

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT** CAPITAL PARTNERS, L.L.C.

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**GRT VALUE FUND**

Semi-Annual Report

January 31, 2010

**Investment Adviser:**

GRT Capital Partners, L.L.C.

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

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, as well as information relating to how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-877-GRT-4GRT; and (ii) on the Commission's website at <http://www.sec.gov>.

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**SHAREHOLDERS' LETTER**

January 31, 2010

Dear Shareholders:

We are pleased to provide you with this semi-annual report for the GRT Value Fund (the "Fund"), which covers the period August 1, 2009 through January 31, 2010.

During the past six months, the Fund's value increased 13.82% compared to an increase of 8.86% for the Russell 2000 Index.

Throughout this period we maintained a diversified portfolio of attractively valued equities across many industries. The early part of this period saw speculation take hold in lower quality equities. This speculation was especially strong in September, where our value names lagged behind the broad index. Our patience was rewarded, however, in the later part of the period, especially in January. We were generally pleased with the performance of our strategy during the six months, especially in light of the somewhat more defensive position we had in place. Arguably, an unexpected negative financial or geopolitical event could have caused markets to retrace some of their gains from the March 2009 lows. We feel as though the Fund was relatively well positioned for such an event, yet still managed to outperform during the period.

As a reminder to our shareholders, this portfolio is constructed one stock at a time with an emphasis on fundamental analysis to identify attractive values, in the small capitalization area under normal conditions. Our choice to be more defensive during this period did cause us to invest in companies that are slightly larger and higher quality. Over time our attribution shows that we have added the most value from small and mid cap value investments. We will continue to focus our efforts in these areas.

Given the traumatic investing environment of 2008 and early 2009, cash or money market fund equivalents appear to be safe options on the surface. However, investors who remain in them too long are likely to lose real purchasing power over time due to inflation and taxes. Inflation would also present a challenge to fixed income investors, as these investments historically suffer in rising rate environments.

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We continue to believe that a portfolio of attractive equities, like those in our portfolio, should provide a good opportunity to preserve and grow real wealth for the remainder of 2010 and beyond.

GRT Value Fund

Rudy Kluber, CFA  
Greg Fraser, CFA  
Tim Krochuk, CFA

*This represents the manager's assessment of the Portfolio and the market environment at a specific point in time and should not be relied upon by the reader as research or investment advice.*

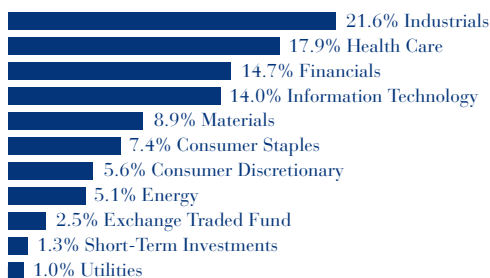
**Definition of the Comparative Index**

**The Russell 2000 Index** is a widely-recognized, capitalization-weighted index that measures the performance of the smallest 2,000 companies in the Russell 3000 Index.

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

**SECTOR WEIGHTINGS†:**



† Percentages based on total investments.

**SCHEDULE OF INVESTMENTS**

**COMMON STOCK — 94.4%**

	<u>Shares</u>	<u>Value</u>
<b>CONSUMER DISCRETIONARY — 5.6%</b>		
Arbitron .....	9,790	\$ 247,785
Career Education* .....	5,530	120,278
Footstar .....	60,263	24,105
Group 1 Automotive .....	3,030	87,870
Kenneth Cole Productions, Cl A .....	15,410	157,798
McGraw-Hill .....	12,860	455,887
Pacific Sunwear of California* .....	12,820	45,126
Palm Harbor Homes* .....	48,736	99,909
Papa John's International* .....	5,900	139,240
PetSmart .....	5,620	144,715
Wet Seal, Cl A* .....	33,330	111,656
		<u>1,634,369</u>
<b>CONSUMER STAPLES — 7.4%</b>		
Alliance One International* .....	11,794	60,031
Coca-Cola .....	3,380	183,365
Constellation Brands, Cl A* .....	12,810	205,985
CVS/Caremark .....	17,338	561,231
Darling International* .....	19,940	155,332
Kraft Foods, Cl A .....	4,280	118,385
NBTY* .....	7,330	326,405
Universal .....	4,000	181,560
Wal-Mart Stores .....	6,980	372,942
		<u>2,165,236</u>

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

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
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(Unaudited)**

