

The Advisors' Inner Circle Fund II

Champlain Small Company Fund

Annual Report
July 31, 2005

Investment Adviser:
Champlain Investment Partners, LLC

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The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q within 60 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, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0300.

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 1-866-773-3238; and (ii) on the Commission's website at <http://www.sec.gov>.

July 31, 2005

Dear Shareholders,

Since its inception date of November 30, 2004, this Fund has returned 11.98%. This compares favorably to the 8.12% return of the Russell 2000 Index.

We believe the biggest factor contributing to the favorable relative performance is our disciplined execution of the investment process that we outlined in our January 31, 2005 inaugural letter to shareholders included with the semi-annual report dated January 31, 2005. Our process is designed to leverage the wealth creation potential of credible managers running strong business models. We are very focused on mitigating business risk and valuation risk. During the early part of 2005, the Fund certainly benefited from the waning popularity of speculative, high-risk and highly cyclical stocks. In recent months, we believe investors growing appetite for dependable growth has been a positive contributor.

In aggregate, stock selection contributed most of the advantage accrued from November 30, 2004 to the Fund's fiscal year end July 31, 2005. Superior stock selection relative to the Russell 2000 Index was most evident in the Technology, Industrial, Health Care and Energy sectors. Stock selection in the Consumer and Materials sectors lagged the Russell 2000 Index returns for those sectors. Importantly, we do not make top-down sector bets. Our sector weightings are strictly a by-product of our investment process which identifies superior companies that trade at a discount to our idea of their fair value. We invest our shareholders' assets where the attractive valuations for good companies guide us.

As of the date of this letter, we continue to believe quality is the most undervalued segment of the U.S. equity market. Indeed, we find many consistent growers to be undervalued, particularly relative to cyclical companies. We continue to find a surplus of ideas in the health care sector. Energy stocks have become quite popular and now discount current commodity prices. We are no longer overweight energy as the risk/reward may now be mostly a function of the commodity price and not an inherent or compelling discount to Fair Value. The combination of a global surplus of labor, high energy prices, a surge in layoffs and the Fed's concerns about credit creation for the consumer (particularly credit used to finance or refinance residential real estate) are some of the factors that have us modeling slower than consensus revenue growth for most companies selling high ticket or discretionary items. And while some of our largest holdings are consumer related, we believe those businesses to be both undervalued and relatively resistant to the slower consumer spending patterns we expect.

Although we continue to find selected stocks that meet our criteria, we believe valuations for many stocks across all sectors reflect fairly optimistic assumptions. We are more cautious. We are not willing to extrapolate recent growth trends, especially for cyclical companies. Nor are we willing to extrapolate what looks to us like peak margins. We would not be surprised to see downward volatility develop in the quarters ahead as investors' current expectations around consumer spending and corporate profits prove to be too optimistic.

On behalf of all of the team at Champlain Investment Partners, let me share how grateful we are for the privilege to manage a portion of your assets.

