

The Advisors' Inner Circle Fund II

Reaves Select Research Fund

Annual Report

July 31, 2007

W.H. REAVES & COMPANY
I N V E S T M E N T M A N A G E M E N T

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The Fund files its complete schedule of fund holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q within sixty days after the end of the period. The Fund's Forms N-Q are available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, as well as information relating to how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-866-342-7058; and (ii) on the Commission's website at <http://www.sec.gov>.

SHAREHOLDERS' LETTER

July 31, 2007

Dear Shareholders:

This Annual Report covers the fiscal year ended July 31, 2007. We are pleased to report the Reaves Select Research Fund's (the "Fund") Institutional Class Shares annual total return, net of fees, was 18.30%. This exceeded the return of the Fund's benchmark the S&P 500 Utilities Sector Index, 15.65%, and the broad market represented by the S&P 500 Index, 16.13%, for the same period. Net asset value (NAV) on the Fund's Institutional Class Shares was \$12.73 at fiscal year end. Quarterly distributions of eight cents per share were made in September, December, March and June for the Institutional Class Shares. An additional \$0.83 per share distribution of long-term capital gains was made in December. Your Fund has established the objective of an eight-cent minimum quarterly distribution based upon the Fund's strategy of investing in financially strong companies that are expected to grow earnings and periodically raise their dividend.

Market volatility resulted from concerns about slowing economic growth in February, a May/June spike in yield on the 10-year U.S. Treasury note from 4.60% to 5.31%, and, most recently, weakness in the sub-prime mortgage market which forced Bear Stearns to bail out an internal hedge fund. In response, portfolio electric and gas utilities declined. Selling pressure on the Fund's high quality utilities, in our view, may derive from market activity forced upon levered investors holding some poor credits who are scrambling for liquidity. The Fund owns none of the collateralized debt obligations or other asset-backed securities now roiling the markets.

The Fund's underlying annual performance, gross of fees, was driven by strong positive returns across each of our sectors: telephones, 35.2%; gas utilities, 25.7%; energy, 17.1%; and electric utilities, 8.5%. Several significant positive trends, supporting each of our sectors, persisted throughout the year. The telephone sector, where we had our best performance, remains attractive, sustained by increasing demand for bandwidth, stabilized pricing, and continued growth in wireless services, particularly data. Private equity was active in the telecom sector. Alltel and BCE announced buyouts by private equity at significant premiums to their prior market price. The telecom portfolio benefited from the ongoing build-out of broadband infrastructure. CommScope, the best sector performer, supplies integrated cabinets critical to much of the local telephone fiber roll-out in North America.

Our gas portfolio performed very well despite an unseasonably warm winter-heating season and near-record storage levels throughout most of the fiscal year. The portfolio is constructed to mitigate exposure to the underlying commodity price of natural gas, which fell from \$8.05 per thousand cubic feet at the beginning of the fiscal year to \$6.53/mcf at the end of the fiscal year as measured by NYMEX Henry Hub. Several companies held by the Fund, including Sempra Energy, the largest sector holding, and South Jersey Industries are able to charge weather-normalized rates, a pricing mechanism that protects their earnings during unseasonably warm intervals. We favor companies like Oneok and Williams with significant mid-stream gathering and processing operations because they are leveraged to volume growth and somewhat insulated from natural gas price volatility. Both Oneok and Williams benefited from the wide spreads between natural gas and oil prices, which existed throughout the year. While the natural gas price declined overall, oil prices as measured by West Texas Intermediate Crude increased from a low of \$50.48 per bbl on January 18, 2007 to a high of \$78.21 at the end of the period. Other factors contributing to Oneok's market price performance were, the build up of cash on the balance sheet from asset sales, the growing recognition of the earnings growth potential at Oneok Partners (for which Oneok is the general partner and owns 45% of the MLP), and the anticipation of a successful rate case in Kansas.

Continued strong oil prices, above \$60 per bbl, set the stage for capital appreciation within the energy portfolio. The average price of West Texas Intermediate Crude was \$63.51 per barrel over the fiscal year. Performance was strong across all sub-sectors: the integrated majors, exploration and production, and oil service, relatively the best of the sub-sectors. Energy companies continue to spend heavily on services to secure future production. Transocean, an international operator of deep water offshore drilling rigs, was the best sector performer primarily as a result of its strong fundamental outlook and accelerating cash flow.

The electric portfolio's return for the year was positive despite the temporary spike in global interest rates in June and credit market turmoil in July related to market concerns over mortgage-backed securities. Regulatory recognition of the national need for sustained investment in transmission and generation infrastructure continue to support a positive earnings outlook for selected electric utilities. Constellation Energy Group, a leading sector performer, supplies merchant power, primarily to commercial and industrial users. Exelon, another major portfolio holding, is the largest supplier of nuclear power in the United States. Both companies faced regulatory uncertainty surrounding price freeze expiration and the return to market-based rates (Exelon in Illinois and Constellation Energy Group in Maryland). We think the benefits of the mer-

chant power side of their business outweigh the short-term regulatory uncertainty. Over the course of the year, we have significantly increased investment in National Grid, an operator of electric and gas transmission assets in the UK and the U.S. National Grid recently completed the acquisition of Keyspan, a largely regulated New York based regional gas distribution company.

Looking forward to fiscal 2008, we think the required investment in the nation's telecom and energy infrastructure will provide opportunities for continued earnings growth. We will strive to use the current stock price volatility to reposition the portfolio for higher future total return. We remain positive about the potential for our portfolio investments to continue to grow earnings and supplement investor returns by paying above-market dividends. We expect the majority of our equity holdings to periodically increase their dividend rate.

Respectfully submitted,



Ronald J. Sorenson
September 7, 2007

The above commentary represents management's assessment of the Fund and the market environment at a specific point in time and should not be relied upon by the reader as research or investment advice.