**COMMON STOCK — continued**

	<u>Shares</u>	<u>Value</u>
<b>ENERGY — 4.0%</b>		
Allis-Chalmers Energy*	1,130	\$ 4,124
Bristow Group*	1,310	46,767
CARBO Ceramics	3,130	206,329
ConocoPhillips	2,824	135,552
Core Laboratories	380	44,441
Dril-Quip*	420	22,046
Massey Energy	4,490	172,955
Noble	5,590	225,389
Seahawk Drilling*	3,715	77,681
StealthGas	43,714	219,007
Union Drilling*	1,430	10,396
		<u>1,164,687</u>
<b>FINANCIALS — 14.7%</b>		
American Express	4,480	168,717
Berkshire Hathaway, Cl B*	21,200	1,620,316
Ezcorp, Cl A*	20,534	372,897
Fidelity National Financial, Cl A	14,500	187,050
First American	9,180	271,453
HRPT Properties Trust REIT	2,140	14,274
Hudson City Bancorp	11,190	148,491
MFA Financial REIT	33,030	243,101
Moody's	1,138	31,397
New York Community Bancorp	27,750	417,083
Ocwen Financial*	14,740	135,018
Raymond James Financial	5,427	137,358
Safeguard Scientifics*	48,793	528,428
Sterling Bancorp, Cl N	290	2,160
		<u>4,277,743</u>
<b>HEALTH CARE — 17.1%</b>		
Adolor*	76,713	120,439
Allied Healthcare Products*	13,751	68,755
Animal Health International*	96,370	182,139
Arthrocare*	6,260	166,829
Charles River Laboratories International*	3,710	134,821
Cornerstone Therapeutics*	29,374	150,689
DaVita*	5,290	316,130
Elan ADR*	26,670	198,691
Harvard Bioscience*	22,700	78,315
Johnson & Johnson	4,200	264,012

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

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

**COMMON STOCK — continued**

	<u>Shares</u>	<u>Value</u>
<b>HEALTH CARE — continued</b>		
Merck .....	1,320	\$ 50,398
Merit Medical Systems* .....	5,138	91,611
Natus Medical* .....	14,577	197,810
Palomar Medical Technologies* .....	15,930	146,556
Pfizer .....	7,603	141,872
PSS World Medical* .....	11,804	242,218
Quest Diagnostics .....	1,420	79,051
Questcor Pharmaceuticals* .....	65,900	298,527
Rochester Medical* .....	26,361	318,968
Santarus* .....	17,794	84,166
Skilled Healthcare Group, Cl A* .....	29,510	192,995
Stryker .....	1,060	55,035
Thermo Fisher Scientific* .....	7,220	333,203
Trinity Biotech ADR* .....	44,241	177,406
UnitedHealth Group .....	9,170	302,610
VCA Antech* .....	4,160	105,623
Waters* .....	1,130	64,388
WellPoint* .....	3,530	224,932
Zimmer Holdings* .....	3,290	185,293
		<u>4,973,482</u>
<b>INDUSTRIALS — 21.7%</b>		
Actuant, Cl A .....	14,930	250,376
AerCap Holdings* .....	8,380	73,325
Allied Defense Group* .....	32,675	235,587
American Railcar Industries .....	1,620	16,054
American Reprographics* .....	52,030	365,771
ATS Automation Tooling Systems* .....	37,677	257,781
Blount International* .....	34,500	384,330
Boart Longyear Group .....	112,930	33,439
Bucyrus International, Cl A .....	4,660	244,091
C&D Technologies* .....	39,770	58,860
Ceradyne* .....	11,091	216,718
CIRCOR International .....	5,600	158,200
Colfax* .....	19,745	222,526
Corporate Executive Board .....	7,290	168,691
Delta Air Lines* .....	28	342
Dycom Industries* .....	20,361	166,350
Esterline Technologies* .....	8,810	332,665