Sincerely,



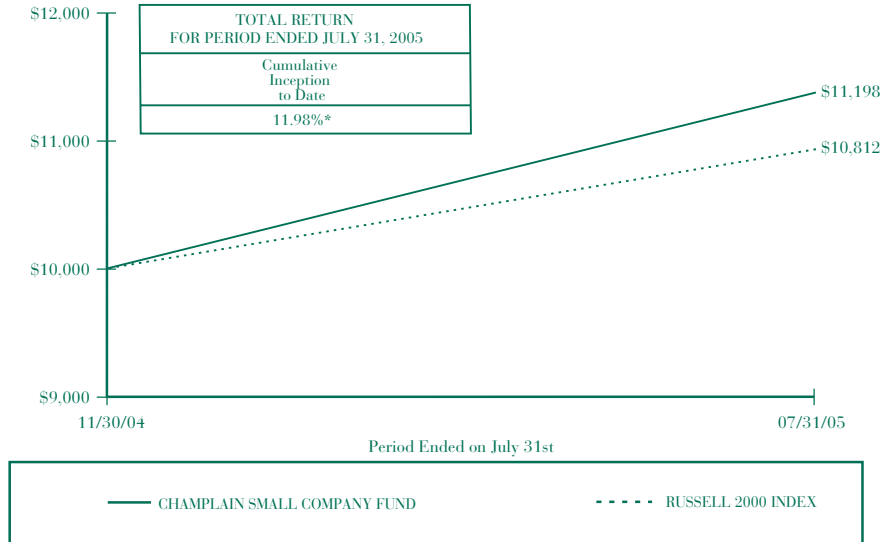
Scott T. Brayman, CFA

The above commentary represents management's assessment of the Fund and 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 Index

Russell 2000 Index is an unmanaged index comprised of 2,000 stocks of U.S. companies with small market capitalization.

Growth of a \$10,000 Investment



**If the Adviser and/or Service Providers had not limited certain expenses, the Fund's total return would have been lower.*

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.

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.

See definition of comparative index on page 2.

TOP TEN COMMON STOCK HOLDINGS*

Regis	2.62%
Teleflex	2.27%
Performance Food Group	2.26%
Education Management	2.18%
Hain Celestial Group	2.07%
Ceridian	2.01%
Superior Energy Services	1.98%
ADVO	1.91%
MSC Industrial Direct, Cl A	1.88%
AptarGroup	1.88%

**Percentages based on total investments.*

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2005**

STATEMENT OF NET ASSETS
SECTOR WEIGHTINGS (Unaudited)†:

16.7%	Health Care
16.5%	Industrials
15.5%	Information Technology
13.0%	Consumer Discretionary
11.2%	Financials
9.7%	Repurchase Agreement
8.3%	Consumer Staples
6.2%	Energy
2.9%	Materials

† Percentages based on total investments.

COMMON STOCK — 91.6%

	<u>Shares</u>	<u>Value</u>
CONSUMER DISCRETIONARY — 13.2%		
ADVO	6,500	\$ 228,475
CBRL Group	2,200	86,174
Education Management*	7,500	260,625
Harte-Hanks	6,000	163,200
Matthews International, CIA	2,300	89,700
Regis	7,500	313,200
Ruby Tuesday	7,500	187,650
Unifirst	3,200	142,432
VCA Antech*	3,600	85,464
		<u>1,556,920</u>
CONSUMER STAPLES — 8.4%		
Casey's General Stores	7,500	163,200
Central Garden and Pet*	2,200	110,374
Hain Celestial Group*	12,500	247,875
Lancaster Colony	4,500	199,035
Performance Food Group*	9,000	270,270
		<u>990,754</u>
ENERGY — 6.3%		
Cabot Oil & Gas	2,000	81,040
Comstock Resources*	2,000	55,380
Core Laboratories*	3,700	119,140
Encore Acquisition*	3,200	100,928
Range Resources	2,000	61,080
Remington Oil & Gas*	2,100	82,761
Superior Energy Services*	11,100	236,874
		<u>737,203</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2005**

COMMON STOCK — continued

	<u>Shares</u>	<u>Value</u>
FINANCIALS — 11.4%		
BankAtlantic Bancorp, Cl A	3,500	\$ 62,790
Cathay General Bancorp	3,000	106,620
CVB Financial	3,700	79,513
East West Bancorp	2,200	75,900
First Midwest Bancorp	900	33,588
Frontier Financial	3,100	91,636
Glacier Bancorp	3,600	102,816
Hanmi Financial	3,700	70,300
HCC Insurance Holdings	6,500	180,180
Healthcare Realty Trust	4,400	179,784
Independent Bank	2,000	60,720
RLI	2,100	99,960
Sun Communities	3,000	104,550
UCBH Holdings	5,300	96,831
		<u>1,345,188</u>
HEALTH CARE — 16.9%		
Advanced Neuromodulation Systems*	2,800	140,112
American Medical Systems Holdings*	6,800	158,100
Arthrocare*	4,400	160,908
Bio-Rad Laboratories, Cl A*	1,850	111,055
Cerner*	1,700	128,214
Diagnostic Products	2,100	118,566
Dionex*	1,100	50,776
Greatbatch*	4,400	106,524
IDX Systems*	3,800	121,600
Integra LifeSciences Holdings*	3,100	94,240
Kyphon*	3,700	150,368
LifePoint Hospitals*	2,000	93,520
Salix Pharmaceuticals*	4,400	84,920
Serologicals*	6,700	154,100
Sybron Dental Specialties*	4,500	165,375
Wright Medical Group*	6,100	157,746
		<u>1,996,124</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2005**