Definition of the Comparative Indices

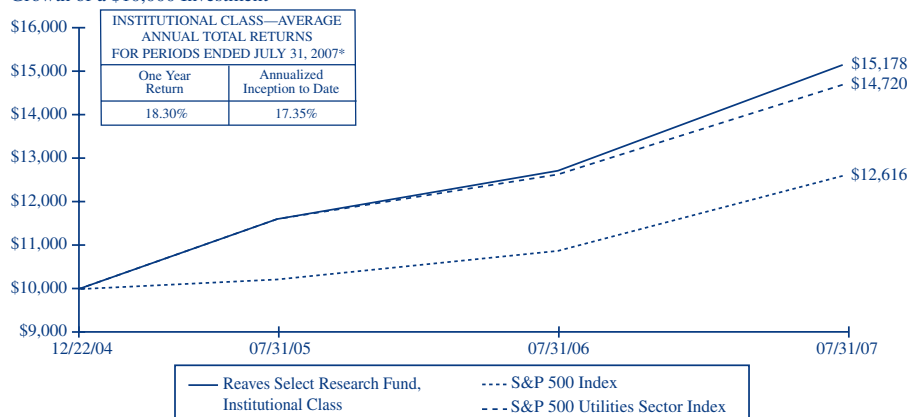
S&P 500 Index is an unmanaged index containing common stocks of 500 industrial, transportation, utility and financial companies, regarded as generally representative of the U.S. stock market. The return per the total return index reflects the reinvestment of income dividends and capital gain distributions, if any, but does not reflect fees, brokerage commissions, or other expenses of investing.

S&P 500 Utilities Sector Index is a subset of the S&P 500 Index that contains those securities that fall under the utilities sector.

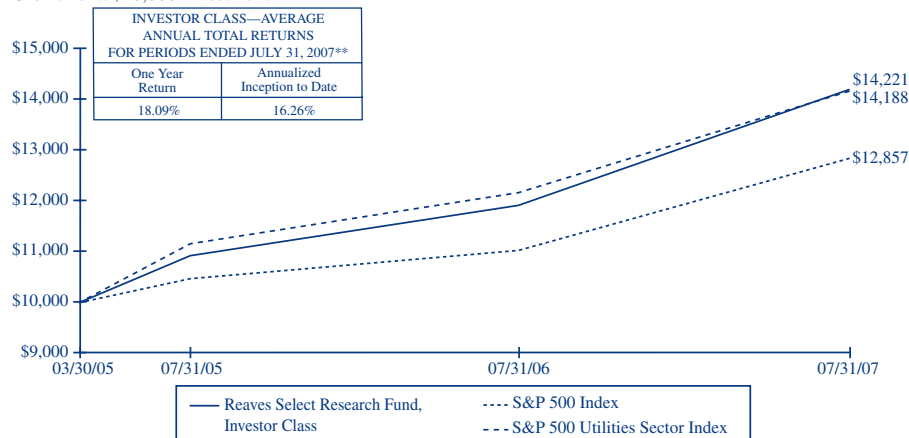
THE ADVISORS' INNER CIRCLE FUND II

REAVES SELECT RESEARCH FUND

Growth of a \$10,000 Investment



Growth of a \$10,000 Investment



*Institutional Class Shares were offered beginning December 22, 2004.
 **Investor Class Shares were offered beginning March 30, 2005.

The performance data quoted herein represents past performance and the return and value of an investment in the Fund will fluctuate so that, when redeemed, may be worth less than its original cost. Past performance is no guarantee of future performance and should not be considered as a representation of the future results of the Fund.

The Fund's performance assumes the reinvestment of dividends and capital gains. Index returns assume reinvestment of dividends and, unlike a fund's returns, do not reflect any fees or expenses. If such fees and expenses were included in the index returns, the performance would have been lower. Please note that one cannot invest directly in an unmanaged index.

There are no assurances that the Fund will meet its stated objectives. The Fund's holdings and allocations are subject to change because it is actively managed and should not be considered recommendations to buy individual securities.

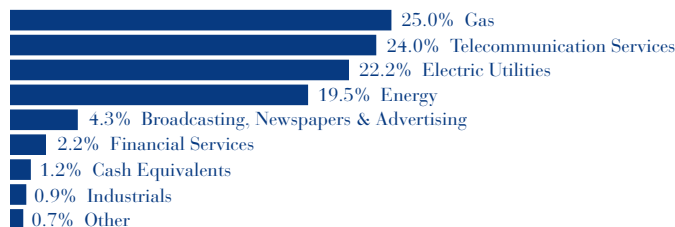
Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. If the Adviser had not limited certain expenses, the Fund's total returns would have been lower.

See definition of comparative indices on page 3.

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND
JULY 31, 2007**

SECTOR WEIGHTINGS (Unaudited)†:



† Percentages are based on total investments

SCHEDULE OF INVESTMENTS

COMMON STOCK — 98.7%**

	<u>Shares</u>	<u>Value</u>
BROADCASTING, NEWSPAPERS & ADVERTISING — 4.2%		
Comcast, Cl A*	120,000	\$ 3,152,400
Shaw Communications, Cl B	7,000	332,710
		<u>3,485,110</u>
ELECTRIC UTILITIES — 22.2%		
Constellation Energy Group	40,010	3,352,838
Dominion Resources	8,000	673,760
Duke Energy	140,000	2,384,200
Exelon	50,000	3,507,500
Great Plains Energy	35,000	971,600
Integrys Energy Group	22,000	1,088,780
ITC Holdings	30,000	1,261,500
National Grid ADR	33,000	2,345,640
Sierra Pacific Resources	150,000	2,383,500
TransAlta	10,000	286,300
		<u>18,255,618</u>
ENERGY — 19.5%		
ConocoPhillips	37,000	2,991,080
EnCana	33,000	2,012,340
Exxon Mobil	23,000	1,957,990
Halliburton	23,000	828,460
Hercules Offshore*	23,963	719,369
Peabody Energy	12,000	507,120
PetroChina ADR	13,000	1,914,380
Schlumberger	1,000	94,720
Total ADR	6,000	471,660
Transocean*	17,569	1,887,789
Ultra Petroleum*	38,000	2,101,020