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

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

**COMMON STOCK — continued**

	<u>Shares</u>	<u>Value</u>
<b>INDUSTRIALS — continued</b>		
Flow International*	21,390	\$ 72,940
GEA Group	6,780	139,127
Goodrich	5,980	370,222
GrafTech International*	18,786	235,952
Huron Consulting Group*	1,410	33,614
Innerworkings*	15,996	91,657
Interface, Cl A	51,090	414,340
KHD Humboldt Wedag International*	9,130	118,051
Knoll	8,070	90,868
LECC*	2,120	6,042
Manitowoc	7,550	82,295
Mine Safety Appliances	6,610	159,235
Orbital Sciences*	14,570	230,352
Quanex Building Products	6,350	102,108
Rockwell Collins	5,680	302,119
Spirit Aerosystems Holdings, Cl A*	7,140	153,153
Systaic*	26,036	219,481
Titan International	18,030	139,913
Ultralife*	37,830	145,267
		<u>6,291,842</u>
<b>INFORMATION TECHNOLOGY — 14.0%</b>		
Advanced Analogic Technologies*	82,890	276,853
AOL*	700	16,779
ATMI*	1,670	28,023
Brooks Automation*	36,140	301,408
eBay*	4,640	106,813
EchoStar, Cl A*	11,810	226,752
EMS Technologies*	2,070	26,537
Fair Isaac	8,510	186,624
Fidelity National Information Services	11,515	271,293
FLIR Systems*	5,690	168,310
Harris	3,980	170,822
Intevac*	27,269	388,038
Kopin*	3,439	14,134
Logitech International*	7,030	117,682
Mantech International, Cl A*	3,980	190,682
Maxim Integrated Products	5,050	88,274
Measurement Specialties*	19,661	234,359

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

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

**COMMON STOCK — concluded**

	<u>Shares</u>	<u>Value</u>
<b>INFORMATION TECHNOLOGY — continued</b>		
Monotype Imaging Holdings* .....	947	\$ 8,551
Nokia ADR .....	13,810	189,059
PC Mall* .....	20,540	104,960
Polycom* .....	5,440	122,019
SAIC* .....	7,740	141,874
Seagate Technology .....	6,474	108,310
Silicon Storage Technology* .....	6,084	16,244
Ultra Clean Holdings* .....	62,355	402,813
Virage Logic* .....	7,009	39,040
Western Union .....	7,160	132,747
		<u>4,079,000</u>
<b>MATERIALS — 8.9%</b>		
Agrium .....	1,730	97,485
Alamos Gold* .....	13,210	141,898
Barrick Gold .....	4,431	154,288
Brush Engineered Materials* .....	2,410	43,308
FMC .....	4,600	234,324
Haynes International .....	910	26,654
Huntsman .....	25,990	316,818
Kinross Gold .....	3,890	63,251
Lihir Gold ADR .....	5,350	129,738
Methanex .....	18,890	421,625
Olin .....	12,950	213,675
Omnova Solutions* .....	28,451	161,033
Q2 Gold Resources (A) .....	15,766	—
Reliance Steel & Aluminum .....	3,030	123,442
Schnitzer Steel Industries, C I A .....	1,620	65,610
SEMAFO* .....	39,630	169,414
Solutia* .....	12,633	173,704
Yamana Gold .....	6,062	61,044
		<u>2,597,311</u>
<b>UTILITIES — 1.0%</b>		
Allegheny Energy .....	2,520	52,794
Constellation Energy Group .....	2,760	89,093
Mirant* .....	10,535	148,227
		<u>290,114</u>
<b>TOTAL COMMON STOCK</b>		
(Cost \$27,392,413) .....		<u>27,473,784</u>

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

**THE ADVISORS' INNER CIRCLE FUND II**

**GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

	Shares/Face Amount	Value
<b>EXCHANGE TRADED FUNDS — 2.6%</b>		
BlackRock Floating Rate Income Strategies Fund .....	15,396	\$ 230,940
Eaton Vance Senior Floating-Rate Trust .....	27,120	430,937
iShares Russell 2000 Index Fund .....	40	2,407
SunAmerica Focused Alpha Growth Fund .....	6,370	83,829
<b>TOTAL EXCHANGE-TRADED FUNDS</b>		
(Cost \$733,268) .....		<u>748,113</u>
<b>CORPORATE OBLIGATION — 1.1%</b>		
Allis-Chalmers Energy 8.500%, 03/01/17 (Cost \$307,843) .....	\$350,000	<u>315,000</u>
<b>CONVERTIBLE BOND — 0.7%</b>		
<b>HEALTH CARE — 0.7%</b>		
KV Pharmaceutical 2.500%, 05/16/33 (Cost \$222,910) .....	345,000	<u>224,250</u>
<b>PREFERRED STOCK — 0.0%</b>		
<b>INDUSTRIALS — 0.0%</b>		
Northwest Airlines Escrow, 9.500% (A) (Cost \$—) .....	12,260	<u>—</u>
<b>SHORT-TERM INVESTMENT — 1.3%</b>		
Fidelity Institutional Money Market Funds — Money Market Portfolio, CI I, 0.242% (B) (Cost \$373,578) .....	373,578	<u>373,578</u>
<b>TOTAL INVESTMENTS— 100.1%</b>		
(Cost \$29,030,012)† .....		<u>\$29,134,725</u>

Percentages are based on Net Assets of \$29,102,621.

