

# The Advisors' Inner Circle Fund II

## Reaves Utilities and Energy Infrastructure Fund

Annual Report

July 31, 2018

**Reaves** Asset Management

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

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

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**SHAREHOLDERS' LETTER (UNAUDITED)**

July 31, 2018

Dear Shareholder:

As you know, we invest primarily in three infrastructure sectors: utilities, energy and telecom. It has always been a powerful investment strategy because the sectors tend to be negatively correlated with one another and have low correlation with the broader market, allowing us the opportunity to earn attractive long-term returns with low beta to the broader market.

In the twelve months ended July 31, 2018, the Reaves Utilities and Energy Infrastructure Fund (Ticker "RSRFX") generated the following net-of-fee returns:

RSRFX	4.24%
S&P 500 Utilities Index	2.83%
S&P Global Infrastructure Index	-0.64%

**Portfolio Review**

While the discussion below tends to focus on higher-level industry trends, our investment selection process works from the bottom up with a rigorous and independent research process. Our largest investments tend to have stable and growing cash flows, and pay dividends, with the prospect for dividend growth. The following review includes sector performance estimates on a consolidated basis, gross of fees.

**Electric, Gas and Water Utilities**

The utilities portion of the portfolio contributed about 2.90% to the total return in the period. The utilities' portfolio internal rate of return (IRR) of 7.61% significantly outperformed the S&P 500 Utilities Index return of 2.83%. The greatest contribution came from our investments in Nextera Energy and American Water Works.

We invest in businesses that have differentiated company-specific fundamental growth profiles. The benefit of this approach was evident in the period as the utilities sector endured uncharacteristic volatility. This was due to higher interest rates and the impact of tax reform in the second half of 2017. Higher rates tend to act as a drag on utility equity performance. Tax reform negatively affected relative performance because utilities tend to pass on any tax savings to ratepayers and, thus, see little benefit to reported earnings unlike most other industrial companies.

Despite these headwinds our portfolio performed well. This was especially the case in 2018 when interest rates stabilized despite strong economic conditions and record

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budget deficits. Many of our utility holdings generated returns close to that of the S&P 500 Index . Growth was robust and spending on utility infrastructure was strong.

Looking ahead, state-level regulation should remain a primary driver of future growth and here we remain optimistic. Just the replacement of old pipes should keep gas and water utilities busy for decades. The same need for investment remains for the country's electric grid. Additionally, new investment in wind and solar generation, as well as in associated transmission and distribution infrastructure remains robust.

### **Energy & Logistics**

The energy & logistics portion of the portfolio contributed about 4.13% to the total return in the period. The IRR of about 19.28% slightly underperformed the S&P 500 Energy Index return of 19.74%. This is to be expected as we tend to invest in defensive infrastructure businesses with strong balance sheets. They tend to underperform during upcycles but preserve capital better in downcycles. Strong contribution came from our investments in Marathon Petroleum and EOG Resources.

During the period, the average price of West Texas Intermediate (WTI) rose 41%, from \$49.71 to \$70.13 per barrel. However, rapid supply growth in the U.S. has kept investors skeptical about the long-term potential for oil prices to remain above \$60/barrel and this has meant that equities generally lagged the rally in oil. Also, at its June 2018 meeting, OPEC (Organization of Petroleum Exporting Countries) committed to adding more barrels to the market, which acted as an additional psychological drag for equities. Despite all this, global capacity is tight and demand growth has been very strong due to healthy economic conditions. Thus, we believe it is unlikely that prices decline much from current levels unless there is a recession and remain optimistic on near term equity price performance.

However, while the environment is generally supportive, we would point out that this cycle contains some key differences from prior ones. Key among them is the lack of a secular demand growth driver. During the upcycles of 2001-2007 and 2009-2014 one could count on the secular growth of China to drive global demand. This time around demand conditions appear more cyclical than secular. The proliferation of laws emphasizing environmental stewardship and the prospects for electric propulsion in the next decade taking market share from the internal combustion engine have translated into some skepticism about the long-run growth prospects of the industry. This has deflated earnings multiples for energy equities, even as earnings and cash returns remain robust. This backdrop furthers our conviction that it remains essential to be highly discriminating and to focus on the best operators with the greatest financial flexibility.

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**Communications**

The communications segment of the portfolio provided a negative contribution during the year of about -1.48%. Our investments in the cable sector drove much of that. In particular, shares of Comcast Communications and Cogeco had a notable negative impact.

Cable companies look attractively valued at this point. Over the last five to ten years, cable operators have consistently grown their broadband businesses by offering faster speeds and more reliable services than competitors. As a result, investors have benefitted from a favorable mix-shift of low-margin video services to high-margin broadband services. However, there has been concern that growth in broadband is slowing due to high product penetration and competition from new technologies. While we acknowledge that topline growth may slow, we expect that already robust free cash flow conversion rates and generous shareholder returns will accelerate due to the aforementioned shift to higher margin products.

Our investments in Real Estate Investment Trusts (REITs) that serve the communications industry provided generally more positive results. The public's insatiable demand for wireless data usage forces wireless providers to constantly invest in their networks - tower REITs are typically the primary beneficiaries. Additionally, wireless carriers are currently sitting on an uncharacteristically large swath of spectrum that is yet to be deployed. As carriers expand network capacity by building out this next wave of spectrum, growth for towers is poised to accelerate.

**Outlook**

Our utility sector investments are focused in subsectors that have above-average organic growth. In particular, the outlook for natural gas utilities and interstate power transmission companies remains very healthy. Many of these companies have robust growth potential driven by gas-related investments, such as LNG, or by the impact of renewables as a source of power generation. These companies should be able to raise their dividends at a measured pace and continue to provide stability to the portfolio in the event of unforeseen volatility.

Within energy, we believe that companies with the ability to grow volumes, even in a low oil price environment, and those investing in volume-related infrastructure, will do well.