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND
JULY 31, 2007**

COMMON STOCK — continued		
	<u>Shares</u>	<u>Value</u>
ENERGY — continued		
XTO Energy	10,000	\$ 545,300
		<u>16,031,228</u>
FINANCIAL SERVICES — 2.2%		
Berkshire Hathaway, Cl B*	500	<u>1,802,000</u>
GAS — 25.0%		
AGL Resources	22,000	829,400
Energen	50,000	2,645,500
Equitable Resources	50,000	2,355,500
Oneok	64,000	3,248,000
Sempra Energy	70,000	3,690,400
South Jersey Industries	57,000	1,867,890
Southern Union	15,000	463,200
Spectra Energy	67,000	1,706,490
Vectren	13,000	324,610
Williams	105,000	3,386,250
		<u>20,517,240</u>
INDUSTRIALS — 0.9%		
General Electric	20,000	<u>775,200</u>
OTHER — 0.7%		
General Maritime	21,000	<u>546,000</u>
TELECOMMUNICATION SERVICES — 24.0%		
America Movil ADR, Ser L	40,000	2,395,200
AT&T	103,000	4,033,480
BCE	50,000	1,892,000
Citizens Communications	214,000	3,088,020
CommScope*	59,500	3,238,585
Embarq	7,000	432,530
Sprint Nextel	50,000	1,026,500
Telecom Corp. of New Zealand ADR	36,000	997,560
Vodafone Group ADR	36,000	1,092,600
Windstream	110,335	1,518,210
		<u>19,714,685</u>
TOTAL COMMON STOCK		
(Cost \$64,076,709)		<u>81,127,081</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND
JULY 31, 2007**

SHORT-TERM INVESTMENTS — 1.2%

	<u>Shares</u>	<u>Value</u>
CASH EQUIVALENTS (A) — 1.2%		
SEI Daily Income Trust, Government Money Market Fund, Cl A, 5.260%	469,598	\$ 469,598
SEI Daily Income Trust, Prime Obligation Fund, Cl A, 5.330%	469,598	<u>469,598</u>
TOTAL SHORT-TERM INVESTMENTS (Cost \$939,196)		<u>939,196</u>
TOTAL INVESTMENTS — 99.9% (Cost \$65,015,905)		<u><u>\$82,066,277</u></u>

Percentages are based on Net Assets of \$82,167,573.

** Non-Income Producing Security*

*** More narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting purposes.*

(A) Rate shown is the 7-day effective yield as of July 31, 2007.

ADR American Depositary Receipt

Cl Class

Ser Series

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND
JULY 31, 2007**

STATEMENT OF ASSETS AND LIABILITIES

Assets:	
Investments at Value (Cost \$65,015,905)	\$82,066,277
Cash	524
Receivable for Investment Securities Sold	753,426
Dividends Receivable.....	150,902
Prepaid Expenses	14,610
Receivable for Capital Shares Sold	1,705
Reclaims Receivable	957
Total Assets	<u>82,988,401</u>
Liabilities:	
Payable for Investment Securities Purchased.....	691,758
Payable due to Investment Adviser	55,025
Payable due to Administrator	9,512
Chief Compliance Officer Fees Payable.....	2,068
Payable due to Trustees.....	1,722
Payable due to Distributor.....	794
Payable for Capital Shares Redeemed	273
Other Accrued Expenses	59,676
Total Liabilities	<u>820,828</u>
Net Assets	<u>\$82,167,573</u>
Net Assets Consist of:	
Paid-in Capital	\$53,977,898
Undistributed Net Investment Income	16,108
Accumulated Net Realized Gain on Investments	11,123,195
Net Unrealized Appreciation on Investments	17,050,372
Net Assets	<u>\$82,167,573</u>
Net Asset Value, Offering and Redemption Price Per Share —	
(unlimited authorization — no par value)	
Institutional Class Shares (\$77,835,910 ÷ 6,114,114)	<u>\$12.73</u>
Net Asset Value, Offering and Redemption Price Per Share —	
(unlimited authorization — no par value)	
Investor Class Shares (\$4,331,663 ÷ 340,120)	<u>\$12.74</u>

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

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND
FOR THE YEAR
ENDED JULY 31, 2007****STATEMENT OF OPERATIONS**

Investment Income	
Dividend Income (net of foreign taxes withheld of \$38,416)	\$ 2,325,793
Total Investment Income	<u>2,325,793</u>
Expenses	
Investment Advisory Fees	585,825
Administration Fees	112,000
Chief Compliance Officer Fees	10,446
Distribution Fees ⁽¹⁾	8,383
Trustees' Fees	7,403
Transfer Agent Fees	82,444
Legal Fees	39,664
Printing Fees	34,474
Registration Fees	26,902
Audit Fees	20,024
Custodian Fees	6,260
Insurance and Other Expenses	7,236
Total Expenses	<u>941,061</u>
Less: Fees Paid Indirectly (See Note 4)	<u>(3,288)</u>
Net Expenses	<u>937,773</u>
Net Investment Income	<u>1,388,020</u>
Net Realized Gain on Investments	13,173,704
Net Change in Unrealized Appreciation (Depreciation) on Investments ...	<u>(1,642,786)</u>
Net Realized and Unrealized Gain on Investments	<u>11,530,918</u>
Net Increase in Net Assets Resulting from Operations	<u>\$12,918,938</u>