\* Non-income producing security:

(A) Security is fair valued using methods determined in good faith by the Fair Value Committee of the Board of Trustees. The total value of such securities at January 31, 2010 was \$0 and represented 0.0% of net assets.

(B) The rate shown is the 7-day effective yield as of January 31, 2010.

ADR — American Depositary Receipt

CI — Class

REIT — Real Estate Investment Trust

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

**THE ADVISORS' INNER CIRCLE FUND II****GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)**

The following is a summary of the inputs used as of January 31, 2010 in valuing the Fund's investments carried at value:

<u>Investments in Securities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$27,473,784	\$ —	\$—	\$27,473,784
Corporate Obligation	—	315,000	—	315,000
Exchange-Traded Funds	748,113	—	—	748,113
Convertible Bond	—	224,250	—	224,250
Preferred Stock	—	—	—	—
Short-Term Investment	373,578	—	—	373,578
Total Investments in Securities	<u>\$28,595,475</u>	<u>\$539,250</u>	<u>\$—</u>	<u>\$29,134,725</u>

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

**THE ADVISORS' INNER CIRCLE FUND II****GRT VALUE FUND  
JANUARY 31, 2010  
(Unaudited)****STATEMENT OF ASSETS AND LIABILITIES****Assets:**

Investments, at Value (Cost \$29,030,012) . . . . .	\$29,134,725
Receivable from Investment Adviser . . . . .	19,397
Dividends Receivable . . . . .	15,576
Prepaid Expenses . . . . .	7,358
Receivable for Capital Shares Sold . . . . .	1,000
Reclaims Receivable . . . . .	48
<b>Total Assets</b> . . . . .	<u>29,178,104</u>

**Liabilities:**

Payable for Investment Securities Purchased . . . . .	15,186
Payable due to Administrator . . . . .	8,493
Chief Compliance Officer Fees Payable . . . . .	4,111
Payable due to Trustees . . . . .	1,616
Payable due to Distributor . . . . .	1,243
Other Accrued Expenses . . . . .	44,834
<b>Total Liabilities</b> . . . . .	<u>75,483</u>

**Net Assets** . . . . . \$29,102,621

**Net Assets Consist of:**

Paid-in-Capital . . . . .	\$29,599,719
Undistributed Net Investment Income . . . . .	7,905
Accumulated Net Realized Loss on Investments . . . . .	(609,716)
Net Unrealized Appreciation on Investments . . . . .	104,713
<b>Net Assets</b> . . . . .	<u><u>\$29,102,621</u></u>

Net Asset Value, Offering Price Per Share —  
(unlimited authorization — no par value)  
Advisor Class Shares (\$29,102,621 ÷ 3,222,537) . . . . . \$9.03

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

**THE ADVISORS' INNER CIRCLE FUND II      GRT VALUE FUND FOR  
THE SIX MONTHS ENDED  
JANUARY 31, 2010  
(Unaudited)**

**STATEMENT OF OPERATIONS**

<b>Investment Income</b>	
Interest Income .....	\$ 15,145
Dividend Income .....	12,879
Less: Foreign Taxes Withheld .....	(109)
<b>Total Investment Income</b> .....	<u>27,915</u>
<b>Expenses</b>	
Administration Fees .....	50,411
Investment Advisory Fees .....	13,980
Chief Compliance Officer Fees .....	4,650
Distribution Fees .....	3,679
Trustees' Fees .....	3,529
Transfer Agent Fees .....	25,273
Legal Fees .....	18,768
Printing Fees .....	16,434
Audit Fees .....	9,807
Registration Fees .....	8,742
Custodian Fees .....	2,290
Insurance and Other Expenses .....	5,768
<b>Total Expenses</b> .....	<u>163,331</u>
Less: Waiver of Investment Advisory Fees .....	(13,980)
Reimbursement from Investment Adviser .....	(130,218)
Fees Paid Indirectly .....	(2)
<b>Net Expenses</b> .....	<u>19,131</u>
<b>Net Investment Income</b> .....	<u>8,784</u>
<b>Net Realized Loss on Investments</b> .....	(12,011)
<b>Net Realized Loss on Foreign Currency Transactions</b> .....	(849)
<b>Net Change in Unrealized Appreciation (Depreciation) on Investments</b> ...	(105,704)
<b>Net Change in Unrealized Appreciation (Depreciation) on Foreign Currency Transactions</b> .....	<u>(23)</u>
<b>Net Realized and Unrealized Loss on Investments</b> .....	<u>(118,587)</u>
<b>Net Decrease in Net Assets Resulting from Operations</b> .....	<u><u>\$(109,803)</u></u>