In telecommunications, we will continue investing in companies where we see value and potential for dividend growth. In the U.S., we see opportunities in cable, as broadband market-share gains should continue. Additionally, tower companies may soon benefit from growing data usage and development of next-generation networks

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such as 5G. We will also look for opportunities abroad as wireless and wireline data growth is a global phenomenon.

We remain committed to providing you with a portfolio of well-researched, high-quality companies in vital industries that have the ability to grow earnings and dividends while providing substantial defensive characteristics.



Ronald J. Sorenson  
CEO & Chief Investment Officer



Tim Porter  
Portfolio Manager

*Performance data represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For performance current to the most recent month-end and after tax returns, please call 1.866.342.7058.*

*The above commentary represents management's assessment of the Fund and the market environment at a specific point in time and should not be relied upon by the reader as research or investment advice. This information should not be relied upon by the reader as research or investment advice regarding the Fund or any stock in particular, nor should it be construed as a recommendation to purchase or sell a security.*

*Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, narrowly focused investments typically exhibit higher volatility. There can be no assurance that the Fund will achieve its stated objective. Investments in securities of MLPs involve risk that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP. MLP common units and other equity securities can be affected by economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer's financial condition or unfavorable or unanticipated poor performance of a particular issuer. A company may reduce or eliminate its dividend, causing losses to the Fund.*

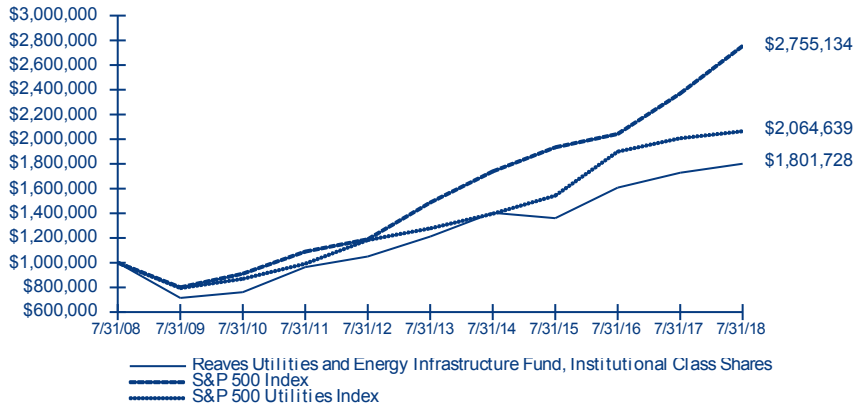
**Definition of the Comparative Indices**

- <sup>i</sup> BETA measures volatility relative to the benchmark. A stock with a beta higher than 1.0 has historically been more volatile than the benchmark, while a stock with a beta lower than 1.0 has been less volatile.
- <sup>ii</sup> The S&P 500 Utilities Index is a capitalization-weighted index containing 30 electric and gas utility stocks (including multi-utilities and independent power producers).
- <sup>iii</sup> The S&P Global Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation and utilities.
- <sup>iv</sup> The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The typical Reaves portfolio includes a significant percentage of assets that are also found in the S&P 500. However, Reaves' portfolios are far less diversified, resulting in higher sector concentrations than found in the broad-based S&P 500 Index.
- <sup>v</sup> S&P 500 Energy Index is comprised of those companies included in the S&P 500 Index that are classified as members of the energy sector.
- <sup>vi</sup> West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing.

Growth of a \$1,000,000 Investment (Unaudited)

ANNUALIZED TOTAL RETURN FOR PERIODS ENDED JULY 31, 2018			
1 Year Return	3 Year Return	5 Year Return	10 Year Return
Reaves Utilities and Energy Infrastructure Fund, Institutional Class Shares	4.24%	9.80%	6.06%
S&P 500 Index	16.24%	12.52%	10.67%
S&P 500 Utilities Index	2.83%	10.19%	7.52%

Reaves Utilities and Energy Infrastructure Fund,  
Institutional Class Shares  
S&P 500 Index  
S&P 500 Utilities Index



*Institutional Class Shares were offered beginning December 22, 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 a representation of the future results of the Fund.*

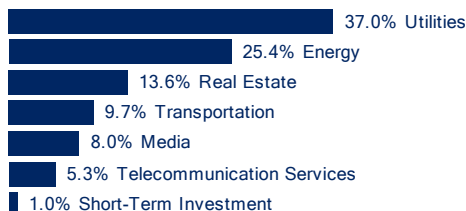
*The Fund's performance assumes the reinvestment of dividends and capital gains. Index returns assume reinvestment of dividends and, unlike a fund's returns, do not reflect any fees or expenses. If such fees and expenses were included in the index returns, the performance would have been lower. Please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

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

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

*See definition of comparative indices on page 5.*



**SECTOR WEIGHTINGS†: (Unaudited)**

† Percentages are based on total investments. More narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting purposes.

**SCHEDULE OF INVESTMENTS****COMMON STOCK — 96.6%**

	Shares	Value
<b>CONSUMER DISCRETIONARY — 7.8%</b>		
Alice USA, Cl A .....	69,300	\$ 1,187,109
Charter Communications, Cl A *.....	3,000	913,740
Twenty-First Century Fox, Cl A .....	35,000	1,575,000
		<u>3,675,849</u>
<b>ELECTRIC UTILITIES — 15.3%</b>		
Evergy .....	25,600	1,435,904
Eversource Energy .....	27,940	1,696,517
NextEra Energy .....	14,500	2,429,330
NextEra Energy LP .....	34,100	1,605,087
		<u>7,166,838</u>
<b>ENERGY — 24.8%</b>		
Chevron .....	15,000	1,894,050
EOG Resources .....	16,100	2,075,934
Marathon Petroleum .....	21,600	1,745,928
Occidental Petroleum .....	21,700	1,821,281
Pioneer Natural Resources .....	9,750	1,845,383
Royal Dutch Shell ADR, Cl A .....	13,000	888,810
Targa Resources .....	27,000	1,378,890
		<u>11,650,276</u>
<b>GAS — 5.8%</b>		
Atmos Energy .....	16,900	1,552,603
South Jersey Industries .....	35,000	1,187,550
		<u>2,740,153</u>
<b>INDUSTRIALS — 9.4%</b>		
Canadian National Railway .....	18,800	1,676,020
Delta Air Lines .....	28,500	1,550,970

