

The Advisors' Inner Circle Fund II

Champlain Small Company Fund

Annual Report
July 31, 2006

Investment Adviser:
Champlain Investment Partners, LLC

TABLE OF CONTENTS

Shareholders' Letter	1
Top Ten Common Stock Holdings	5
Statement of Net Assets	6
Statement of Operations	10
Statement of Changes in Net Assets	11
Financial Highlights	12
Notes to Financial Statements	13
Report of Independent Registered Public Accounting Firm	20
Trustees and Officers of The Advisors' Inner Circle Fund II	22
Disclosure of Fund Expenses	30
Notice to Shareholders	32

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, 2006

Dear Shareholders,

During the fiscal year ended July 31, 2006, the Fund returned 1.30%. This return was less than the Russell 2000 Index return of 4.24%. Since its inception date of November 30, 2004, the Fund's cumulative return is 13.44%, which compares favorably to the 12.83% return of the Russell 2000 Index for the same period.

Both of the above time periods may be too short for a relative performance comparison to be meaningful. Still, the results are consistent with a disciplined execution of our investment process; own high quality companies, but only when they trade below their intrinsic or fair value.

Our process continues to find a surplus of opportunities in health care, which explains our overweight of this sector at the end of the fiscal year. We see the recent buyouts of Sybron Dental by Danaher and Diagnostic Products by Siemens as affirming our overweight in health care. Negative sentiment surrounding medical technology, especially orthopedic related companies has been a factor creating opportunities for us. So too has investors' appetite for cyclical risk. We think consistent growth, which can often be found in health related industries, is undervalued because many investors, eager to own stronger near-term relative earnings growth and relative price strength, have crowded into the most cyclical industries (e.g. steel, mining and energy).

We also ended the fiscal year with only one small position (Cabot Oil & Gas has since been sold) in the energy sector. The popularity of this sector and the fairly widespread adoption of the "End of Oil" theme suggest to us there is a dangerous risk reward profile for the sector. Valuations look full, unless one forecasts either no let up in economic growth or more hurricanes like Katrina and other disruptions so recent price trends can be extrapolated. We are reluctant to do that. Globally, central banks have been raising rates and draining liquidity in an effort to curb economic growth and emerging inflationary pressures. Wal-Mart has announced its intention to begin a meaningful effort to conserve energy. Saudi Arabia has doubled its rig count in recent years and will add meaningful capacity in the intermediate term. Every small and mid cap natural gas company presentation we see is enthusiastic about their drilling prospects, while many are outspending cash flow from production and growing reserves faster than production. Hoarders of the physical commodities may soon run out of storage capacity due to growing surpluses. Finally, for many of today's energy stock

investments to pay off big, oil needs to spike toward \$100/bbl. However, such a spike would likely result in a weaker economy, destroy demand for energy and cause most stocks outside of the energy sector to decline in price. Thus, a bullish bet on oil at today's valuations looks a bit like an asset allocation hedge against or an outright bet for a worst case scenario for stocks and bonds.

Our research and valuation work indicates that quality and consistent growth continue to represent attractive relative and absolute values. At the same time, the popularity of the cyclical trade today reminds us somewhat of the technology bubble. In 2000, folks said technology wasn't cyclical anymore because of the Internet. This past year we have heard cyclicals aren't really cyclical anymore because of China and India. We shall see.

We also remain wary of consumer stocks selling highly discretionary or large ticket items. Although the Fund has significant weights in both the technology and industrial sectors, we expect the holdings to show superior relative earnings and cash flow growth should the economy cool off or go into a recession. In many instances, your holdings in both sectors are exploiting the rapid deflation in technology to empower their business or to bring increased functionality to products or services. We remain particularly enthusiastic about the opportunities for inspired business managers to apply technology and leading edge materials to create game changing products that better serve customer needs.

Somebody recently asked us what we thought was our edge in small cap investing. In an effort to guide shareholder expectations, we thought it might be helpful to summarize here our answer to that question. First, we are disciplined with the execution of our process. This does not mean we will not make mistakes. However, it does mean we will not change how we manage money when market conditions change or if our recent relative performance looks uninspiring. It means we have historically favored and always will favor high quality businesses. And it means we will harvest gains when stocks trade over Fair Value so we aren't exposing our shareholders to unnecessary valuation risk. The "tell me when you sell" words from a mentor constantly remind us to be diligent with the sell discipline. Very much related to this point about discipline is our willingness to keep our focus on capital preservation instead of relative performance risk (e.g. why we currently have no exposure to energy). We will not buy or hold stocks that fall outside of our process to hedge our relative performance risk. Second, our process also is designed to keep us in our realm of competence. We want to avoid highly cyclical industrials since we can't forecast the economy with the precision