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

## STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended January 31, 2010 (Unaudited)	Year Ended July 31, 2009
<b>Operations:</b>		
Net Investment Income . . . . .	\$ 8,784	\$ 1,951
Net Realized Loss on Investments and Foreign Currency Transactions . . . . .	(12,860)	(589,114)
Net Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency Transactions . . . . .	(105,727)	288,127
<b>Net Decrease in Net Assets Resulting from Operations . . .</b>	<u>(109,803)</u>	<u>(299,036)</u>
<b>Dividends and Distributions from:</b>		
Net Investment Income . . . . .	(1,911)	(1,572)
<b>Capital Share Transactions:</b>		
Issued . . . . .	27,537,822 <sup>(1)</sup>	248,300
Reinvestment of Distributions . . . . .	1,771	1,418
Redeemed . . . . .	(543)	(5,364)
<b>Net Increase from Capital Share Transactions . . . . .</b>	<u>27,539,050</u>	<u>244,354</u>
<b>Total Increase (Decrease) in Net Assets . . . . .</b>	<u>27,427,336</u>	<u>(56,254)</u>
<b>Net Assets:</b>		
Beginning of Period . . . . .	<u>1,675,285</u>	<u>1,731,539</u>
End of Period (including undistributed net investment income of \$7,905 and distributions in excess of net investment income of \$1,032, respectively) . . . . .	<u>\$29,102,621</u>	<u>\$1,675,285</u>
<b>Share Transactions:</b>		
Issued . . . . .	3,011,298 <sup>(1)</sup>	31,519
Reinvestment of Distributions . . . . .	196	236
Redeemed . . . . .	(59)	(696)
<b>Net Increase in Shares Outstanding from Share Transactions . . . . .</b>	<u>3,011,435</u>	<u>31,059</u>

<sup>(1)</sup> Includes subscriptions as a result of an in-kind transfer of securities (see Note 8)

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

## FINANCIAL HIGHLIGHTS

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

	Six Months Ended January 31, 2010 (Unaudited)	Year Ended July 31, 2009	Period Ended July 31, 2008*
Net Asset Value,			
Beginning of Period . . . . .	\$ 7.94	\$ 9.62	\$10.00
Income from Operations:			
Net Investment Income <sup>(1)</sup> . . . . .	0.03	0.01	0.01
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency Transactions . . . . .	1.07	(1.68)	(0.38)
Total from Operations . . . . .	1.10	(1.67)	(0.37)
Dividends and Distributions from:			
Net Investment Income . . . . .	(0.01)	(0.01)	(0.01)
Net Asset Value, End of Period . . . . .	\$ 9.03	\$ 7.94	\$ 9.62
<b>Total Return</b> <sup>†</sup> . . . . .	<u>13.82%</u>	<u>(17.35)%</u>	<u>(3.67)%</u>
<b>Ratios and Supplemental Data</b>			
Net Assets, End of Period (Thousands) . . . . .	\$29,103	\$1,675	\$1,732
Ratio of Expenses to Average Net Assets (including waivers and reimbursements) . . . . .	1.30%**	1.30%	1.30%**
Ratio of Expenses to Average Net Assets (excluding waivers and reimbursements) . . . . .	11.10%**	22.95%	28.03%**
Ratio of Net Investment Income to Average Net Assets . . . . .	0.60%** <sup>(2)</sup>	0.14%	0.46%**
Portfolio Turnover Rate . . . . .	3% <sup>††</sup>	95%	4% <sup>††</sup>

<sup>†</sup> 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 assumed 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.

<sup>††</sup> Portfolio turnover rate is for the period indicated and has not been annualized.

\* Commenced operations on May 1, 2008.

\*\* Annualized

<sup>(1)</sup> Per share data calculated using average shares method.