⁽¹⁾ *Attributable to Investor Class Shares.*

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND**

STATEMENT OF CHANGES IN NET ASSETS

	<u>Year Ended July 31, 2007</u>	<u>Year Ended July 31, 2006</u>
Operations:		
Net Investment Income	\$ 1,388,020	\$ 1,506,991
Net Realized Gain on Investments	13,173,704	4,376,553
Net Change in Unrealized Appreciation (Depreciation) on Investments	<u>(1,642,786)</u>	<u>676,409</u>
Net Increase in Net Assets Resulting from Operations	<u>12,918,938</u>	<u>6,559,953</u>
Dividends and Distributions from:		
Net Investment Income		
Institutional Class Shares	(1,337,656)	(1,471,979)
Investor Class Shares	<u>(50,363)</u>	<u>(34,740)</u>
Total Net Investment Income	<u>(1,388,019)</u>	<u>(1,506,719)</u>
Net Realized Gains		
Institutional Class Shares	(5,445,152)	(3,464,787)
Investor Class Shares	<u>(220,411)</u>	<u>(91,842)</u>
Total Realized Gains	<u>(5,665,563)</u>	<u>(3,556,629)</u>
Total Dividends and Distributions	<u>(7,053,582)</u>	<u>(5,063,348)</u>
Capital Share Transactions⁽¹⁾:		
Institutional Class Shares		
Issued	1,161,643	847,347
Reinvestment of Distributions	5,779,307	4,150,963
Redeemed	<u>(4,898,260)</u>	<u>(3,969,490)</u>
Net Institutional Class Capital Share Transactions	<u>2,042,690</u>	<u>1,028,820</u>
Investor Class Shares		
Issued	2,625,648	2,521,329
Reinvestment of Distributions	261,686	122,311
Redeemed	<u>(1,830,357)</u>	<u>(238,040)</u>
Net Investor Class Capital Share Transactions	<u>1,056,977</u>	<u>2,405,600</u>
Net Increase From Capital Share Transactions	<u>3,099,667</u>	<u>3,434,420</u>
Total Increase in Net Assets	<u>8,965,023</u>	<u>4,931,025</u>
Net Assets:		
Beginning of Year	<u>73,202,550</u>	<u>68,271,525</u>
End of Year (including undistributed net investment income of \$16,108 and \$16,107, respectively)	<u>\$82,167,573</u>	<u>\$73,202,550</u>

⁽¹⁾ For share transactions, see Note 6 in the Notes to Financial Statements.

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND**

FINANCIAL HIGHLIGHTS

**Selected Per Share Data & Ratios
For a Share Outstanding Throughout the Periods**

Institutional Class Shares

	Year Ended July 31, 2007	Year Ended July 31, 2006	Period Ended July 31, 2005*
Net Asset Value, Beginning of Period	\$ 11.81	\$ 11.57	\$ 10.00
Income from Operations:			
Net Investment Income ⁽¹⁾	0.22	0.25	0.13
Net Realized and Unrealized Gain on Investments	1.85	0.83	1.55
Total from Operations	2.07	1.08	1.68
Dividends and Distributions from:			
Net Investment Income	(0.22)	(0.25)	(0.11)
Net Realized Gains	(0.93)	(0.59)	—
Total Dividends and Distributions	(1.15)	(0.84)	(0.11)
Net Asset Value, End of Period	\$ 12.73	\$ 11.81	\$ 11.57
Total Return[†]	18.30%	9.78%^{††}	16.86%^{††}
Ratios and Supplemental Data			
Net Assets, End of Period (Thousands)	\$77,836	\$70,129	\$67,698
Ratio of Expenses to Average Net Assets (including waivers, reimbursements, excluding fees paid indirectly)	1.19%	1.30%	1.26%**
Ratio of Expenses to Average Net Assets (including waivers, reimbursements and fees paid indirectly)	1.19%	1.30%	1.26%**
Ratio of Expenses to Average Net Assets (excluding waivers, reimbursements and fees paid indirectly)	1.19%	1.30%	1.37%**
Ratio of Net Investment Income to Average Net Assets	1.79%	2.18%	2.05%**
Portfolio Turnover Rate	84%	54%	35%***

[†] Total return is for the period indicated and has not been annualized. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

^{††} Total return would have been lower had certain fees not been waived and expenses assumed by the Adviser during the period.

* Commenced operations on December 22, 2004.

** Annualized

*** Portfolio turnover rate is for the period indicated and has not been annualized. Excludes effect of in-kind transfers.

⁽¹⁾ Per share data calculated using average shares method.

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

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND**

FINANCIAL HIGHLIGHTS

**Selected Per Share Data & Ratios
For a Share Outstanding Throughout the Periods**

Investor Class Shares

	Year Ended July 31, 2007	Year Ended July 31, 2006	Period Ended July 31, 2005*
Net Asset Value, Beginning of Period	<u>\$11.81</u>	<u>\$11.57</u>	<u>\$10.57</u>
Income from Operations:			
Net Investment Income ⁽¹⁾	0.19	0.22	0.02
Net Realized and Unrealized Gain on Investments	<u>1.86</u>	<u>0.83</u>	<u>1.03</u>
Total from Operations	<u>2.05</u>	<u>1.05</u>	<u>1.05</u>
Dividends and Distributions from:			
Net Investment Income	(0.19)	(0.22)	(0.05)
Net Realized Gains	<u>(0.93)</u>	<u>(0.59)</u>	<u>—</u>
Total Dividends and Distributions	<u>(1.12)</u>	<u>(0.81)</u>	<u>(0.05)</u>
Net Asset Value, End of Period	<u>\$12.74</u>	<u>\$11.81</u>	<u>\$11.57</u>
Total Return †	<u>18.09%</u>	<u>9.49%††</u>	<u>9.97%††</u>
Ratios and Supplemental Data			
Net Assets, End of Period (Thousands)	\$4,332	\$3,074	\$574
Ratio of Expenses to Average Net Assets (including waivers, reimbursements, excluding fees paid indirectly)	1.44%	1.65%	1.64%**
Ratio of Expenses to Average Net Assets (including waivers, reimbursements and fees paid indirectly)	1.44%	1.65%	1.64%**
Ratio of Expenses to Average Net Assets (excluding waivers, reimbursements and fees paid indirectly)	1.44%	1.65%	1.64%**
Ratio of Net Investment Income to Average Net Assets	1.53%	1.87%	0.40%**
Portfolio Turnover Rate	84%	54%	35%***

† Total return is for the period indicated and has not been annualized. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

†† Total return would have been lower had certain fees not been waived and expenses assumed by the Adviser during the period.

* Commenced operations on March 30, 2005.

** Annualized

*** Represents the Fund's portfolio turnover rate for the period December 22, 2004 (commencement of operations of the Fund) through July 31, 2005 and has not been annualized.

⁽¹⁾ Per share data calculated using average shares method.