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

**COMMON STOCK — continued**

	<u>Shares</u>	<u>Value</u>
<b>INDUSTRIALS — continued</b>		
Kansas City Southern .....	10,200	\$ 1,185,954
		<u>4,412,944</u>
<b>MULTI-UTILITIES — 10.8%</b>		
DTE Energy .....	18,050	1,959,147
NiSource .....	59,100	1,547,238
Sempra Energy .....	13,400	1,548,906
		<u>5,055,291</u>
<b>REAL ESTATE — 13.2%</b>		
American Tower, CI A REIT .....	9,800	1,452,752
Crown Castle International REIT .....	17,100	1,895,193
Equinix REIT .....	3,400	1,493,552
SBA Communications, CI A REIT * .....	8,700	1,376,775
		<u>6,218,272</u>
<b>TELECOMMUNICATION SERVICES — 5.2%</b>		
TELUS .....	15,000	547,350
T-Mobile US * .....	10,700	642,000
Zayo Group Holdings * .....	33,200	1,231,388
		<u>2,420,738</u>
<b>WATER UTILITIES — 4.3%</b>		
American Water Works .....	22,600	1,994,450
<b>TOTAL COMMON STOCK</b>		
(Cost \$36,342,759) .....		<u>45,334,811</u>
<b>SHORT-TERM INVESTMENT (A) — 1.0%</b>		
SEI Daily Income Trust Treasury II Fund, CI F, 1.750% (Cost \$472,869) .....	472,869	472,869
<b>TOTAL INVESTMENTS— 97.6%</b>		
(Cost \$36,815,628) .....		<u>\$ 45,807,680</u>

Percentages are based on Net Assets of \$46,951,154.

\* Non-income producing security.

(A) The rate reported is the 7-day effective yield as of July 31, 2018.

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

ADR — American Depositary Receipt

Cl — Class

LP — Limited Partnership

REIT — Real Estate Investment Trust

*As of July 31, 2018, all of the Fund's investments in securities were considered Level 1, in accordance with the authoritative guidance on fair value measurements and disclosure under U.S. GAAP.*

*For the year ended July 31, 2018, there have been no transfers between Level 1 and Level 2, or Level 2 and Level 3 securities.*

*For more information on valuation inputs, see Note 2 — Significant Accounting Policies in the Notes to Financial Statements.*

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

## STATEMENT OF ASSETS AND LIABILITIES

**Assets:**

Investments at Value (Cost \$36,815,628) .....	\$ 45,807,680
Cash .....	2,979
Receivable for Investment Securities Sold.....	2,599,519
Dividends Receivable.....	66,066
Receivable for Capital Shares Sold.....	1,598
Prepaid Expenses.....	6,732
<b>Total Assets</b> .....	<u>48,484,574</u>

**Liabilities:**

Payable for Investment Securities Purchased.....	1,422,665
Payable due to Adviser .....	23,325
Payable due to Administrator.....	10,617
Payable for Capital Shares Redeemed.....	10,000
Payable due to Trustees.....	4,179
Chief Compliance Officer Fees Payable .....	1,984
Other Accrued Expenses.....	60,650
<b>Total Liabilities</b> .....	<u>1,533,420</u>

**Net Assets** ..... \$ 46,951,154

**Net Assets Consist of:**

Paid-in-Capital .....	\$ 36,377,892
Accumulated Net Realized Gain on Investments.....	1,578,944
Net Unrealized Appreciation on Investments.....	8,992,052
Net Unrealized Appreciation on Foreign Currency Transactions .....	2,266
<b>Net Assets</b> .....	<u><u>\$ 46,951,154</u></u>

Net Asset Value, Offering and Redemption Price Per Share  
(unlimited authorization – no par value)

Shares (\$46,951,154 ÷ 4,539,842) ..... \$10.34

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

**STATEMENT OF OPERATIONS****Investment Income**

Dividend Income .....	\$ 1,136,111
Less: Foreign Taxes Withheld .....	<u>(38,243)</u>
<b>Total Investment Income .....</b>	<b><u>1,097,868</u></b>

**Expenses:**

Investment Advisory Fees.....	347,414
Administration Fees.....	125,002
Transfer Agent Fees.....	64,600
Professional Fees.....	59,636
Registration Fees.....	23,565
Trustees' Fees .....	16,602
Printing Fees .....	10,733
Custodian Fees.....	6,706
Chief Compliance Officer Fees .....	5,800
Insurance and Other Expenses.....	<u>21,436</u>

<b>Total Expenses .....</b>	<b><u>681,494</u></b>
Less: Investment Advisory Fees Waived.....	(79,061)
Less: Fees Paid Indirectly <sup>(1)</sup> .....	<u>(235)</u>

<b>Net Expenses .....</b>	<b><u>602,198</u></b>
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<b>Net Investment Income.....</b>	<b><u>495,670</u></b>
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<b>Net Realized Gain on Investments.....</b>	<b>1,900,250</b>
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<b>Net Realized Loss on Foreign Currency Transactions .....</b>	<b>(7,368)</b>
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<b>Net Change in Unrealized Appreciation/(Depreciation) on Investments.....</b>	<b>(551,560)</b>
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<b>Net Change in Unrealized Appreciation/(Depreciation) on Foreign Currency Transactions .....</b>	<b><u>2,266</u></b>
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<b>Net Realized and Unrealized Gain on Investments .....</b>	<b><u>1,343,588</u></b>
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<b>Net Increase in Net Assets Resulting from Operations .....</b>	<b><u>\$ 1,839,258</u></b>
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(1) See Note 4 in the Notes to Financial Statements.