COMMON STOCK — continued

	<u>Shares</u>	<u>Value</u>
INDUSTRIALS — 16.7%		
ABM Industries	11,200	\$ 219,520
AGCO*	7,500	155,175
CLARCOR	6,000	187,200
CoStar Group*	3,800	180,500
First Advantage, CI A*	4,500	105,750
G&K Services, CI A	3,500	139,300
Harsco	3,000	180,750
HEICO, CI A	7,200	135,936
MSC Industrial Direct, CI A	5,800	224,402
Teleflex	4,100	271,953
Waste Connections*	2,200	79,200
West*	2,300	91,977
		<u>1,971,663</u>
INFORMATION TECHNOLOGY — 15.8%		
BISYS Group*	9,400	147,862
Ceridian*	11,500	240,695
Checkpoint Systems*	9,000	155,520
DTS*	7,500	141,600
Euronet Worldwide*	4,600	135,309
FactSet Research Systems	3,800	139,384
FileNET*	3,000	84,810
Hyperion Solutions*	2,200	103,532
Kanbay International*	4,700	104,152
Kronos*	3,500	164,500
Mettler-Toledo International*	3,700	194,250
MRO Software*	7,500	123,225
Open Solutions*	5,300	126,988
		<u>1,861,827</u>
MATERIALS — 2.9%		
AptarGroup	4,500	224,325
MacDermid	3,700	122,470
		<u>346,795</u>
TOTAL COMMON STOCK		
(Cost \$9,792,451)		<u>10,806,474</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2005**

REPURCHASE AGREEMENT — 9.8%

	<u>Face Amount</u>	<u>Value</u>
Morgan Stanley 3.000%, dated 07/29/05, to be repurchased on 08/01/05, repurchase price \$1,157,341 (collateralized by a U.S. Treasury Bond, par value \$959,416, 6.000%, 02/15/26, total market value \$1,180,227) (Cost \$1,157,053)	\$1,157,053	<u>\$ 1,157,053</u>
TOTAL INVESTMENTS — 101.4% (Cost \$10,949,504)		<u>11,963,527</u>
OTHER ASSETS AND LIABILITIES — (1.4%)		
Receivable due from Investment Adviser		14,776
Distribution Fees Payable		(7,657)
Administration Fees Payable		(6,387)
Trustees' Fees Payable		(2,822)
Payable for Investment Securities Purchased		(589,894)
Other Assets and Liabilities, Net		<u>425,891</u>
TOTAL OTHER ASSETS AND LIABILITIES		<u>(166,093)</u>
NET ASSETS — 100.0%		<u><u>\$11,797,434</u></u>
NET ASSETS:		
Paid-in Capital (unlimited authorization — no par value)		\$10,707,839
Distributions in excess of net investment income**		(23,983)
Accumulated net realized gain on investments		99,555
Net unrealized appreciation on investments		<u>1,014,023</u>
NET ASSETS		<u><u>\$11,797,434</u></u>
Net Asset Value, Offering and Redemption Price Per Share —		
Advisor Class (\$11,797,434 ÷ 1,054,932 shares)		<u><u>\$11.18</u></u>

* *Non-Income Producing Security*

** *See note 7. There are temporary tax differences that result in undistributed net investment income for tax purposes.*