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

NOTES TO FINANCIAL STATEMENTS

1. Organization:

The Advisors' Inner Circle Fund II (the "Trust") is organized as a Massachusetts business trust under an Amended and Restated Agreement and Declaration of Trust dated July 24, 1992. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company with fifteen funds. The financial statements herein are those of the Reaves Select Research Fund (the "Fund"). The financial statements of the remaining funds are presented separately. The investment objective of the Fund is total return from income and capital growth. The Fund invests primarily in securities of domestic and foreign public utility and energy companies, with a concentration (at least 25% of its assets) in companies involved to a significant extent in the Utilities and Energy Industries. The assets of each fund of the Trust are segregated, and a shareholder's interest is limited to the fund of the Trust in which shares are held.

Effective August 1, 2006, all existing Class A Shares of the Reaves Select Research Fund were reclassified as Investor Class Shares. The Fund is registered to offer Institutional and Investor Class Shares.

2. Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Fund:

Use of Estimates — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Security Valuation — Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded, or, if there is no such reported sale, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be

used. The prices for foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held in the Fund are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Fund will seek to obtain a bid price from at least one independent broker.

Securities for which market prices are not “readily available” are valued in accordance with Fair Value Procedures established by the Trust’s Board of Trustees (the “Board”). The Trust’s Fair Value Procedures are implemented through a Fair Value Committee (the “Committee”) designated by the Board. Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security’s trading has been halted or suspended; the security has been de-listed from a national exchange; the security’s primary trading market is temporarily closed at a time when under normal conditions it would be open; the security has not been traded for an extended period of time; the security’s primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government-imposed restrictions. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee. As of July 31, 2007, there were no fair valued securities.

Security Transactions and Investment Income — Security transactions are accounted for on trade date for financial reporting purposes. Costs used in determining realized gains and losses on the sales of investment securities are based on specific identifications. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

Expenses — Most expenses of the Trust can be directly attributed to a particular fund. Expenses that cannot be directly attributed to a fund are apportioned among the funds of the Trust based on the number of funds and/or relative net assets.

Classes — Class specific expenses are borne by that class of shares. Income, realized and unrealized gain (loss), and non-class specific expenses are allocated to the respective class on the basis of relative daily net assets.

Dividends and Distributions to Shareholders — Dividends from net investment income, if any, are declared and paid quarterly by the Fund. The Fund's Institutional Class has established a policy of an \$0.08 minimum quarterly distribution. To the extent such distributions are in excess of net investment income, they are deemed to be paid from short-term or long-term gains to the extent such gains are available. To the extent these amounts are not available, distributions are deemed to be paid from capital. Any net realized capital gains are distributed to shareholders at least annually.

3. Transactions with Affiliates:

Certain officers and a trustee of the Trust are also officers of SEI Investments Global Funds Services (the "Administrator"), a wholly owned subsidiary of SEI Investments Company, and/or SEI Investments Distribution Co. (the "Distributor"). Such officers are paid no fees by the Trust for serving as officers of the Trust.

The services provided by the Chief Compliance Officer ("CCO") and his staff, whom are employees of the Administrator, are paid for by the Trust as incurred. The services include regulatory oversight of the Trust's advisers and service providers as required by SEC regulations. The CCO's services have been approved by and are reviewed by the Board.

4. Administration, Distribution, Transfer Agent and Custodian Agreements:

The Fund and the Administrator are parties to an Administration Agreement under which the Administrator provides management and administrative services to the Fund at an annual rate of:

- 0.09% on the first \$50 million of the Fund's average daily net assets;
- 0.10% on the next \$50 million of the Fund's average daily net assets;
- 0.12% on the next \$200 million of the Fund's average daily net assets;
- 0.08% on the next \$200 million of the Fund's average daily net assets; and
- 0.06% on the Fund's average daily net assets over \$500 million.

The Fund is subject to a minimum annual administration fee of \$100,000. There is also a minimum annual administration fee of \$12,000 per additional class.

The Trust and Distributor are parties to a Distribution Plan dated May 31, 2000, amended and restated on November 16, 2004. The Fund has adopted

a Distribution Plan (the "Plan") for Investor Class Shares. The Distributor will not receive any compensation for the distribution of Institutional Class Shares of the Fund. Effective August 1, 2006, under the Plan, the Distributor, or third parties that enter into agreements with the Distributor, may receive up to 0.25% of the Fund's average net assets attributable to Investor Class Shares as compensation for distribution services. Prior to August 1, 2006, the Distributor, or third parties could receive up to 0.35% of the Fund's average net assets attributable to Class A Shares.

DST Systems, Inc. serves as the transfer agent and dividend disbursing agent for the Fund under a transfer agency agreement with the Trust. The Fund may earn cash management credits which can be used to offset transfer agent expenses. During the year ended July 31, 2007, the Fund earned credits of \$3,288, which were used to offset transfer agent expenses. This amount is listed as "Fees Paid Indirectly" on the Statement of Operations.

U.S. Bank, N.A. acts as custodian (the "Custodian") for the Fund. The Custodian plays no role in determining the investment policies of the Fund or which securities are to be purchased or sold by the Fund.

5. Investment Advisory Agreement:

Under the terms of an investment advisory agreement, W. H. Reaves & Co., Inc. (the "Adviser"), provides investment advisory services to the Fund at a fee, which is calculated daily and paid monthly at an annual rate of 0.75% of the Fund's average daily net assets. The Adviser has voluntarily agreed to waive a portion of its advisory fees and to assume expenses, if necessary, in order to keep the Fund's total annual operating expenses from exceeding 1.30% and 1.55% of the Institutional and Investor Class Shares' average daily net assets, respectively. Prior to August 1, 2006, the Adviser voluntarily agreed to waive its expenses in order to keep Class A shares from exceeding 1.65%. The Adviser may discontinue the expense limitation at any time. In addition, if at any point during the first three years of Fund operations it becomes unnecessary for the Adviser to waive fees or make reimbursements, the Adviser may retain the difference between the "Total Annual Fund Operating Expenses" and 1.30% for the Institutional Class Shares, and 1.55% for the Investor Class Shares, to recapture any of its prior waivers or reimbursements. At July 31, 2007, the amount the Adviser may seek reimbursement of previously waived fees and reimbursed expenses for the Fund was \$35,418.