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

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended July 31, 2018	Year Ended July 31, 2017
<b>Operations:</b>		
Net Investment Income .....	\$ 495,670	\$ 569,700
Net Realized Gain on Investments and Foreign Currency Transactions .....	1,892,882	4,281,940
Net Change in Unrealized Appreciation/(Depreciation) on Investments and Foreign Currency Transactions .....	<u>(549,294)</u>	<u>(1,439,600)</u>
<b>Net Increase in Net Assets Resulting from Operations .....</b>	<b><u>1,839,258</u></b>	<b><u>3,412,040</u></b>
<b>Dividends and Distributions from:</b>		
Net Investment Income		
Institutional Class Shares .....	(571,908)	(1,243,164)
Class A Shares <sup>(1)</sup> .....	—	(7,539)
Total from Net Investment Income .....	<u>(571,908)</u>	<u>(1,250,703)</u>
Net Realized Gains		
Institutional Class Shares .....	(2,409,590)	(7,183,892)
Class A Shares <sup>(1)</sup> .....	—	—
Total from Net Realized Gains .....	<u>(2,409,590)</u>	<u>(7,183,892)</u>
<b>Total Dividends and Distributions .....</b>	<b><u>(2,981,498)</u></b>	<b><u>(8,434,595)</u></b>
<b>Capital Share Transactions<sup>(2)</sup></b>		
Institutional Class Shares		
Issued .....	3,912,411	8,657,134
Reinvestment of Distributions .....	2,636,228	7,452,479
Redeemed .....	(6,459,131)	(13,499,884)
Net Institutional Class Shares Capital Share Transactions .....	<u>89,508</u>	<u>2,609,729</u>
Class A Shares <sup>(1)</sup>		
Issued .....	—	562,819
Reinvestment of Distributions .....	—	7,068
Redeemed .....	—	(5,711,861)
Net Class A Shares Capital Share Transactions .....	<u>—</u>	<u>(5,141,974)</u>
<b>Net Increase/(Decrease) From Capital Share Transactions</b>	<b><u>89,508</u></b>	<b><u>(2,532,245)</u></b>
<b>Total Decrease in Net Assets .....</b>	<b><u>(1,052,732)</u></b>	<b><u>(7,554,800)</u></b>
<b>Net Assets:</b>		
Beginning of Year .....	<u>48,003,886</u>	<u>55,558,686</u>
End of Year (including undistributed net investment income of \$— and —, respectively) .....	<b><u>\$ 46,951,154</u></b>	<b><u>\$ 48,003,886</u></b>

(1) Effective November 28, 2016, Class A Shares converted to Institutional Class Shares.

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

Amounts designated as “—” are \$0.

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

## FINANCIAL HIGHLIGHTS

Selected Per Share Data & Ratios  
For a Share Outstanding Throughout the Years

	Institutional Class Shares <sup>(1)</sup>				
	Year Ended July 31, 2018	Year Ended July 31, 2017	Year Ended July 31, 2016	Year Ended July 31, 2015	Year Ended July 31, 2014
Net Asset Value, Beginning of Year.....	\$ 10.59	\$ 11.79	\$ 10.21	\$ 11.42	\$ 10.28
Income from Operations:					
Net Investment Income <sup>(2)</sup> .....	0.11	0.12	0.10	0.12	0.15
Net Realized and Unrealized Gain/(Loss) on Investments ...	0.32	0.60	1.71	(0.44)	1.43
Total from Operations .....	0.43	0.72	1.81	(0.32)	1.58
Dividends and Distributions from:					
Net Investment Income.....	(0.13)	(0.26)	(0.15)	(0.14)	(0.21)
Net Realized Gains .....	(0.55)	(1.66)	(0.08)	(0.75)	(0.23)
Total Dividends and Distributions	(0.68)	(1.92)	(0.23)	(0.89)	(0.44)
Net Asset Value, End of Year.....	\$ 10.34	\$ 10.59	\$ 11.79	\$ 10.21	\$ 11.42
<b>Total Return †.....</b>	<b>4.24%</b>	<b>7.51%</b>	<b>18.14%</b>	<b>(3.05)%</b>	<b>15.89%</b>
<b>Ratios and Supplemental Data</b>					
Net Assets, End of Year (Thousands).....	\$ 46,951	\$ 48,004	\$ 50,927	\$ 54,031	\$ 65,732
Ratio of Expenses to Average Net Assets (including waivers and reimbursements/ excluding fees paid indirectly).....	1.30%	1.30%	1.30%	1.30%	1.30%
Ratio of Expenses to Average Net Assets (excluding waivers, reimbursements and fees paid indirectly) .....	1.47%	1.48%	1.51%	1.31%	1.31%
Ratio of Net Investment Income to Average Net Assets .....	1.07%	1.16%	0.96%	1.11%	1.45%
Portfolio Turnover Rate.....	66%	45%	84%	62%	85%

(1) Effective November 28, 2016, Class A Shares converted to Institutional Class Shares.

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

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

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

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**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 thirty funds. The financial statements herein are those of the Reaves Utilities and Energy Infrastructure Fund (the "Fund"). The financial statements of the remaining funds of the Trust are presented separately. The investment objective of the Fund is total return from income and capital growth. The Fund is a diversified fund, and invests primarily in securities of domestic and foreign public utility and energy companies, with a concentration (at least 80% of its assets) in companies involved to a significant extent in the Utilities and Energy Industries. The assets of each fund of the Trust are segregated, and a shareholder's interest is limited to the fund of the Trust in which shares are held.