required to avoid large losses. We want to avoid fashion risk since we can't predict that either. And we want to steer clear of businesses facing obvious risks which are highly unpredictable or unknowable. This doesn't mean we will not be surprised by negative developments, but our process tries to lower the odds of that happening. Third, our time horizon goes beyond the next quarter or this calendar year. To be sure, the shares of companies with weak second half outlooks will get sold off by some managers who are incentivized with annual performance bogies – regardless of what the next year's prospects for the companies might be! Our multi-year time horizon at the time of purchase also reflects faith in the idea that investing patiently with sincere and capable management operating a superior business model is a more reliable path to wealth creation than trading.

On behalf of all of us at Champlain Investment Partners, let me take this opportunity to express how grateful we are for the privilege to manage a portion of your assets.

Sincerely,



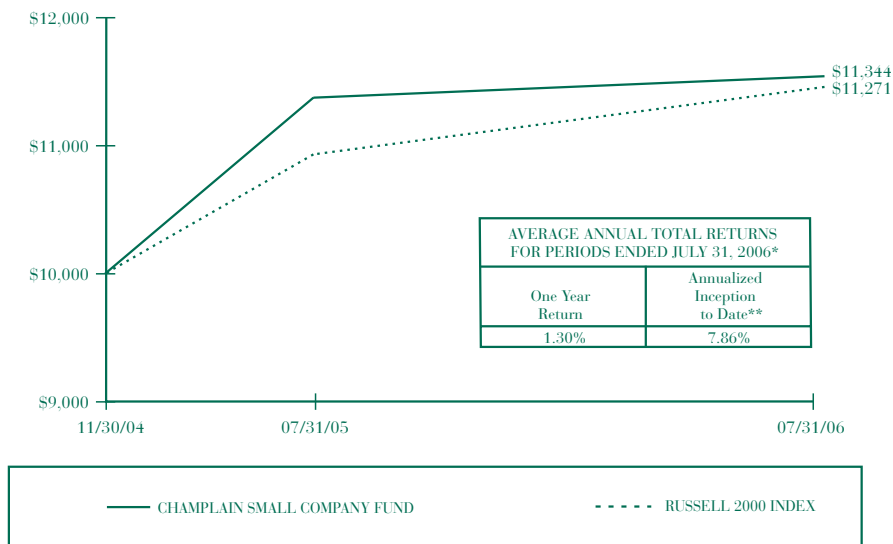
Scott T. Brayman, CFA

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 had not limited certain expenses, the Fund's total return would have been lower.
**The Fund commenced operations on November 30, 2004.*

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.

See definition of comparative index on page 3.

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

TOP TEN COMMON STOCK HOLDINGS*

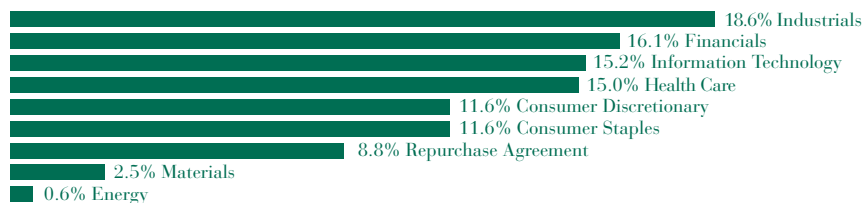
Aptargroup	2.45%
Alleghany	2.44%
ABM Industries	2.29%
Mettler-Toledo International	2.02%
American Medical Systems Holdings	2.00%
Lancaster Colony	1.96%
Harte-Hanks	1.83%
Corinthian Colleges	1.81%
Central Garden and Pet	1.73%
CACI International, CI A	1.73%

**Percentages based on total investments.*

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2006**

SECTOR WEIGHTINGS (Unaudited)†:



† Percentages based on total investments.