6. Share Transactions:

	<u>Year Ended</u> <u>July 31, 2007</u>	<u>Year Ended</u> <u>July 31, 2006</u>
Share Transactions:		
Institutional Class		
Issued	92,158	71,535
Reinvestment of Distributions	478,093	364,698
Redeemed	<u>(395,884)</u>	<u>(348,308)</u>
Net Institutional Class Capital Share Transactions .	<u>174,367</u>	<u>87,925</u>
Investor Class		
Issued	205,634	221,199
Reinvestment of Distributions	21,599	10,816
Redeemed	<u>(147,344)</u>	<u>(21,369)</u>
Net Investor Class Capital Share Transactions	<u>79,889</u>	<u>210,646</u>
Net Increase in Shares Outstanding from		
Share Transactions	<u><u>254,256</u></u>	<u><u>298,571</u></u>

7. Investment Transactions:

The cost of security purchases and the proceeds from security sales, other than long-term U.S. Government and short-term investments, for the year ended July 31, 2007 were \$64,631,386 and \$67,618,747, respectively. There were no purchases or sales of long-term U.S. Government securities.

8. Federal Tax Information:

It is the Fund's intention to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and to distribute all of its taxable income. Accordingly, no provision for Federal income taxes has been made in the financial statements.

The amount and character of income and capital gain distributions, if any, to be paid are determined in accordance with Federal income tax regulations, which may differ from U.S. generally accepted accounting principles. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or paid-in capital, as appropriate, in the period that the differences arise. There were no permanent book/tax differences for the year ended July 31, 2007.

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND**

The tax character of dividends and distributions declared during the fiscal years ended July 31, 2007 and 2006 was as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
2007	\$2,017,109	\$5,036,473	\$7,053,582
2006	2,416,393	2,646,955	5,063,348

As of July 31, 2007, the components of Distributable Earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,691,728
Undistributed Long-Term Capital Gain	9,473,902
Unrealized Appreciation	<u>17,024,045</u>
Total Distributable Earnings	<u>\$28,189,675</u>

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments held by the Fund at July 31, 2007 were as follows:

<u>Federal Tax Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
\$65,042,232	\$18,718,806	\$(1,694,761)	\$17,024,045

9. Concentration/Risks:

The Fund has adopted a policy to concentrate its investments (at least 25% of its assets) in companies involved to a significant extent in the Utilities and Energy Industries. To the extent that the Fund's investments are focused in issuers conducting business in the Utilities Industry and/or Energy Industry, the Fund is subject to the risk that legislative or regulatory changes, adverse market conditions and/or increased competition will negatively affect these industries.

10. Other:

At July 31, 2007, there was one shareholder who held 19% of the total outstanding shares. This shareholder was comprised of an omnibus account that was held on behalf of several individual shareholders.

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and,

therefore, cannot be established; however, based on experience, the risk of loss from such claim is considered remote.

11. New Accounting Pronouncements:

On July 13, 2006, the Financial Accounting Standards Board ("FASB") released FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows implementing FIN 48 in fund asset calculations as late as the fund's last net asset value calculation in the first required financial statement reporting period. As a result, the Fund will incorporate FIN 48 in its semi-annual report on January 31, 2008. As of July 31, 2007, the Fund does not anticipate a material impact to the financial statements.

In September 2006, the FASB issued Statement on Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of July 31, 2007, the Fund does not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain measurements reported on the statement of changes in net assets for a fiscal period.

12. Change in Independent Registered Public Accounting Firm:

The Board selected Ernst & Young LLP (“E&Y”) to serve as the Fund’s independent registered public accounting firm commencing with the fiscal year ended July 31, 2006. The decision to select E&Y was recommended by the Audit Committee and was approved by the Board on November 14, 2005. During the Fund’s fiscal period ended July 31, 2005, neither the Trust, its funds, nor anyone on their behalf consulted with E&Y on items which (i) concerned the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund’s financial statements; or (ii) concerned the subject of a disagreement (as defined in paragraph (a)(1)(iv) of Item 304 of Regulation S-K) or reportable events (as described in paragraph (a)(1)(iv) of said Item 304).

The selection of E&Y did not reflect any disagreements with or dissatisfaction by the Trust or the Board with the performance of the Fund’s previous auditor, KPMG LLP (“KPMG”). The decision to dismiss KPMG effective upon its completion of its audit for the fiscal period ended July 31, 2005 and to select E&Y was recommended by the Trust’s Audit Committee and approved by the Trust’s Board of Trustees. KPMG’s report on the Fund’s financial statements for the fiscal period ended July 31, 2005 contained no adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. During the Fund’s fiscal period ended July 31, 2005, (i) there were no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of KPMG, would have caused them to make reference to the subject matter of the disagreements in connection with their report on the Fund’s financial statements for such period, and (ii) there were no “reportable events” of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities and Exchange Act of 1934, as amended.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of
Reaves Select Research Fund of the Advisors' Inner Circle Fund II:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Reaves Select Research Fund (one of the funds constituting The Advisors' Inner Circle Fund II (the "Trust")) as of July 31, 2007, and the related statement of operations for the year then ended and the statements of changes in net assets and financial highlights for each of the two years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for the periods ended July 31, 2005 were audited by other auditors, whose report dated September 21, 2005 expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of July 31, 2007, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Reaves Select Research Fund of The Advisors' Inner Circle Fund II at July 31, 2007, the results of its operations for the year then ended, and the changes in its net assets and its financial highlights for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Philadelphia, Pennsylvania
September 20, 2007

Ernst & Young LLP

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND****TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (Unaudited)**

Set forth below are the names, age, position with the Trust, length of term of office, and the principal occupations for the last five years of each of the persons currently serving as Trustees and Officers of the Trust. Trustees who are deemed not to be "interested persons" of the Trust are referred to as "Independent Board Members." Messrs. Neshier and Doran are Trustees who may be deemed to be "interested" persons of the

Name, Address, Age ¹	Position(s) Held with the Trust	Term of Office and Length of Time Served ²
INTERESTED BOARD MEMBERS		
ROBERT A. NESHER 60 yrs. old	Chairman of the Board of Trustees	(Since 1991)
WILLIAM M. DORAN 1701 Market Street, Philadelphia, PA 19103 67 yrs. old	Trustee	(Since 1992)

¹ Unless otherwise noted, the business address of each trustee is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456.