**2. Significant Accounting Policies:**

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund is an investment company in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). Therefore, the Fund follows the accounting and reporting guidelines for investment companies.

*Use of Estimates* — The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of 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 and such differences could be material.

*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 an exchange or market (foreign or domestic) on which they are traded on the valuation date (or at approximately 4:00 pm ET if a security's primary exchange is normally open at that time), or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ Official Closing



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Price will be used. All investment companies held in the Fund's portfolio are valued at the published net asset value.

Securities for which market prices are not "readily available" are valued in accordance with Fair Value Procedures established by the Trust's Board of Trustees (the "Board"). The Trust's Fair Value Procedures are implemented through a Fair Value Committee (the "Committee") designated by the Board. Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security's trading has been halted or suspended; the security has been de-listed from a national exchange; the security's primary trading market is temporarily closed at a time when under normal conditions it would be open; the security has not been traded for an extended period of time; the security's primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government-imposed restrictions. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee. As of July 31, 2018, there were no securities valued in accordance with the Fair Value Procedures.

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The guidance establishes three levels of the fair value hierarchy as follows:

- Level 1 — quoted prices in active markets for identical securities.
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

During the year ended July 31, 2018, there have been no changes to the Fund's fair value methodologies, no Level 3 assets and liabilities, and there have been no transfers between Level 1 and Level 2 assets and liabilities.

As of July 31, 2018, all the investments for the Fund were classified as Level 1. For details of investment classifications, reference the Schedule of Investments.

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

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether it is "more-likely-than-not" (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. The Fund did not record any tax provision in the current year. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., the last 3 tax year ends, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the year ended July 31, 2018, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year ended July 31, 2018, the Fund did not incur any interest or penalties relating to unrecognized tax benefits.

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

*Investments in Real Estate Investment Trusts ("REITs")* — With respect to the Fund, dividend income is recorded based on the income included in distributions received from REIT investments using published REIT reclassifications including some management estimates when actual amounts are not available. Distributions received in excess of any estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from estimated amounts.

*Master Limited Partnerships* — Entities commonly referred to as "MLPs" are generally organized under state law as limited partnerships or limited liability companies. The Fund intends to primarily invest in MLPs receiving partnership taxation treatment under the Internal Revenue Code of 1986 (the "Code"), and whose interests or "units" are traded on securities exchanges like shares

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of corporate stock. To be treated as a partnership for U.S. federal income tax purposes, an MLP whose units are traded on a securities exchange must receive at least 90% of its income from qualifying sources such as interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, processing, mining, refining, marketing and transportation (including pipelines) of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. An MLP consists of a general partner and limited partners (or in the case of MLPs organized as limited liability companies, a managing member and members). The general partner or managing member typically controls the operations and management of the MLP and has an ownership stake in the partnership. The limited partners or members, through their ownership of limited partner or member interests, provide capital to the entity, are intended to have no role in the operation and management of the entity and receive cash distributions. The MLPs themselves generally do not pay U.S. federal income taxes. Thus, unlike investors in corporate securities, direct MLP investors are generally not subject to double taxation (i.e., corporate level tax and tax on corporate dividends). Currently, most MLPs operate in the energy and/or natural resources sector.

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

*Dividends and Distributions to Shareholders* — The Fund seeks to declare quarterly dividends at fixed rates approved by the Board. To the extent that the amount of the Fund's net investment income and short-term capital gains is less than the approved fixed rate, some of its dividends may be paid from net capital gains or as a return of shareholder capital. To the extent the amount of the Fund's net investment income and short-term capital gains exceeds the approved fixed rate, the Fund may pay additional dividends. An additional distribution of net capital gains realized by the Fund, if any, may be made annually; provided, however, that no more than one distribution of net capital gains shall be made with respect to any one taxable year of the Fund (other than a permitted, supplemental distribution which does not exceed 10% of the aggregate amount distributed for such taxable year).

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### **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 and the trustee 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, who are employees of the Administrator, are paid for by the Trust as incurred. The services include regulatory oversight of the Trust's advisers and service providers as required by SEC regulations. The CCO's services have been approved by and are reviewed by the Board.

### **4. Administration, Distribution, Transfer Agent and Custodian Agreements**

The Fund and the Administrator are parties to an Administration Agreement under which the Administrator provides management and administrative services to the Fund. For these services, the Administrator is paid an asset-based fee (subject to certain minimums), which will vary depending on the number of share classes and the average daily net assets of the Fund. For the year ended July 31, 2018, the Fund was charged \$125,002 for these 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, 2018, the Fund earned credits of \$235, which were used to offset transfer agent expenses. This amount is listed as "Fees Paid Indirectly" on the Statement of Operations.

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

### **5. Investment Advisory Agreement:**

Under the terms of an investment advisory agreement, W. H. Reaves & Co., Inc. (the "Adviser") provides investment advisory services to the Fund at a fee, which is calculated daily and paid monthly at an annual rate of 0.75% of the Fund's average daily net assets. The Adviser has voluntarily agreed to waive a portion of its advisory fees and to assume expenses, if necessary, in order to keep the Fund's total annual operating expenses from exceeding 1.30% of the Institutional Class Share average daily net assets, respectively. The Adviser may discontinue the expense limitation at any time. In addition, if at any point it becomes unnecessary for the Adviser to reduce

fees or make expense reimbursements, the Adviser may retain the difference between the "Total Annual Fund Operating Expenses" and the aforementioned expense limitations to recapture all or a portion of its prior expense limitation reimbursements made during the preceding three-year period up to the expense cap in place at the time the expenses were waived. As of July 31, 2018, fees which were previously waived and reimbursed by the Adviser which may be subject to possible future reimbursement to the Adviser were \$104,897 expiring in 2019, \$84,515 expiring in 2020, and \$79,061, expiring in 2021. During the year ended July 31, 2018, there has been no recoupment of previously waived and reimbursed fees.