<sup>(2)</sup> The amount shown for the six months ended January 31, 2010 for a share outstanding does not accord with aggregate net losses on investments for that period because of the sales and repurchases of the Fund shares in relation to the fluctuating market value of investments of the Fund.

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

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**NOTES TO FINANCIAL STATEMENTS** *(Unaudited)***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 29 funds. The financial statements herein are those of the GRT Value Fund (the "Fund"). The financial statements of the remaining funds are presented separately. The investment objective of the Fund is capital appreciation. The Fund invests primarily in publicly traded equity securities of companies that are believed to be selling at a market price below their true value and offer the potential to increase in value. 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:**

Financial Accounting Standards Board ("FASB") has issued ACS 105 (formerly FASB Statement No. 168), the "FASB Accounting Standards Codification<sup>TM</sup>" and the Hierarchy of Generally Accepted Accounting Principles ("ASC 105"). ASC 105 established the FASB Accounting Standards Codification<sup>TM</sup> ("Codification" or "ASC") as the single source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by non-governmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification supersedes all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification will become non-authoritative.

Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification.

GAAP is not intended to be changed as a result of the FASB's Codification project, but it will change the way the guidance is organized and presented. As a result, these changes will have a significant impact on how companies reference

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GAAP in their financial statements and in their accounting policies for financial statements issued for interim and annual periods ending after September 15, 2009. The Trust has implemented the Codification as of January 31, 2010.

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

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

*Security Valuation* — Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded, or, if there is no such reported sale, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used. The prices for foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held in the Fund are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Fund will seek to obtain a bid price from at least one independent broker.

Securities for which market prices are not “readily available” are valued in accordance with Fair Value Procedures established by the Trust’s Board of Trustees (the “Board”). The Trust’s Fair Value Procedures are implemented through a Fair Value Committee (the “Committee”) designated by the Board. Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security’s trading has been halted or suspended; the security has been delisted 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;

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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 January 31, 2010, there were no fair valued securities.

In accordance with the authoritative guidance on fair value measurements and disclosure under GAAP, ASC 820 (formerly FASB Statement No. 157), the Fund discloses fair value of their 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 three levels of the fair value hierarchy under ASC820 are described below:

- Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 — Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 — Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Investments are classified within the level of the lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement. For details of investment classifications, reference the schedule of investments.

For the six months ended January 31, 2010, there have been no significant changes to the Trust's fair value methodology.

*Federal Income Taxes* — It is the Fund's intention to qualify as a regulated investment company under Subchapter M of the Internal Revenue

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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 period. 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.

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

*Foreign Currency Translation* — The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars on the date of valuation. The Fund does not isolate that portion of realized or unrealized gains and losses resulting from changes in the foreign exchange rate from fluctuations arising from changes in the market prices of the securities. These gains and losses are included in net realized and unrealized gains and losses on investments on the Statement of Operations. Net realized and unrealized gains and losses on foreign currency transactions represent net foreign exchange gains or losses from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions and the difference between the amount of the investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid.

*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.

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

*Redemption Fees* — The Fund retains a redemption fee of 2% on redemption of capital shares held less than fourteen days. There were no fees retained by the Fund during the six months ended January 31, 2010.

### **3. Transactions with Affiliates:**

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

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

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

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

- 0.12% on the first \$250 million of the Fund’s average daily net assets;
- 0.10% on the next \$250 million of the Fund’s average daily net assets; and
- 0.08% on the Fund’s average daily net assets over \$500 million.

The Fund is subject to a minimum annual administration fee of \$100,000 per year for the first fund and \$90,000 per year per additional fund for two or more funds. There is also a minimum annual administration fee of \$15,000 per additional class.

The Trust and Distributor are parties to a Distribution Agreement dated May 31, 2000, as amended and restated on November 16, 2004. The Trust has adopted a distribution plan (the “Plan”) that allows the Trust to pay distribution and service fees for the sale and distribution of its shares and for services provided to shareholders. The Plan provides for payment of fees to the Distributor at an annual rate of 0.25% of the Fund’s average daily net assets.

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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 six months ended January 31, 2010, the Fund earned \$2 of cash management credits. This amount is listed as "Fees Paid Indirectly" on the Statement of Operations.