STATEMENT OF NET ASSETS

COMMON STOCK — 91.7%

	<u>Shares</u>	<u>Value</u>
CONSUMER DISCRETIONARY — 11.7%		
Aftermarket Technology*	13,400	\$ 292,924
Bright Horizons Family Solutions*	14,200	545,990
Corinthian Colleges*	65,700	881,694
Harte-Hanks	36,600	892,674
Laureate Education*	10,700	488,455
Lee Enterprises	26,600	660,478
Matthews International	14,100	484,194
Regis	17,600	592,768
Universal Technical Institute*	40,800	821,304
		<u>5,660,481</u>
CONSUMER STAPLES — 11.6%		
Central Garden and Pet*	21,300	842,202
Chattem*	9,000	305,370
Church & Dwight	17,800	649,700
Hain Celestial Group*	26,600	574,560
Lancaster Colony	24,900	954,168
Nu Skin Enterprises	35,500	507,650
Prestige Brands Holdings*	22,200	194,916
Tootsie Roll Industries	29,100	790,065
WD-40	24,900	811,989
		<u>5,630,620</u>
ENERGY — 0.6%		
Cabot Oil & Gas	5,600	<u>295,400</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2006**

COMMON STOCK — continued

	<u>Shares</u>	<u>Value</u>
FINANCIALS — 16.2%		
Alleghany*	4,300	\$ 1,188,821
Boston Private Financial Holdings	14,100	354,333
Cathay General Bancorp	12,400	455,700
CVB Financial	22,200	330,558
East West Bancorp	14,200	572,970
First Midwest Bancorp	14,200	506,940
Frontier Financial	7,100	274,273
Glacier Bancorp	8,900	272,696
Hanmi Financial	17,800	338,912
Independent Bank	10,700	362,837
Interactive Data*	17,800	334,818
National Financial Partners	5,300	238,712
Navigators Group*	14,200	603,642
Philadelphia Consolidated Holding*	8,900	301,443
Prosperity Bancshares	10,700	376,319
RLI	14,200	671,376
Sterling Bancshares	14,200	278,178
Waddell & Reed, CI A	17,800	387,506
		<u>7,850,034</u>
HEALTH CARE — 15.1%		
American Medical Systems Holdings*	53,300	972,725
Arrow International	12,400	393,452
ArthroCare*	12,400	546,096
Bio-Rad Laboratories*	9,900	652,311
Cooper	14,200	627,640
Gen-Probe*	7,600	394,820
Greatbatch*	25,000	612,750
Integra LifeSciences Holdings*	10,600	390,716
Kyphon*	7,100	241,826
Respironics*	16,000	569,280
Salix Pharmaceuticals*	32,400	330,480
Symmetry Medical*	35,400	514,362
Ventana Medical Systems*	9,800	456,778
Wright Medical Group*	26,400	581,592
		<u>7,284,828</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2006**

COMMON STOCK — continued

	<u>Shares</u>	<u>Value</u>
INDUSTRIALS — 18.7%		
ABM Industries	67,500	\$ 1,113,750
Actuant, CI A	7,100	312,471
Brady, CI A	19,500	658,320
CLARCOR	17,800	506,054
CRA International*	17,000	768,570
Esterline Technologies*	16,000	677,280
First Advantage, CI A*	21,100	413,138
G&K Services	17,800	600,394
HEICO, CI A	2,000	52,400
IDEX	17,700	769,065
Kennametal	7,100	378,075
Moog, CI A*	19,500	676,455
Navigant Consulting*	35,500	677,340
Ritchie Bros. Auctioneers	3,900	210,600
Schawk	39,100	647,496
UTI Worldwide	14,200	330,860
Waste Connections*	7,100	265,398
		<u>9,057,666</u>
INFORMATION TECHNOLOGY — 15.3%		
CACI International, CI A*	14,900	839,615
eCollege.com*	9,000	183,690
eFunds*	35,500	746,565
Euronet Worldwide*	32,100	815,661
FactSet Research Systems	17,800	781,420
Kronos*	23,100	670,131
Mettler-Toledo International*	16,000	984,480
Perot Systems*	35,000	466,200
RightNow Technologies*	28,400	344,492
SI International*	13,000	354,640
TALX	21,400	439,770
WebEx Communications*	23,100	791,868
		<u>7,418,532</u>
MATERIALS — 2.5%		
Aptargroup	23,100	1,189,650
TOTAL COMMON STOCK		
(Cost \$46,166,181)		<u>44,387,211</u>

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

THE ADVISORS' INNER CIRCLE FUND II

**CHAMPLAIN SMALL
COMPANY FUND
JULY 31, 2006**

REPURCHASE AGREEMENT — 8.8%

	<u>Face Amount</u>	<u>Value</u>
Morgan Stanley 5.000%, dated 07/31/06, to be repurchased on 08/01/06, repurchase price \$4,268,021 (collateralized by a U.S. Treasury Note, par value \$3,565,705, 3.500%, 01/15/11, total market value \$4,352,834) (Cost \$4,267,428)	\$4,267,428	<u>\$ 4,267,428</u>
TOTAL INVESTMENTS — 100.5% (Cost \$50,433,609)		<u>48,654,639</u>