² Each trustee shall hold office during the lifetime of this Trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns or is removed in accordance with the Trust's Declaration of Trust.

³ Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the Investment Company Act of 1940.

THE ADVISORS' INNER CIRCLE FUND II

REAVES SELECT RESEARCH FUND

Trust as that term is defined in the 1940 Act by virtue of their affiliation with the Trust's Distributor. The Trust's Statement of Additional Information ("SAI") includes additional information about the Trustees and Officers. The SAI may be obtained without charge by calling 1-866-342-7058. The following chart lists Trustees and Officers as of July 31, 2007.

Principal Occupation(s) During Past 5 Years	Number of Funds in The Advisors' Inner Circle Fund II Overseen by Board Member	Other Directorships Held by Board Member ³
Currently performs various services on behalf of SEI Investments for which Mr. Nesher is compensated. Executive Vice President of SEI Investments, 1986-1994. Director and Executive Vice President of the Administrator and the Distributor, 1981-1994.	15	Trustee of The Advisors' Inner Circle Fund, Bishop Street Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust, SEI Tax Exempt Trust, SEI Opportunity Master Fund, L.P., SEI Opportunity Fund, L.P., SEI Global Master Fund, PLC, SEI Global Assets Fund, PLC, SEI Global Investments Fund, PLC, SEI Investments Global, Limited, SEI Investments Global Fund Services, Limited, SEI Investments (Europe) Ltd., SEI Investments Unit Trust Management (UK) Limited and SEI Global Nominee Ltd.
Self-employed Consultant since 2003. Partner, Morgan, Lewis & Bockius LLP (law firm) from 1976-2003, counsel to the Trust, SEI Investments, the Administrator and the Distributor. Director of SEI Investments since 1974; Secretary of SEI Investments since 1978.	15	Director of SEI Investments Company and SEI Investments Distribution Co., SEI Investments Global Fund Services Global Limited, Trustee of The Advisors' Inner Circle Fund, Bishop Street Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust, SEI Tax Exempt Trust, SEI Investments Global Fund Services Limited, SEI Investments Global, Limited, SEI Investments (Europe), Limited SEI Investments (Asia) Limited and SEI Asset Korea Co., Ltd.

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND****TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (Unaudited)**

Name, Address, Age ¹	Position(s) Held with the Trust	Term of Office and Length of Time Served ²
INDEPENDENT BOARD MEMBERS		
EUGENE B. PETERS⁴ 78 yrs. old	Trustee	(Since 1993)
JAMES M. STOREY 76 yrs. old	Trustee	(Since 1994)
GEORGE J. SULLIVAN, JR. 64 yrs. old	Trustee	(Since 1999)

1 Unless otherwise noted, the business address of each trustee is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456.

2 Each trustee shall hold office during the lifetime of this Trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns or is removed in accordance with the Trust's Declaration of Trust.

3 Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the Investment Company Act of 1940.

4 Served as a trustee until August 26, 2007.

THE ADVISORS' INNER CIRCLE FUND II

REAVES SELECT RESEARCH FUND

Principal Occupation(s) During Past 5 Years	Number of Funds in The Advisors' Inner Circle Fund II Overseen by Board Member	Other Directorships Held by Board Member ³
Private investor from 1987 to present. Vice President and Chief Financial officer, Western Company of North America (petroleum service company), 1980-1986. President of Gene Peters and Associates (import company), 1978-1980. President and Chief Executive Officer of Jos. Schlitz Brewing Company before 1978.	15	Trustee of The Advisors' Inner Circle Fund and Bishop Street Funds.
Attorney, Solo Practitioner since 1994. Partner, Dechert, September 1987-December 1993.	15	Trustee of The Advisors' Inner Circle Fund, Bishop Street Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust, SEI Tax Exempt Trust and U.S. Charitable Gift Trust.
Chief Executive Officer, Newfound Consultants, Inc. since April 1997. General Partner, Teton Partners, L.P., June 1991-December 1996; Chief Financial Officer, Nobel Partners, L.P., March 1991-December 1996; Treasurer and Clerk, Peak Asset Management, Inc., since 1991.	15	Trustee, State Street Navigator Securities Lending Trust, since 1995. Trustee of The Advisors' Inner Circle Fund, Bishop Street Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust, SEI Tax Exempt Trust, SEI Opportunity Master Fund, L.P., and SEI Opportunity Fund, L.P.

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND****TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (Unaudited)**

Name, Address, Age ¹	Position(s) Held with the Trust	Term of Office and Length of Time Served ²
INDEPENDENT BOARD MEMBERS (continued)		
BETTY L. KRIKONIAN 64 yrs. old	Trustee	(Since 2005)
CHARLES E. CARLBOM 72 yrs. old	Trustee	(Since 2005)
MITCHELL A. JOHNSON 64 yrs. old	Trustee	(Since 2005)
OFFICERS		
JAMES F. VOLK, CPA 44 yrs. old	President	(Since 2003)
MICHAEL LAWSON 46 yrs. old	Controller and Chief Financial Officer	(Since 2005)
JAMES NDIAYE 38 yrs. old	Vice President and Secretary	(Since 2004)

1 Unless otherwise noted, the business address of each trustee/officer is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456.

2 Each trustee shall hold office during the lifetime of this Trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns or is removed in accordance with the Trust's Declaration of Trust.

3 Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the Investment Company Act of 1940.