Union 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, GRT Capital Partners, L.L.C. (the "Adviser"), provides investment advisory services to the Fund at a fee, which is calculated daily and paid monthly at an annual rate of 0.95% 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 Fund's average daily net assets. The Adviser may discontinue the expense limitation at any time. In addition, if at any point it becomes unnecessary for the Adviser to waive fees or make reimbursements, the Adviser may retain the difference between the "Total Annual Fund Operating Expenses" and 1.30% to recapture any of its prior waivers or reimbursements made during the preceding three year period. As of January 31, 2010, fees which were previously waived by the Adviser which may be subject to possible future reimbursement to the Adviser were \$255,405 and \$285,465, expiring in 2012 and 2013, respectively.

#### **6. Investment Transactions:**

The cost of security purchases and the proceeds from security sales, other than long-term U.S. Government and short-term investments were \$1,652,637 and \$158,443, respectively, for the six months ended January 31, 2010. There were no purchases or sales of long-term U.S. Government securities.

#### **7. 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. generally accepted accounting principles. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions

**THE ADVISORS' INNER CIRCLE FUND II****GRT VALUE FUND**

during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or paid-in capital, as appropriate, in the period that the differences arise.

The tax character of dividends and distributions declared during the fiscal period ended July 31, 2009 was as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
2009	\$1,572	\$—	\$1,572
2008	2,410	—	2,410

As of July 31, 2009, the components of Accumulated Losses on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,032
Capital Loss Carryforwards	(15,229)
Post-October Losses	(566,630)
Unrealized Appreciation/(Depreciation)	<u>195,443</u>
Total Accumulated Losses	<u><u>\$(385,384)</u></u>

Post-October losses represent losses realized on investment transactions from November 1, 2008 through July 31, 2009, that, in accordance with Federal income tax regulations, the Fund defers and treats as having arisen in the following fiscal year. For Federal income tax purposes, capital loss carryforwards represent realized losses of the Fund that may be carried forward for a maximum period of eight years and applied against future capital gains were as follows:

<u>Expires</u>	<u>Amount</u>
July 2017	\$15,229

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments held by the Fund at January 31, 2010 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>
\$29,030,012	\$793,623	\$(688,910)	\$104,713

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### 8. In-kind Transfer of Securities

During the six months ended January 31, 2010, the Fund issued shares of beneficial interest in exchange of securities. These securities were transferred at their current value on the date of the transaction.

<u>Transaction Date</u>	<u>Share Issued</u>	<u>Value</u>
January 27, 2010	2,829,668	\$25,976,354

### 9. Other

At January 31, 2010, 70% of total shares outstanding were held by two record shareholders owning 10% or greater of the aggregate total shares outstanding.

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 is remote.

### 10. New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2010-6, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. ASU No. 2010-6 enhances and clarifies existing fair value measurement disclosure requirements and is effective for interim and annual periods beginning after December 15, 2009. The Fund is currently evaluating the impact, if any, of applying the provisions of ASU No. 2010-6.

### 11. Subsequent Events:

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events. Based on this evaluation, no additional disclosures or adjustments were required to the financial statements as of January 31, 2010.

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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.

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

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

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

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

**DISCLOSURE OF FUND EXPENSES** *(Unaudited) (Concluded)*

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 08/01/09</b>	<b>Ending Account Value 01/31/10</b>	<b>Annualized Expense Ratios</b>	<b>Expenses Paid During Period*</b>
<b>Actual Fund Return</b>	\$1,000.00	\$1,138.20	1.30%	\$7.01
<b>Hypothetical 5% Return</b>	1,000.00	1,018.65	1.30	6.61

\*Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value or the period, multiplied by 184/365 (to reflect the one-half year period).

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**APPROVAL OF INVESTMENT ADVISORY AGREEMENT** *(Unaudited)***Board Considerations in Re-Approving the Advisory Agreement**

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Board of Trustees (the "Board") of The Advisors' Inner Circle Fund II (the "Trust") must annually review and re-approve the existing Advisory Agreement after its initial two-year term: (i) by the vote of the Trustees or by a vote of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees who are not parties to the Advisory Agreement or "interested persons" of any party thereto, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval. Each year, the Board calls and holds a meeting to decide whether to renew the Advisory Agreement for an additional one-year term. In preparation for the meeting, the Board requests and reviews a wide variety of information from the Adviser. The Trustees use this information, as well as other information that the Adviser and other service providers of the Fund may submit to the Board, to help them decide whether to renew the Advisory Agreement for an additional year.