OTHER ASSETS AND LIABILITIES — (0.5)%

Payable for Investment Securities Purchased	(988,069)
Payable for Capital Shares Redeemed	(22,236)
Investment Advisory Fees Payable	(19,181)
Administration Fees Payable	(8,493)
Distribution Fees Payable	(7,475)
Chief Compliance Officer Fees Payable	(7,338)
Trustees' Fees Payable	(1,908)
Other Assets and Liabilities, Net	<u>809,644</u>
TOTAL OTHER ASSETS AND LIABILITIES	<u>(245,056)</u>
Net Assets — 100.0%	<u>\$48,409,583</u>

NET ASSETS CONSIST OF:

Paid-in-Capital	\$48,820,295
Accumulated net realized gain on investments	1,368,258
Net unrealized depreciation on investments	<u>(1,778,970)</u>
Net Assets	<u>\$48,409,583</u>

ADVISOR CLASS SHARES:

Outstanding Shares of beneficial interest (unlimited authorization — no par value)	4,356,210
Net Asset Value, Offering and Redemption Price Per Share	<u>\$11.11</u>

* *Non-Income Producing Security*
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 YEAR ENDED
JULY 31, 2006****STATEMENT OF OPERATIONS**

Investment Income	
Dividends (net of foreign taxes withheld of \$148)	\$ 212,753
Interest	109,136
Total Investment Income	<u>321,889</u>
Expenses	
Investment Advisory Fees	244,760
Administration Fees	91,709
Distribution Fees	67,989
Trustees' Fees	6,837
Chief Compliance Officer Fees	5,986
Transfer Agent Fees	50,777
Legal Fees	31,618
Custodian Fees	28,260
Printing Fees	24,845
Audit Fees	19,590
Offering Costs	19,070
Registration Fees	18,668
Insurance and other expenses	3,521
Total Expenses	<u>613,630</u>
Less: Waiver of Investment Advisory Fees	(228,966)
Fees Paid Indirectly	<u>(4,017)</u>
Net Expenses	<u>380,647</u>
Net Investment Loss	<u>(58,758)</u>
Net Realized Gain on Investments	1,732,775
Net Change in Unrealized Appreciation/Depreciation on Investments	<u>(2,792,993)</u>
Net Realized and Unrealized Loss on Investments	<u>(1,060,218)</u>
Net Decrease in Net Assets Resulting from Operations	<u><u>\$(1,118,976)</u></u>

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

	Year Ended July 31, 2006	Period Ended July 31, 2005*
Operations:		
Net Investment Loss	\$ (58,758)	\$ (20,561)
Net Realized Gain on Investments	1,732,775	99,555
Net Change in Unrealized Appreciation/Depreciation on Investments	(2,792,993)	950,603
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,118,976)	1,029,597
Dividends and Distributions from:		
Net Investment Income	(11,498)	(3,422)
Net Realized Gains	(369,833)	—
Total Dividends and Distributions	(381,331)	(3,422)
Capital Share Transactions:		
Issued	42,160,466	10,015,619
Issued in Connection with In-Kind Transfer	—	913,104 ⁽¹⁾
Reinvestment of Distributions	358,914	3,153
Redeemed	(4,406,924)	(160,617)
Net Increase in Net Assets from Capital Share Transactions	38,112,456	10,771,259
Total Increase in Net Assets	36,612,149	11,797,434
Net Assets:		
Beginning of Period	11,797,434	—
End of Period (including distributions in excess of net investment income of \$0 and \$(23,983), respectively)	<u>\$48,409,583</u>	<u>\$11,797,434</u>
Share Transactions:		
Issued	3,653,198	978,714
Issued in Connection with In-Kind Transfer	—	91,310 ⁽¹⁾
Reinvestment of Distributions	32,365	308
Redeemed	(384,285)	(15,400)
Net Increase in Shares Outstanding	3,301,278	1,054,932