## 6. Share Transactions:

	<u>Year Ended</u> <u>July 31, 2018</u>	<u>Year Ended</u> <u>July 31, 2017</u>
<b>Share Transactions:</b>		
Institutional Class Shares		
Issued .....	385,223	717,718
Reinvestment of Distributions.....	259,575	747,640
Redeemed .....	<u>(639,865)</u>	<u>(1,250,614)</u>
Net Institutional Class Shares Capital Share Transactions	<u>4,933</u>	<u>214,744</u>
Class A Shares <sup>(1)</sup>		
Issued .....	-	103,378
Reinvestment of Distributions.....	-	604
Redeemed .....	<u>-</u>	<u>(496,381)</u>
Net Class A Shares Capital Share Transactions .....	<u>-</u>	<u>(392,399)</u>
<b>Net Increase/(Decrease) in Shares Outstanding....</b>	<b><u>4,933</u></b>	<b><u>(177,655)</u></b>

(1) Effective November 28, 2016, Class A Shares converted to Institutional Class Shares.

## 7. Investment Transactions:

The cost of security purchases and the proceeds from security sales, other than long-term U.S. Government and short-term investments, for the year ended July 31, 2018 were \$29,441,647 and \$30,772,994, respectively. There were no purchases or sales of long-term U.S. Government securities.

## 8. Federal Tax Information:

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. GAAP. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged

**THE ADVISORS' INNER CIRCLE FUND II      REAVES UTILITIES AND ENERGY  
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or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or paid-in capital, as appropriate, in the period that the differences arise.

Accordingly, the following permanent differences that are primarily due to REIT adjustments, foreign currency transactions and reclassification of distributions have been reclassified to (from) the following accounts:

<u>Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Loss</u>	<u>Paid-In Capital</u>
\$76,238	\$(76,238)	\$-

The tax character of dividends and distributions declared during the fiscal years ended July 31, 2018 and 2017 was as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
2018	\$ 493,434	\$ 2,488,064	\$ 2,981,498
2017	1,848,797	6,585,798	8,434,595

As of July 31, 2018, the components of Distributable Earnings on a tax basis were as follows:

Undistributed Long-Term Capital Gains	1,615,942
Unrealized Appreciation	<u>8,957,320</u>
Total Distributable Earnings	<u><u>\$10,573,262</u></u>

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments held by the Fund at July 31, 2018 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>
\$36,852,628	\$9,223,303	\$(265,983)	\$8,957,320

**9. Concentration/Risks:**

The Fund has adopted a policy to concentrate its investments (at least 80% of its assets) in companies involved to a significant extent in the Utilities and Energy Industries. To the extent that the Fund's investments are focused in issuers conducting business in the Utilities Industry and/or Energy Industry, the Fund is subject to the risk that legislative or regulatory changes, adverse market conditions and/or increased competition will negatively affect these industries.

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Equity Risk – Equity securities include publicly and privately issued equity securities, common and preferred stocks, warrants, rights to subscribe to common stock and convertible securities, interests in MLPs, as well as instruments that attempt to track the price movement of equity indices. Investments in equity securities and equity derivatives in general are subject to market risks that may cause their prices to fluctuate over time. The value of securities convertible into equity securities, such as warrants or convertible debt, is also affected by prevailing interest rates, the credit quality of the issuer and any call provision. Fluctuations in the value of equity securities in which a mutual fund invests will cause the fund's net asset value ("NAV") to fluctuate. An investment in a portfolio of equity securities may be more suitable for long-term investors who can bear the risk of these share price fluctuations.

Foreign Security Risk – Investments in securities of foreign companies or governments can be more volatile than investments in U.S. companies or governments. Diplomatic, political, or economic developments, including nationalization or appropriation, could affect investments in foreign companies. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets. In addition, the value of securities denominated in foreign currencies, and of dividends from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Financial statements of foreign issuers are governed by different accounting, auditing, and financial reporting standards than the financial statements of U.S. issuers and may be less transparent and uniform than in the United States. Thus, there may be less information publicly available about foreign issuers than about most U.S. issuers. Transaction costs are generally higher than those in the United States and expenses for custodial arrangements of foreign securities may be somewhat greater than typical expenses for custodial arrangements of similar U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes are recoverable, the non-recovered portion will reduce the income received from the securities comprising the portfolio.

#### **10. Other:**

At July 31, 2018, 14% of the total Institutional Class Shares outstanding was held by one record shareholder. This shareholder is comprised of omnibus accounts that were held on behalf of various individual shareholders.

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot

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be established; however, based on experience, the risk of loss from such claim is considered remote.

**11. New Accounting Pronouncements:**

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. At this time, management is currently evaluating the impact of this new guidance on the financial statements and disclosures.

**12. Subsequent Events:**

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements as of July 31, 2018.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees of The Advisors' Inner Circle Fund II and Shareholders of Reaves Utilities and Energy Infrastructure Fund

***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities of Reaves Utilities and Energy Infrastructure Fund (the "Fund") (one of the series constituting The Advisors' Inner Circle Fund II (the "Trust")), including the schedule of investments, as of July 31, 2018, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Reaves Utilities and Energy Infrastructure Fund (one of the series constituting The Advisors' Inner Circle Fund II) at July 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

***Basis for Opinion***

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2018, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

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

We have served as the auditor of one or more Reaves investment companies since 2005.