Prior to this year's meeting held on November 10-11, 2009, the Board, including the Independent Trustees advised by their independent legal counsel, reviewed written materials from the Adviser regarding, among other things: (i) the nature, extent and quality of the services to be provided by the Adviser; (ii) the investment performance of the Fund and the Adviser; (iii) the costs of the services to be provided and profits to be realized by the Adviser and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale would be realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors, as discussed in further detail below.

At the meeting, representatives from the Adviser, along with other service providers of the Fund, presented additional oral and written information to help the Board evaluate the Adviser's fee and other aspects of the Advisory Agreement. Among other things, the representatives provided an overview of the Adviser by reviewing its organization, personnel and recent investments in infrastructure. The Adviser representatives then reviewed the Fund's portfolio composition and the Adviser's investment strategy, philosophy, best execution and soft dollar practices. The Trustees then discussed the written materials that the Board received before the meeting and the Adviser's oral presentation and any other information that the Board received at the meeting, and deliberated on the approval of the Advisory Agreement in light of this information. In its deliberations, the Board considered the factors and reached the conclusions described

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**APPROVAL OF INVESTMENT ADVISORY AGREEMENT** *(Unaudited) (Continued)*

below relating to the selection of the Adviser and the re-approval of the Advisory Agreement, and did not identify any single piece of information discussed below that was all-important, controlling or determinative of its decision.

**Nature, Extent and Quality of Services Provided by the Adviser**

In considering the nature, extent and quality of the services provided by the Adviser, the Board reviewed the portfolio management services provided by the Adviser to the Fund. Among other things, the Board considered the quality and continuity of the Adviser's portfolio management personnel. The most recent investment adviser registration form ("Form ADV") for the Adviser was provided to the Board, as was the response of the Adviser to a detailed series of questions which included, among other things, information about the background and experience of the portfolio managers primarily responsible for the day-to-day management of the Fund.

The Trustees also considered other services provided to the Fund by the Adviser, such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities regulations. Based on the factors above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent and quality of the services provided to the Fund by the Adviser.

**Investment Performance of the Fund and the Adviser**

The Board was provided with information regarding the Fund's performance over various periods of time and since the Fund's inception. The Board also compared the Fund's performance to its benchmark index and other similar mutual funds over various periods of time. At the meeting, representatives of the Adviser provided information regarding and led a discussion of factors impacting the performance of the Fund over the past year, focusing on investment approach and general economic factors. The representatives also noted that the Fund's performance was generally favorable to that of its benchmark. Based on this information, the Board concluded that it was satisfied with the investment results the Adviser had been able to achieve for the Fund.

**Cost of Services Provided and Economies of Scale**

In concluding that the advisory fees payable by the Fund were reasonable, the Trustees reviewed, among other things, a report of the costs of services provided

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**APPROVAL OF INVESTMENT ADVISORY AGREEMENT** *(Unaudited) (Concluded)*

by and the profits realized by the Adviser from its relationship with the Fund and concluded that such profits were not excessive. The Trustees also reviewed reports comparing the respective expense ratio and advisory fee paid by the Fund to those paid by other comparable mutual funds and concluded that the advisory fee appeared reasonable in light of the services rendered and was the result of arm's length negotiations. The Board noted that the total fees and expenses, after waivers, appeared comparable to those incurred by peer funds. The Board also considered the Adviser's commitment to managing the Fund and its willingness to continue its voluntary expense limitations and fee waiver arrangements with the Fund. In addition, the Board considered whether economies of scale were realized during the current contract period, but did not conclude that such economies of scale had yet been achieved.

Based on the Board's deliberations and its evaluation of the information described above, the Board, including all of the Independent Trustees, unanimously: (a) concluded that terms of the Agreement are fair and reasonable; (b) concluded that the Adviser's fees are reasonable in light of the services that the Adviser provides to the Fund; and (c) agreed to renew the Advisory Agreement for another year.

## NOTES

## NOTES



**GRT Value Fund**  
P.O. Box 219009  
Kansas City, MO 64121-9009

**Investment Adviser:**  
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**Distributor:**  
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One Freedom Valley Drive  
Oaks, PA 19456

**Administrator:**  
SEI Investments Global Funds Services  
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Oaks, PA 19456

**Legal Counsel:**  
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1111 Pennsylvania Ave., N.W.  
Washington, DC 20004

**Independent Registered Public Accounting Firm:**  
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2001 Market Street, Suite 4000  
Philadelphia, PA 19103

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

GRT-SA-001-0200