Cl Class

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

THE ADVISORS' INNER CIRCLE FUND II **CHAMPLAIN SMALL
COMPANY FUND
FOR THE PERIOD ENDED
JULY 31, 2005***

STATEMENT OF OPERATIONS

Investment Income	
Dividends	\$ 23,278
Interest	10,715
Total Investment Income	<u>33,993</u>
Expenses	
Administration Fees	50,063
Investment Advisory Fees	35,067
Distribution Fees	9,741
Transfer Agent Fees	42,003
Offering Costs	38,214
Audit Fees	15,353
Printing Fees	9,987
Legal Fees	6,658
Custodian Fees	5,635
Trustees' Fees	4,997
Registration Fees	2,230
Insurance and other expenses	11,774
Total Expenses	<u>231,722</u>
Less: Waiver of investment advisory fees	(35,067)
Reimbursement by investment adviser	(142,101)
Net Expenses	<u>54,554</u>
Net Investment Loss	<u>(20,561)</u>
Net Realized Gain on Investments	99,555
Net Change in Unrealized Appreciation on Investments	950,603
Net Realized and Unrealized Gain on Investments	<u>1,050,158</u>
Net Increase in Net Assets Resulting from Operations	<u>\$1,029,597</u>

* Commenced operations on November 30, 2004.

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND**

STATEMENT OF CHANGES IN NET ASSETS

	Period Ended July 31, 2005*
Operations:	
Net Investment Loss	\$ (20,561)
Net Realized Gain on Investments	99,555
Net Change in Unrealized Appreciation on Investments	950,603
Net Increase in Net Assets Resulting from Operations	<u>1,029,597</u>
Dividends and Distributions:	
Net Investment Income	(3,422)
Total Dividends and Distributions	<u>(3,422)</u>
Capital Share Transactions:	
Issued	10,015,619
Issued in connection with in-kind transfer ⁽¹⁾	913,104
In Lieu of Cash Distributions	3,153
Redeemed	(160,617)
Net Increase in Net Assets from Capital Share Transactions	<u>10,771,259</u>
Total Increase in Net Assets	<u>11,797,434</u>
Net Assets:	
Beginning of Period	—
End of Period (including distributions in excess of net investment income of \$23,983)	<u>\$11,797,434</u>
Share Transactions:	
Issued	978,714
Issued in connection with in-kind transfer ⁽¹⁾	91,310
In Lieu of Cash Distributions	308
Redeemed	(15,400)
Net Increase in Net Assets from Share Transactions	<u>1,054,932</u>

⁽¹⁾ Represents the value of the securities transferred in-kind on November 30, 2004. Because the transaction was tax-free, the value includes unrealized appreciation on such securities in the amount of \$63,420.

* Commenced operations on November 30, 2004.

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND**

FINANCIAL HIGHLIGHTS

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

	Period Ended July 31, 2005*
Net Asset Value, Beginning of Period	<u>\$10.00</u>
Income from Operations:	
Net Investment Loss ⁽¹⁾	(0.04)
Net Realized and Unrealized Gain ⁽¹⁾	<u>1.24</u>
Total from Operations	<u>1.20</u>
Dividends and Distributions:	
Net Investment Income	<u>(0.02)</u>
Total Dividends and Distributions	<u>(0.02)</u>
Net Asset Value, End of Period	<u>\$11.18</u>
Total Return †	<u>11.98%***</u>
Ratios and Supplemental Data	
Net Assets, End of Period (Thousands)	\$11,797
Ratio of Expenses to Average Net Assets	1.40%**
Ratio of Expenses to Average Net Assets (without waivers and reimbursements)	5.95%**
Ratio of Net Investment Loss to Average Net Assets	(0.53)%**
Portfolio Turnover Rate††	44.04%***

† Total return would have been lower had certain expenses not been waived and/or reimbursed by the Adviser during the period. The return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

†† Excludes effect of in-kind transfer.

* Commenced operations on November 30, 2004.

** Annualized.

*** Not annualized.

⁽¹⁾ Per share net investment income/(loss) and net realized and unrealized gain/(loss) calculated using average shares.