Philadelphia, Pennsylvania  
September 28, 2018

**TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (UNAUDITED)**

Set forth below are the names, years of birth, positions 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. Unless otherwise noted, the business address of each Trustee is SEI Investments Company, 1 Freedom Valley Drive, Oaks, Pennsylvania 19456. Trustees who are deemed not to be "interested persons" of the Trust are referred to as "Independent Trustees." Messrs. Neshor and Doran are Trustees who may

Name and Year of Birth	Position with Trust and length of Time Served <sup>1</sup>
<b>INTERESTED TRUSTEES<sup>2 3</sup></b>	
Robert Neshor (Born: 1946)	Chairman of the Board of Trustees (Since 1991)
N. Jeffrey Klauder (Born: 1952)	Trustee (Since 2018)
<b>INDEPENDENT TRUSTEES<sup>3</sup></b>	
Joseph T. Grause, JR. (Born: 1952)	Trustee (Since 2011) Lead Independent Trustee (Since 2018)
Mitchell A. Johnson (Born: 1942)	Trustee (Since 2005)

<sup>1</sup> 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.

<sup>2</sup> Denotes Trustees who may be deemed to be "interested" persons of the Fund as that term is defined in the 1940 Act by virtue of their affiliation with the Distributor and/or its affiliates.

<sup>3</sup> Trustees oversee 30 funds in The Advisors' Inner Circle Fund II.

**THE ADVISORS' INNER CIRCLE FUND II REAVES UTILITIES AND ENERGY  
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JULY 31, 2018**

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 Trust’s Statement of Additional Information (“SAI”) includes additional information about the Trustees and Officers. The SAI may be obtained without charge by calling 1-866-342-7058. The following chart lists Trustees and Officers as of July 31, 2018.

<b>Principal Occupation in the Past Five Years</b>	<b>Other Directorships Held in the Past Five Years<sup>4</sup></b>
SEI employee 1974 to present; currently performs various services on behalf of SEI Investments for which Mr. Neshet is compensated.	Current Directorships: Trustee of The Advisors’ Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of SEI Structured Credit Fund, LP, SEI Global Master Fund plc, SEI Global Assets Fund plc, SEI Global Investments Fund plc, SEI Investments—Global Funds Services, Limited, SEI Investments Global, Limited, SEI Investments (Europe) Ltd., SEI Investments—Unit Trust Management (UK) Limited, SEI Multi-Strategy Funds PLC and SEI Global Nominee Ltd.  Former Directorships: Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016.
Executive Vice President and General Counsel of SEI Investments since 2004.	Current Directorships: Trustee of The Advisors’ Inner Circle Fund II, Bishop Street Funds and The KP Funds. Director of SEI Private Trust Company; SEI Investments Management Corporation; SEI Trust Company; SEI Investments (South Africa), Limited; SEI Investments (Canada) Company; SEI Global Fund Services Ltd.; SEI Investments Global Limited; SEI Global Master Fund; SEI Global Investments Fund and SEI Global Assets Fund.
Self-employed consultant since January 2012. Director of Endowments and Foundations, Morningstar Investment Management, Morningstar, Inc., 2010 to 2011; Director of International Consulting and Chief Executive Officer of Morningstar Associates Europe Limited, Morningstar, Inc., 2007 to 2010.	Current Directorships: Trustee of The Advisors’ Inner Circle Fund II, Bishop Street Funds and The KP Funds. Director of The Korea Fund, Inc.
Retired. Private investor since 1994.	Current Directorships: Trustee of The Advisors’ Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Managed Trust, SEI Institutional Investments Trust, SEI Tax Exempt Trust Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of Federal Agricultural Mortgage Corporation (Farmer Mac) since 1997.  Former Directorships: Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016.

<sup>4</sup> 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 under the 1940 Act.

**TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (UNAUDITED)**

Name and Year of Birth	Position with the Trust and Length of Time Served <sup>1</sup>	Principal Occupation During the Past Five Years
<b>INDEPENDENT TRUSTEES</b>		
<b>(continued)<sup>2</sup></b>		
Betty L. Krikorian (Born: 1943)	Trustee (Since 2005)	Vice President, Compliance, AARP Financial Inc. from 2008-2010. Self-Employed Legal and Financial Services Consultant since 2003.
Bruce R. Specia (Born: 1956)	Trustee (Since 2011)	Global Head of Asset Allocation, Manulife Asset Management (subsidiary of Manulife Financial), 2010 to 2011. Executive Vice President – Investment Management Services, John Hancock Financial Services (subsidiary of Manulife Financial), 2003 to 2010.
George J. Sullivan, Jr. (Born: 1942)	Trustee Lead Independent Trustee (Since 1999)	Retired since 2012. Self-Employed Consultant, Newfound Consultants Inc., 1997 to 2011.
Tracie E. Ahern (Born: 1968)	Trustee (Since 2018)	Principal, Danesmead Partners since 2016; Chief Operating Officer/Chief Financial Officer, Brightwood Capital Advisors LLC, 2015 to 2016; Advisor, Brightwood Capital Advisors LLC, 2016; Chief Financial Officer, Soros Fund Management LLC, 2007 to 2015.
<b>OFFICERS</b>		
Michael Beattie (Born: 1965)	President (Since 2011)	Director of Client Service, SEI Investments Company, since 2004.
James Bernstein (Born: 1973)	Vice President and Assistant Secretary (Since 2017)	Attorney, SEI Investments, since 2017. Prior Positions: Self-employed consultant, 2017. Associate General Counsel & Vice President, Nationwide Funds Group and Nationwide Mutual Insurance Company, from 2002 to 2016. Assistant General Counsel & Vice President, Market Street Funds and Provident Mutual Insurance Company, from 1999 to 2002.
John Bourgeois (Born: 1973)	Assistant Treasurer (Since 2017)	Fund Accounting Manager, SEI Investments, since 2000.

1 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.  
 2 Trustees oversee 30 funds in The Advisors' Inner Circle Fund II.  
 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 under the 1940 Act.

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**Other Directorships  
Held in the Past Five Years<sup>3</sup>**

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds. Director of Stone Harbor Investments Funds, Stone Harbor Emerging Markets Income Fund (closed-end fund) and Stone Harbor Emerging Markets Total Income Fund (closed-end fund).