⁽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 Periods**

	Year Ended July 31, 2006	Period Ended July 31, 2005*
Net Asset Value, Beginning of Period	<u>\$11.18</u>	<u>\$10.00</u>
Income from Operations:		
Net Investment Loss ⁽¹⁾	(0.02)	(0.04)
Net Realized and Unrealized Gain on Investments ⁽¹⁾	<u>0.17⁽²⁾</u>	<u>1.24</u>
Total from Operations	<u>0.15</u>	<u>1.20</u>
Dividends and Distributions from:		
Net Investment Income	(0.01)	(0.02)
Net Realized Gains	<u>(0.21)</u>	<u>—</u>
Total Dividends and Distributions	<u>(0.22)</u>	<u>(0.02)</u>
Net Asset Value, End of Period	<u>\$11.11</u>	<u>\$11.18</u>
Total Return[†]	<u>1.30%</u>	<u>11.98%</u>
Ratios and Supplemental Data		
Net Assets, End of Period (Thousands)	\$48,410	\$11,797
Ratio of Expenses to Average Net Assets (including waivers and reimbursements, excluding fees paid indirectly)	1.41%	1.40%**
Ratio of Expenses to Average Net Assets (including waivers, reimbursements and fees paid indirectly)	1.40%	1.40%**
Ratio of Expenses to Average Net Assets (excluding waivers, reimbursements and fees paid indirectly)	2.26%	5.95%**
Ratio of Net Investment Loss to Average Net Assets	(0.22)%	(0.53)%**
Portfolio Turnover Rate	93.85%	44.04% ^{††}

[†] Total return is for the period indicated and has not been annualized. 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.

^{††} Not annualized. Excludes effect of in-kind transfer.

* Commenced operations on November 30, 2004.

** Annualized.

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

⁽²⁾ The amount shown for the year ended July 31, 2006 for a share outstanding throughout the year does not accord with the aggregate net losses on investments for that year because of the timing of the sales and repurchases of fund shares in relation to the fluctuating market value of the investments of the Fund.

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 ten 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 in which shares are held. The Fund currently offers Advisor Class Shares. 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 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.

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. As of July 31, 2006, there were no fair valued securities.

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.

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 allocated 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, were amortized to expense over twelve months. As of July 31, 2006, the offering costs have been fully amortized.

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 are paid for by the Trust as incurred. The services include regulatory oversight of the Trust's Advisors 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:

- 0.10% on the first \$250 million of the Fund's average daily net assets;
- 0.08% on the next \$250 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. For the Fund's first year of operations, the Fund was subject to a minimum annual administration fee of \$75,198. There is also a minimum annual administration fee of \$15,000 per additional class.

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

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, 2006, the Fund earned credits of \$4,017, which were used to offset transfer agent expenses. This amount is listed as "Fees Paid Indirectly" on the Statement of Operations.

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.

5. Investment Advisory Agreement:

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 Advisor 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 advisory 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. 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 Advisor Shares to recapture any of its prior waivers or reimbursements. At July 31, 2006, the amount the Adviser may seek as reimbursement of previously waived fees and reimbursed expenses for the Fund was \$406,134, of which \$177,168 expires July 31, 2008, and \$228,966 expires July 31, 2009.

6. Investment Transactions:

For the year ended July 31, 2006, the Fund made purchases of \$58,199,668 and sales of \$23,555,174 of investment securities other than short-term securities.

7. 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.

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

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. These differences are primarily due to differing book and tax treatment of net operating losses, REIT adjustments, and certain distributions.

Permanent book and tax differences resulted in the reclassification of \$94,239 to undistributed net investment income and \$(94,239) to realized gain (loss). These reclassifications had no effect on net assets or net asset value.

The tax character of dividends and distributions declared during the periods ended July 31, 2006 and July 31, 2005 were as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
2006	\$369,840	\$11,491	\$381,331
2005	3,422	—	3,422

As of July 31, 2006, the components of Distributable Earnings and Accumulated Losses were as follows:

Undistributed Ordinary Income	\$ 1,247,130
Undistributed Long-Term Capital Gain	337,558
Unrealized Depreciation	<u>(1,995,400)</u>
Total Net Accumulated Losses	<u>\$ (410,712)</u>

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments held by the Fund at July 31, 2006 were as follows:

<u>Federal Tax Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
\$50,650,039	\$1,443,537	\$(3,438,937)	\$(1,995,400)

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, 2006, 29.26% of the total shares outstanding were held by one shareholder.

11. New Accounting Pronouncement:

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB interpretation 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." This standard defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. FIN 48 is effective as of the beginning of the first fiscal year beginning after December 15, 2006. At adoption, companies must adjust their financial statements to reflect only those tax positions that are more-likely-than-not to be sustained as of the adoption date. As of July 31, 2006, the Fund has not evaluated the impact that will result from adopting FIN 48.