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 seven funds. The financial statements herein are those of the Champlain Small Company Fund (the "Fund"). The financial statements of the remaining funds are presented separately. 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. The Fund's prospectus provides a description of the Fund's investment objectives, policies and strategies.

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 accounting principles generally accepted in the United States of America 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 revenues and expenses 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. If available, debt securities are priced based upon valuations provided by independent, third-party pricing agents. Such values generally reflect the last reported sales price if the security is actively traded. The third-party pricing agents may also value debt securities at an evaluated bid price by employing methodologies that utilize actual market trans-

actions, broker-supplied valuations, or other methodologies designed to identify the market value for such securities. Debt obligations with remaining maturities of sixty days or less may be valued at their amortized cost, which approximates market value. 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 Fund’s Board of Trustees (the “Board”). The Fund’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.

Security Transactions and Investment Income — Security transactions are accounted for on the date the security is purchased or sold. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis. Costs used in determining realized gains and losses on the sales of investment securities are those of the specific securities sold during the respective holding period. Purchase discounts and premiums on securities held by the Fund are accreted and amortized to maturity using the scientific interest method, which approximates the effective interest method.

Repurchase Agreements — In connection with transactions involving repurchase agreements, a third party custodian bank takes possession of

the underlying securities (“collateral”), the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

Expenses — Expenses that are directly related to the Fund are charged to the Fund. Other operating expenses of the Trust are prorated to the funds based on the number of funds and/or relative daily net assets.

Dividends and Distributions to Shareholders — Dividends from net investment income, if any, are declared and paid annually by the Fund. Any net realized capital gains are distributed to shareholders at least annually.

Organization and Offering Costs — Organization costs of the Fund, which commenced operations on November 30, 2004, have been expensed as incurred. Offering costs, including costs of printing initial prospectuses and registration fees, are being amortized to expense over twelve months. As of July 31, 2005, \$19,070 remained to be amortized.

3. Transactions with Affiliates:

Certain officers 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.

4. Administration, Distribution, and Transfer Agent Agreements:

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 and the Administrator are parties to an Administration Agreement under which the Administrator provides management and administrative services for an annual fee of \$75,198 for the first year, plus \$15,000 for each additional class of shares. For subsequent years, the fee is equal to the higher of \$100,000, plus \$15,000 for each additional class of shares, or 0.10% of the first \$250 million, 0.08% of the next \$250 million and 0.06% of any amount above

\$500 million of the Fund's average daily net assets. For the period ended July 31, 2005, the Fund paid the Administrator 1.28% of average daily net assets.

The Trust and Distributor are parties to a Distribution Plan dated May 31, 2000, amended and restated November 16, 2004. The Fund has adopted the Distribution Plan (the "Plan") for the Adviser Class Shares. 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 the Adviser Class Shares as compensation for distribution services.

5. Investment Advisory and Custodian Agreements:

Champlain Investment Partners, LLC (the "Adviser") serves as the investment adviser to the Fund. For its services, the Adviser is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of 0.90% of the Fund's average daily net assets. The Adviser has voluntarily agreed to limit the total expenses of the Adviser Shares of the Fund (excluding interest, taxes, brokerage commissions and extraordinary expenses) to 1.40% of the Fund's average daily net assets. To maintain this expense limitation, the Adviser may waive a portion of its management fee and/or reimburse certain expenses of the Fund. The Adviser intends to continue its voluntary expense limitation until further notice, but may discontinue it 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 1.40% for the Adviser Shares to recapture any of its prior waivers or reimbursements. At July 31, 2005, the amount the Adviser may seek as reimbursement of previously waived and reimbursed fees for the Fund was \$177,168.

Wachovia Bank 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.

6. Investment Transactions:

For the period ended July 31, 2005, the Fund made purchases of \$11,472,789 and sales of \$2,578,187 of investment securities other than long-term U.S. Government and short-term securities. There were no purchases or sales of long-term U.S. Government or short-term securities.

7. Federal Tax Information:

It is the Fund's intention 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 is required.