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Current Directorships: Trustee/Director of The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds, SEI Structured Credit Fund, LP, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust.

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Former Directorships: Director of SEI Opportunity Fund, L.P. to 2010. Director of SEI Alpha Strategy Portfolios, LP to 2013. Trustee of SEI Liquid Asset Trust to 2016. Trustee/Director of State Street Navigator Securities Lending Trust to May, 2017. Member of the independent review committee for SEI's Canadian-registered mutual funds to 2017.

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Current Directorships: Trustee of The Advisors' Inner Circle Fund II, Bishop Street Funds and The KP Funds.

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None.

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None.

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None.

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TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND II (UNAUDITED)

Name and Year of Birth	Position with Trust and Length of Time Served	Principal Occupation During the Past Five Years
<b>OFFICERS (continued)</b>		
Stephen Connors (Born: 1984)	Treasurer, Controller and Chief Financial Officer (Since 2015)	Director, SEI Investments, Fund Accounting since 2014. Audit Manager, Deloitte & Touche LLP, from 2011 to 2014.
Dianne M. Descoteaux (Born: 1977)	Vice President and Secretary (Since 2011)	Counsel at SEI Investments since 2010.
Russell Emery (Born: 1962)	Chief Compliance Officer (Since 2006)	Chief Compliance Officer of SEI Structured Credit Fund, LP since 2007. Chief Compliance Officer of SEI Alpha Strategy Portfolios, LP from June 2007 to September 2013. Chief Compliance Officer of The Advisors' Inner Circle Fund, Bishop Street Funds, The KP Funds, Gallery Trust, Schroder Series Trust, Schroder Global Series Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Daily Income Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Chief Compliance Officer of O'Connor EQUUS (closed end investment company) to 2016. Chief Compliance Officer of SEI Liquid Asset Trust to 2016. Chief Compliance Officer of Winton Series Trust to 2017. Chief Compliance Officer of Winton Diversified Opportunities Fund (closed end investment company) to 2018.
Robert Morrow (Born: 1968)	Vice President (Since 2017)	Account Manager, SEI Investments, since 2007.
Bridget E. Sudall (Born: 1980)	Anti-Money Laundering Compliance Officer and Privacy Officer (Since 2015)	Senior Associate and AML Officer, Morgan Stanley Alternative Investment Partners from April 2011 to March 2015.

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**Other Directorships  
Held in the Past Five Years**

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None.

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None.

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None.

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None.

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None.

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**DISCLOSURE OF FUND EXPENSES (UNAUDITED)**

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

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

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (February 1, 2018 to July 31, 2018).

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

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

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

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



**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.

	<b>Beginning Account Value 2/1/2018</b>	<b>Ending Account Value 7/31/2018</b>	<b>Annualized Expense Ratios</b>	<b>Expenses Paid During Period*</b>
<b>Actual Fund Return</b>				
Institutional Class Shares	\$1,000.00	\$1,016.90	1.30%	\$6.50
<b>Hypothetical Fund Return</b>				
Institutional Class Shares	\$1,000.00	\$1,018.35	1.30%	\$6.51

\* 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 shareholders who do not have a July 31, 2018 taxable year end, this notice is for informational purposes only. For shareholders with a July 31, 2018 taxable year end, please consult your tax adviser as to the pertinence of this notice. For the fiscal year ended July 31, 2018, the Fund is designating the following items with regard to distributions paid during the year.

<b>Long-Term Capital Distributions</b>	<b>Ordinary Income Distributions</b>	<b>Total Distributions</b>	<b>Qualifying for Corporate Dividends Received Deduction (1)</b>	<b>Qualifying Dividend Income (2)</b>	<b>Interest Related Dividend (3)</b>	<b>Short-Term Capital Gains Dividends (4)</b>
83.45%	16.55%	100.00%	100.00%	100.00%	0.00%	0.00%

- (1) *Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).*
- (2) *The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of the Fund to designate the maximum amount permitted by law.*
- (3) *The percentage in this column represents the amount of "Interest Related Dividend" 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 "Short-Term Capital Gain Dividends" 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.*

**THE ADVISORS' INNER CIRCLE FUND II      REAVES UTILITIES AND ENERGY  
INFRASTRUCTURE FUND  
JULY 31, 2018**

**SHAREHOLDER VOTING RESULTS (UNAUDITED)**

A Special Meeting of the Shareholders of The Advisors' Inner Circle Fund II (the "Trust") was held on March 26, 2018 for the purpose of electing the following eight Trustees to the Board of Trustees of the Trust: Robert Nesher, N. Jeffrey Klauder, Joseph T. Grause, Jr., Mitchell A. Johnson, Betty L. Krikorian, Bruce Speca, George J. Sullivan, Jr. and Tracie E. Ahern. There were 748,831,786 outstanding shares, 620,191,264 shares were voted representing 82.825% of the eligible outstanding shares. The results of the election are as follows:

<b>Trustee/Nominee</b>	<b>Shares Voted For</b>	<b>Shares Withheld</b>	<b>Percentage Voted in Favor of</b>	<b>Percentage Withheld</b>
Robert Nesher	612,737,102	7,454,162	98.80%	1.20%
N. Jeffrey Klauder	614,373,712	5,817,552	99.06%	0.94%
Joseph T Grause, Jr.	598,762,421	21,428,843	96.54%	3.46%
Mitchell A. Johnson	595,081,579	25,109,685	95.95%	4.05%
Betty L. Krikorian	597,047,260	23,144,004	96.27%	3.73%
Bruce Speca	597,119,756	23,071,508	96.28%	3.72%
George J. Sullivan, Jr.	595,113,921	25,077,343	95.96%	4.04%
Tracie E. Ahern	614,884,679	5,306,585	99.14%	0.86%

**Reaves Utilities and Energy Infrastructure Fund**

P.O. Box 219009  
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Philadelphia, PA 19103

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