD '000	Class V SGD '000	Class W USD '000
Total net asset value					
31 March 2016	56,362	12,177	57,206	1,651	1
31 March 2015	64,267	13,500	56,216	-	1
31 March 2014.....	61,490	14,034	35,342	-	-
	Class A USD	Class B USD	Class E USD	Class V SGD	Class W USD
Net asset value per share					
31 March 2016	156.80	152.95	13.86	9.49	101.22
31 March 2015	162.65	158.20	14.23	-	105.70
31 March 2014.....	154.92	150.24	13.43	-	-

Russell Multi-Asset 70 Fund

	Class A USD '000	Class B USD '000	Class E USD '000	Class V SGD '000	Class W USD '000
Total net asset value					
31 March 2016	74,756	14,808	39,545	1,220	31
31 March 2015	87,007	17,337	38,446	-	1
31 March 2014.....	85,343	19,260	27,094	-	-
	Class A USD	Class B USD	Class E USD	Class V SGD	Class W USD
Net asset value per share					
31 March 2016	160.75	156.21	13.65	9.38	101.52
31 March 2015	168.96	163.54	14.18	-	107.42
31 March 2014.....	160.17	154.43	13.28	-	-

Russell Multi-Asset 90 Fund

	Class A USD '000	Class B USD '000	Class E USD '000	Class V SGD '000	Class W USD '000
Total net asset value					
31 March 2016	10,879	9,763	93,853	1,926	1
31 March 2015	14,394	10,840	95,333	-	1
31 March 2014.....	21,487	14,826	77,122	-	-
	Class A USD	Class B USD	Class E USD	Class V SGD	Class W USD
Net asset value per share					
31 March 2016	149.23	156.05	13.12	9.21	102.04
31 March 2015	159.00	165.44	13.79	-	109.22
31 March 2014.....	149.87	155.15	12.83	-	-

Russell Multi-Asset Defensive Fund

	Class A USD '000	Class E USD '000
Total net asset value		
31 March 2016	11,954	92,094
31 March 2015	12,168	75,821
31 March 2014.....	14,285	63,087
	Class A USD	Class E USD
Net asset value per share		
31 March 2016	112.64	117.08
31 March 2015	114.66	118.58
31 March 2014.....	112.79	116.07

Notes to the Financial Statements - continued

31 March 2016

15. Segregated Liability

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company has availed of the segregated provisions of Companies Act 2014. The adoption of segregated liability ensures that liability incurred on behalf of a Fund will generally be discharged solely out of the assets of that Fund and there can generally be no recourse to other Funds to satisfy these liabilities. Notwithstanding the foregoing there can be no guarantee that should an action be brought against the Company in the court of another jurisdiction that the segregated nature of the Funds would necessarily be upheld.

16. Underlying Funds - Additional Information

This table shows the sub-fund, share class, manager and management fee rate of the Underlying Funds as of 31 March 2016 and 31 March 2015. None of the Underlying Funds charged a performance fee. The domicile of each Underlying Russell Fund is Ireland. Amundi Funds and BlueBay Funds Management Company are domiciled in Luxembourg.

This information has been sourced from the Prospectuses of the Underlying Funds.

Amundi Funds

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
Absolute Volatility World Equities	Class USD Accumulated Shares	Amundi Luxembourg S.A.	0.80%

BlueBay Funds Management Company

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
BlueBay Global Convertible Bond Fund	Class B USD (Perf)	BlueBay Asset Management LLP	0.60%

OpenWorld

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
Global Listed Infrastructure	Class A USD	Russell Investments Ireland Limited	1.60%

Russell Investment Company plc

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
Russell Emerging Markets Equity Fund	Class B	Russell Investments Ireland Limited	2.04%
Russell Global Bond Fund	Class DH-B	Russell Investments Ireland Limited	1.08%
Russell Global High Yield Fund	Class DH-B Roll-Up	Russell Investments Ireland Limited	1.50%
Russell Japan Equity Fund	Class B	Russell Investments Ireland Limited	1.37%
Russell Asia Pacific Ex Japan Fund	Class B	Russell Investments Ireland Limited	1.60%
Russell U.S. Equity Fund	Class K	Russell Investments Ireland Limited	1.60%
Russell World Equity Fund II	Class USDH-N	Russell Investments Ireland Limited	1.15%
Russell Absolute Return Bond Fund	Class I	Russell Investments Ireland Limited	0.85%

Russell Investment Company II plc

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
Russell Emerging Market Debt Local			
Currency Fund	Class I USD	Russell Investments Ireland Limited	1.00%
Russell Global Bond (Euro Hedged) Fund	Class DH-B	Russell Investments Ireland Limited	0.90%
Russell Global Defensive Equity Fund	Class A	Russell Investments Ireland Limited	0.95%
Russell Pan European Equity Fund	Class B	Russell Investments Ireland Limited	1.00%
Russell World Equity Fund	Class USDH	Russell Investments Ireland Limited	1.15%

Russell Investment Company III plc

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
The U.S. Dollar Cash Fund II	Class C	Russell Investments Ireland Limited	0.05%

Russell Investment Company IV plc

<u>Sub-Fund</u>	<u>Share Class</u>	<u>Manager</u>	<u>Management Fee Charged</u>
Russell Alpha Fund	Class USD Roll-Up	Russell Investments Ireland Limited	0.50%

Notes to the Financial Statements - continued

31 March 2016

17. Significant Events During the Year

a) Frank Russell Company

LSEG announced on 8 October 2015 that it had agreed the proposed sale of the investment management and solutions business of Russell Investments to TA Associates and Reverence Capital Partners, subject to customary closing adjustments and regulatory and other required approvals.

b) Revised Prospectus (Principal Amendments)

A revised prospectus was issued on 5 October 2015. The following principal changes, inter alia, were made:

- i) To update the investment policies of Russell Multi-Asset 35 Fund, Russell Multi-Asset 50 Fund, Russell Multi-Asset 70 Fund and Russell Multi-Asset 90 Fund (the "Funds") to clarify that a minimum amount of the Funds' NAVs will be invested in growth assets i.e. 35 per cent, 50 per cent, 70 per cent and 90 per cent of NAV but not necessarily through investment in other collective investment schemes i.e. a Fund could be directly invested in growth assets.
- ii) To update references to the Companies Act 2014.
- iii) To update certain directors' bios.
- iv) To update references to certain launched classes.

18. Significant Events Since the Year End

Prospectus dated 20 May 2016 incorporates the following changes:

Inclusion of details relating to the Russell Investments Multi-Asset Growth Strategy USD Fund and Russell Investments Global Ethical Equity Fund, being new sub-funds of the Company.

Inclusion of references to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Regulations") and any corresponding amendments that are required pursuant to the Regulations throughout the prospectus.

Certain other miscellaneous revisions and updates have been made.

The sale of Russell Investments by LSEG to TA Associates and Reverence Capital Partners concluded on 1 June 2016.

19. Approval of the Financial Statements

The financial statements were approved by the Directors on 12 July 2016.

Russell Investments

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