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 accounting principles generally accepted in the United States of America. Permanent book-tax differences, if any, are not included in ending undistributed net investment income/(loss) for the purposes of calculating net investment income/(loss) per share in the financial highlights. There are no permanent differences as of July 31, 2005.

The tax character of dividends and distributions declared and paid during the period ended July 31, 2005 was as follows:

	<u>Ordinary Income</u>
2005	\$3,422

As of July 31, 2005, the components of Distributable Earnings were as follows:

Undistributed Ordinary Income	\$ 113,329
Unrealized Appreciation	1,011,616
Other Temporary Differences	<u>(35,350)</u>
Total Distributable Earnings	<u><u>\$1,089,595</u></u>

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments held by the Fund at July 31, 2005 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>
\$10,951,911	\$1,090,333	\$(78,717)	\$1,011,616

8. In-Kind Transfers:

On November 30, 2004, the Fund commenced operations as a result of the contribution in-kind of investment securities from a separately managed account managed by the Adviser. As a result of the transfer, the securities were exchanged tax-free for 91,310 shares of the Fund valued at \$913,104, which included unrealized appreciation of \$63,420.

9. Indemnifications:

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.

10. Other:

At July 31, 2005, 79% of the total shares outstanding were held by three record shareholders each owning 10% or greater of the aggregate total shares outstanding.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of
Champlain Small Company Fund of The Advisors' Inner Circle Fund II:

We have audited the accompanying statement of net assets of the Champlain Small Company Fund, one of the portfolios constituting The Advisors' Inner Circle Fund II, (the "Trust"), as of July 31, 2005, and the related statements of operations and changes in net assets and the financial highlights for the period from November 30, 2004 (inception) through July 31, 2005. 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 audit.

We conducted our audit 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2005, by correspondence with custodians and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Champlain Small Company Fund as of July 31, 2005, the results of its operations, the changes in its net assets, and the financial highlights for the period from November 30, 2004 (inception) through July 31, 2005, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Philadelphia, Pennsylvania
September 21, 2005

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THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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

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 59 yrs. old	Chairman of the Board of Trustees	(Since 1991)
WILLIAM M. DORAN 1701 Market Street, Philadelphia, PA 19103 65 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

CHAMPLAIN SMALL COMPANY FUND

Members." Messrs. Neshier and Doran are Trustees who may be deemed to be "interested" persons of the Trust as that term is defined in the 1940 Act by virtue of their affiliation with the Trust's Distributor. The following chart lists Trustees and Officers as of February 25, 2005.

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. Neshier is compensated. Executive Vice President of SEI Investments, 1986-1994. Director and Executive Vice President of the Administrator and the Distributor, 1981-1994.	7	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 Absolute Return Master Fund, L.P., SEI Absolute Return Fund, L.P., SEI Global Master Fund, PLC, SEI Global Assets Fund, PLC, SEI Global Investments Fund, PLC and 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.	7	Director of SEI Investments Company and SEI Investments Distribution Co., SEI Investments Global Fund Services Limited, SEI Investments (Europe), Ltd., SEI Investments (Asia) Limited, SEI Asset Korea Co., Ltd., SEI Investments Global Limited, Trustee of The Advisors' Inner Circle Fund, 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 and SEI Tax Exempt Trust.

THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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		
JOHN T. COONEY 78 yrs. old	Trustee	(Since 1993)
EUGENE B. PETERS 76 yrs. old	Trustee	(Since 1993)
JAMES M. STOREY 74 yrs. old	Trustee	(Since 1994)
GEORGE J. SULLIVAN, JR. 62 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.

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY 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
Vice Chairman of Ameritrust Texas N.A., 1989-1992, and MTrust Corp., 1985-1989.	7	Trustee of The Advisors' Inner Circle Fund.
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.	7	Trustee of The Advisors' Inner Circle Fund.
Attorney, Solo Practitioner since 1994. Partner, Dechert, September 1987-December 1993.	7	Trustee of The Advisors' Inner Circle Fund, 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 and 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.	7	Trustee, State Street Navigator Securities Lending Trust, since 1995. Trustee of The Fulcrum Trust. Trustee of The Advisors' Inner Circle Fund, 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 Absolute Return Fund, L.P. and SEI Opportunity Fund, L.P.

THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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. KRICKONIAN 62 yrs. old	Trustee	(Since 2005)
CHARLES E. CARLBOM 71 yrs. old	Trustee	(Since 2005)
MITCHELL A. JOHNSON 63 yrs. old	Trustee	(Since 2005)
OFFICERS		
JAMES F. VOLK, CPA 42 yrs. old	President	(Since 2003)
MICHAEL LAWSON 44 yrs. old	Controller and Chief Financial Officer	(Since 2005)
WILLIAM E. ZITELLI 37 yrs. old	Chief Compliance Officer	(Since 2004)

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

**CHAMPLAIN SMALL
COMPANY 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
Self-Employed Legal and Financial Services Consultant since 2003. State Street Bank Global Securities and Cash Operations from 1995 to 2003.	7	Trustee of The Advisors' Inner Circle Fund.
Self-Employed Business Consultant, Business Project Inc. since 1997. CEO and President, United Grocers Inc. from 1997 to 2000.	7	Director, Crown Pacific, Inc. Trustee of The Advisors' Inner Circle Fund.
Retired.	7	Director, Federal Agricultural Mortgage Corporation. Trustee of The Advisors' Inner Circle Fund.
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
Vice President and Assistant Secretary of SEI Investments and Vice President and Assistant Secretary of SEI Investments Global Funds Services from 2000-2004; Vice President, Merrill Lynch & Co. Asset Management Group from 1998-2000; Associate at Pepper Hamilton LLP from 1997-1998.	N/A	N/A

THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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
OFFICERS (continued)		
JAMES NDIAYE 37 yrs. old	Vice President and Secretary	(Since 2004)
TIMOTHY D. BARTO 37 yrs. old	Assistant Vice President and Assistant Secretary	(Since 2000)
PHILIP T. MASTERSON 41 yrs. old	Vice President and Assistant Secretary	(Since 2004)
NICOLE WELCH 28 yrs. old	AML Compliance Officer	(Since 2005)

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

THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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
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
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
Employed by SEI Investments Company since 2004. General Counsel, CITCO Mutual Fund Services from 2003-2004. Vice President and Associate Counsel, Oppenheimer Funds from 2001-2003. and Vice President and Assistant Counsel from 1997-2001.	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 the mutual fund's gross income and directly reduce your final investment return. These expenses are expressed as a percentage of the mutual fund's average net assets; this percentage is known as the 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 next 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 "Expense 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

**CHAMPLAIN SMALL
COMPANY FUND**

DISCLOSURE OF FUND EXPENSES (continued)

Note: Because the 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 01/31/05	Ending Account Value 07/31/05	Annualized Expense Ratios	Expense Paid During Period
<i>Champlain Small Company Fund</i>				
Actual Portfolio Return	\$1,000.00	\$1,124.70	1.40%	\$7.38*
Hypothetical 5% Return	1,000.00	1,017.85	1.40	7.00

*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).

APPROVAL OF INVESTMENT ADVISORY AGREEMENT *(Unaudited)*

Board Considerations in Approving the Advisory Agreement. The Board continuance of the Advisory Agreement, after the initial two year term, must be specifically approved at least annually (i) by the vote of the Trustees or by a vote of the shareholders of the Fund and (ii) by the vote of a majority of the Trustees who are not parties to the Advisory Agreement or “interested persons” of any party thereto, cast in person at a meeting called for the purpose of voting on such approval. Each year, the Board of Trustees calls and holds a meeting to decide whether to renew the Advisory Agreement for the upcoming year. In preparation for the meeting, the Board requests and reviews a wide variety of information from the Adviser. The Trustees use this information, as well as other information that the Adviser and other Fund service providers may submit to the Board, to help them decide whether to renew the Advisory Agreement for another year.