THE ADVISORS' INNER CIRCLE FUND II

REAVES SELECT RESEARCH FUND

Principal Occupation(s) During Past 5 Years	Number of Funds in The Advisors' Inner Circle Fund II Overseen by Board Member	Other Directorships Held by Board Member/Officer ³
Self-employed Legal and Financial Services Consultant since 2003. Counsel to State Street Bank Global Securities and Cash Operations from 1995 to 2003.	15	Trustee of The Advisors' Inner Circle Fund and Bishop Street Funds.
Self-employed Business Consultant, Business Project Inc. since 1997. CEO and President, United Grocers Inc. from 1997 to 2000.	15	Trustee of The Advisors' Inner Circle Fund, Bishop Street Funds. Oregon Trust Co. and O.T. Logistics, Inc.
Retired.	15	Director, Federal Agricultural Mortgage Corporation. Trustee of The Advisors' Inner Circle Fund and Bishop Street Funds.
Senior Operations Officer, SEI Investments, Fund Accounting and Administration (1996-present); Assistant Chief Accountant of the U.S. Securities and Exchange Commission's Division of Investment Management (1993-1996).	N/A	N/A
Director, SEI Investments, Fund Accounting since July 2005. Manager, SEI Investments AVP from April 1995 to February 1998 and November 1998 to July 2005.	N/A	N/A
Employed by SEI Investments Company since 2004. Vice President, Deutsche Asset Management from 2003-2004. Associate, Morgan, Lewis & Bockius LLP from 2000-2003. Counsel, Assistant Vice President, ING Variable Annuities Group from 1999-2000.	N/A	N/A

THE ADVISORS' INNER CIRCLE FUND II**REAVES SELECT
RESEARCH FUND****TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (Unaudited)**

Name, Address, Age¹	Position(s) Held with the Trust	Term of Office and Length of Time Served
OFFICERS (continued)		
TIMOTHY D. BARTO 39 yrs. old	Assistant Vice President and Assistant Secretary	(Since 2000)
RUSSELL EMERY 44 yrs. old	Chief Compliance Officer	(Since 2006)
SOFIA ROSALA 33 yrs. old	Assistant Vice President and Assistant Secretary	(Since 2004)
NICOLE WELCH 29 yrs. old	AML Officer	(Since 2006)

¹ The business address of each officer is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456.

THE ADVISORS' INNER CIRCLE FUND II

REAVES SELECT RESEARCH FUND

Principal Occupation(s) During Past 5 Years	Number of Funds in The Advisors' Inner Circle Fund II Overseen by Board Member	Other Directorships Held by Board Member
General Counsel, Vice President and Assistant Secretary of SEI Investments Global Funds Services since 1999; Associate, Dechert (law firm) from 1997-1999; Associate, Richter, Miller & Finn (law firm) from 1994-1997.	N/A	N/A
Director of Investment Product Management and Development at SEI Investments since February 2003. Senior Investment Analyst, Equity team at SEI Investments from March 2000 to February 2003.	N/A	N/A
Vice President and Assistant Secretary of SEI Investments Management Corp. and SEI Global Funds Services since 2005. Compliance Officer of SEI Investments from 2001-2004. Account and Product Consultant SEI Private Trust Company, 1998-2001.	N/A	N/A
Assistant Vice President and AML Compliance Officer of SEI Investments since January 2005. Compliance Analyst at TD Waterhouse from January 2004 to November 2004. Senior Compliance Analyst at UBS Financial Services from October 2002 to January 2004. Knowledge Management Analyst at PricewaterhouseCoopers Consulting from September 2000 to October 2002.	N/A	N/A

DISCLOSURE OF FUND EXPENSES *(Unaudited)*

All mutual funds have operating expenses. As a shareholder of a mutual fund, your investment is affected by these ongoing costs, which include (among others) costs for portfolio management, administrative services, and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from a mutual fund's gross income and directly reduce its final investment return. These expenses are expressed as a percentage of a mutual fund's average net assets; this percentage is known as a mutual fund's expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The table on the following page illustrates your Fund's costs in two ways.

• **Actual Fund Return.** This section helps you to estimate the actual expenses after fee waivers that your Fund incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return.

You can use this information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over that period. Simply divide your actual account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for your Fund under "Expenses Paid During Period."

• **Hypothetical 5% Return.** This section helps you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expenses Paid During Period" column with those that appear in the same charts in the shareholder reports for other mutual funds.

THE ADVISORS' INNER CIRCLE FUND II

**REAVES SELECT
RESEARCH FUND**

DISCLOSURE OF FUND EXPENSES *(Unaudited)*

Note: Because the hypothetical return is set at 5% for comparison purposes — NOT your Fund's actual return — the account values shown may not apply to your specific investment.

	Beginning Account Value 02/01/07	Ending Account Value 07/31/07	Annualized Expense Ratios	Expenses Paid During Period*
Actual Fund Return				
Institutional Class Shares	\$1,000.00	\$1,096.90	1.18%	\$6.14
Investor Class Shares	1,000.00	1,095.60	1.43	7.43
Hypothetical 5% Return				
Institutional Class Shares	\$1,000.00	\$1,018.94	1.18%	\$5.91
Investor Class Shares	1,000.00	1,017.70	1.43	7.15

*Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended July 31, 2007, the Fund is designating the following items with regard to distributions paid during the year.

<u>Long-Term Capital Gain Distributions</u>	<u>Ordinary Income Distributions</u>	<u>Total Distributions</u>	<u>Qualifying for Corporate Dividends Received Deduction (1)</u>	<u>Qualifying Dividend Income (2)</u>	<u>Foreign Investors Qualified Interest Income (3)</u>	<u>Qualified Short-Term Capital Gain (4)</u>
71.40%	28.60%	100.00%	57.95%	59.82%	0.00%	100.00%

- (1) *Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).*
- (2) *The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of the Fund to designate the maximum amount permitted by law.*
- (3) *The percentage in this column represents the amount of "Qualifying Interest Income" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of net investment income distributions that is exempt from U.S. withholding tax when paid to foreign investors.*
- (4) *The percentage in this column represents the amount of "Qualifying Short-Term Capital Gain" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.*

Reaves Select Research Fund

P.O. Box 219009
Kansas City, MO 64121-9009

Investment Adviser:

W.H. Reaves & Co., Inc.
10 Exchange Place
18th Floor
Jersey City, NJ 07302

Distributor:

SEI Investments Distribution Co.
One Freedom Valley Drive
Oaks, PA 19456

Administrator:

SEI Investments Global Funds Services
One Freedom Valley Drive
Oaks, PA 19456

Legal Counsel:

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004

Independent Registered Public Accounting Firm:

Ernst & Young, LLP
2001 Market Street, Suite 4000
Philadelphia, PA 19103

This information must be preceded or accompanied by a current prospectus for the Fund.

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