12. Change in Independent Registered Public Accounting Firm (Unaudited):

The Board has selected Ernst & Young LLP ("E&Y") to serve as the Fund's independent registered public accounting firm for the Fund's 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 does not reflect any disagreements with or dissatisfaction by the Trust or the Board with the performance of the Fund's previous auditor, KPMG LLP. The dismissal of KPMG LLP, the Fund's previous independent registered public accounting firm, effective upon its completion of its audits 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 LLP'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 year ended July 31, 2005, (i) there were no disagreements with KPMG LLP 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 LLP, would have caused them to make reference to the subject matter of the disagreements in connection with their reports on the Fund's financial statements for such year, 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 the
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 funds constituting The Advisors' Inner Circle Fund II (the Trust), as of July 31, 2006, and the related statement of operations, the statement of changes in net assets and the financial highlights for the year 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 statement of changes in net assets and the financial highlights for the period November 30, 2004 (commencement of operations) through July 31, 2005 were audited by other auditors, whose report dated September 21, 2005 expressed an unqualified opinion on those financial statements and financial highlights.

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. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audit 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, 2006, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 of The Advisors' Inner Circle Fund II at July 31, 2006, and the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in green ink.

Philadelphia, Pennsylvania
September 15, 2006

This page intentionally left blank.

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 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

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 66 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.

THE ADVISORS' INNER CIRCLE FUND II

CHAMPLAIN SMALL COMPANY FUND

their affiliation with the Trust's Distributor. The Trust's Statement of Additional Information ("SAI") includes information about the Trustees and Officers. The SAI may be obtained without charge by calling 1-866-773-3238. The following chart lists Trustees and Officers as of July 31, 2006.

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. Neshet is compensated. Executive Vice President of SEI Investments, 1986-1994. Director and Executive Vice President of the Administrator and the Distributor, 1981-1994.	10	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.	10	Director of SEI Investments Company and SEI Investments Distribution Co., SEI Investments Global Fund Services Limited, SEI Investments 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.

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****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 Served²
INDEPENDENT BOARD MEMBERS		
EUGENE B. PETERS 77 yrs. old	Trustee	(Since 1993)
JAMES M. STOREY 75 yrs. old	Trustee	(Since 1994)
GEORGE J. SULLIVAN, JR. 63 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 ^a
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.	10	Trustee of The Advisors' Inner Circle Fund and the Bishop Street Funds.
Attorney, Solo Practitioner since 1994. Partner, Dechert, September 1987-December 1993.	10	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.	10	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 the 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 <i>(continued)</i>		
BETTY L. KRIKONIAN 63 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 45 yrs. old	Controller and Chief Financial Officer	(Since 2005)
RUSSELL EMERY 43 yrs. old	Chief Compliance Officer	(Since 2006)

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**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 Member³
Self-Employed Legal and Financial Services Consultant since 2003. Counsel to State Street Bank Global Securities and Cash Operations from 1995 to 2003.	10	Trustee of The Advisors' Inner Circle Fund and the Bishop Street Funds.
Self-Employed Business Consultant, Business Project Inc. since 1997. CEO and President, United Grocers Inc. from 1997 to 2000.	10	Trustee of The Advisors' Inner Circle Fund, the Bishop Street Funds, Oregon Trust Co. and O.T. Logistics, Inc.
Retired.	10	Director, Federal Agricultural Mortgage Corporation. Trustee of The Advisors' Inner Circle Fund and the 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
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

THE ADVISORS' INNER CIRCLE FUND II**CHAMPLAIN SMALL
COMPANY 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)		
JAMES NDIAYE 37 yrs. old	Vice President and Secretary	(Since 2004)
TIMOTHY D. BARTO 38 yrs. old	Assistant Vice President and Assistant Secretary	(Since 2000)
PHILIP T. MASTERSON 42 yrs. old	Vice President and Assistant Secretary	(Since 2004)
NICOLE WELCH 28 yrs. old	AML 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 *(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 02/01/06	Ending Account Value 07/31/06	Annualized Expense Ratios	Expense Paid During Period*
<i>Champlain Small Company Fund</i>				
Actual Portfolio Return	\$1,000.00	\$ 953.60	1.40%	\$6.78
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).

NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended July 31, 2006, 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>
3.01%	96.99%	100.00%	13.63%	13.04%	0.00%	78.92%

(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.

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

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
Two Commerce Square
2001 Market Street, Suite 4000
Philadelphia, PA 19103

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

CSC-AR-001-0200