At its November 16, 2004 meeting, the Board considered the approval of the Advisory Agreement for its initial term. In connection with this meeting, the Board requested and received written materials from the Adviser regarding: (a) the nature, extent and quality of the services to be provided by the Adviser; and (b) the costs of the services to be provided by the Adviser and its affiliates from the relationship with the Fund, as discussed in further detail below.

At the meeting, representatives from the Adviser, along with other service providers of the Fund, presented additional oral and written information to help the Board evaluate the Adviser’s fee and other aspects of the Advisory Agreement. Among other things, the representatives provided an overview of the Adviser by reviewing key staff members and overall investment philosophy. The Trustees then discussed the written materials that the Board received before the meeting and the Adviser’s oral presentation and any other information that the Board received at the meeting, and deliberated on the approval of the Advisory Agreement in light of this information. In its deliberations, the Board did not identify any single piece of information discussed below that was all-important, controlling or determinative of its decision.

Nature, Extent and Quality of Advisory and Other Services. In considering the nature, extent and quality of the services to be provided by the Adviser, the Board reviewed the portfolio management services to be provided by the

APPROVAL OF INVESTMENT ADVISORY AGREEMENT *(Unaudited)*

Adviser to the Fund. Among other things, the Board considered the quality and continuity of the Adviser's portfolio management personnel, the Adviser's small cap-oriented asset management strategy as it relates to the Fund, the Adviser's commitment to compliance, and the Board concluded that it was satisfied with the services to be provided to the Fund.

Costs of Advisory Services and Economies of Scale. The Trustees reviewed reports comparing the expense ratio and advisory fee to be paid by the Fund to those paid by other comparable mutual funds and concluded that the advisory fee was reasonable and the result of arm's length negotiations, and the advisory fees to be paid by the Fund were comparable to those of peer funds. The Board was satisfied that the Adviser had adequate financial resources and was committed to the long-term success of the Fund. The Board also considered and was satisfied with the Adviser's intention to maintain a cap on the Fund's annual operating expenses through waivers of its fee and, to the extent necessary, reimbursing certain expenses of the Fund. Because it was not possible to determine the profitability that the Adviser might achieve with respect to the Fund, the Trustees, did not make any conclusions regarding the Adviser's profitability. For the same reason, the Board did not make any conclusions regarding the extent to which economies of scale would be realized by the Adviser as the assets of the Fund grow. In this regard, during future considerations of the Advisory Agreement, the Board will consider whether any economies of scale are being realized by the Adviser and, if so, an appropriate mechanism for sharing the benefits of such economies of scale. The Board also considered the Adviser's policies with respect to using commissions generated from portfolio transactions to pay for brokerage and research services and the Board was satisfied with such policies.

Based on the Board's deliberations and its evaluation of the information described above, the Board, including the independent Trustees, unanimously: (a) concluded that the terms of the Advisory Agreement are fair and reasonable; (b) concluded that the Adviser's fees are reasonable in light of the services that the Adviser will provide to the Fund; and (c) agreed to approve the Advisory Agreement for an initial term of two years.

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND**

NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended July 31, 2005, 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>U.S. Government Interest (3)</u>
Champlain Small Company Fund	0.00%	100.00%	100.00%	14.77%	14.33%	0.84%

(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) *"U.S. Government Interest" represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of total ordinary income distributions (the total of short term capital gain and net investment income distributions). Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for shareholders of the Advisors' Inner Circle Fund II-Champlain Small Company Fund who are residents of California, Connecticut or New York, the statutory threshold requirements were not satisfied to permit exemption of these from state income.*

NOTES

Champlain Small Company Fund

P.O. Box 219009
Kansas City, MO 64121-9009
866-773-3238

Adviser:

Champlain Investment Partners, LLC
346 Shelburne Road
Burlington, Vermont 05401

Distributor:

SEI Investments Distribution Co.
Oaks, PA 19456

Legal Counsel:

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

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

CSC-AR-001-0100