



**PORTFOLIO FUNDS**

# **CVR DYNAMIC ALLOCATION FUND**

**Annual Report  
November 30, 2014**

The views in this report were those of CVR Dynamic Allocation Fund's (the "Fund") adviser as of November 30, 2014, and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

All investing involves risk including the possible loss of principal. There can be no assurance the Fund will achieve its investment objective. In addition to the general risks of investing, the Fund is subject to additional risks including commodities risk, derivatives risks, ETF risk, risks of foreign investing and model and data risks. Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Derivatives, such as options, futures and swaps, can be volatile, and a small investment in a derivative can have a large impact on the performance of the Fund as derivatives can result in losses in excess of the amount invested. Shares of an ETF may trade at a premium or discount to the net asset value of its portfolio securities. Foreign investments may be subject to additional risks, which include international trade, currency, political, regulatory and diplomatic risks, which may affect their value. Given the complexity of the investments and strategies of the Fund, the Adviser relies heavily on quantitative models and data supplied by third parties. Models and Data may prove to be incorrect or incomplete and expose the Fund to potential risks.

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**CVR DYNAMIC ALLOCATION FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

NOVEMBER 30, 2014

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Dear Fellow Shareholders,

CVR Portfolio Funds is pleased to review the performance of the CVR Dynamic Allocation Fund (the “Fund”) from December 30, 2013 (inception of the Fund) through November 30, 2014. During this period, the Fund returned 6.80% vs 14.43% for the S&P 500 Index<sup>1</sup> (the “S&P 500”) and 2.21% for the HFRX Equity Hedge Index. The investment objective of the Fund is to preserve and increase the purchasing power value of its shares over the long term.

The Fund pursues its investment objective by investing in three principal investment strategies, each of which is rule-based leading to an investment process that is unemotional and repeatable. The three strategies are Focused Equity, Defensive Equity and Absolute Return. We believe that each of the three strategies are subject to different, and in some cases contrary risks such that the value of the Fund’s investments in the aggregate will be subject to less risk, over the long term, than the risk associated with any one of the investment strategies taken by itself.

We believe that the interplay of the three strategies provides measureable feedback on market risk that supports rebalancing in the Fund; Focused Equity provides feedback on equity valuations, Defensive Equity on equity market risk and Absolute Return on correlations across asset classes. The result is a risk managed approach to investing that we believe offers a differentiated return stream for investors.

The Fund, which typically has 80-90% of its assets exposed to U.S. equity markets through its Focused and Defensive Equity strategies, is designed to capture a majority of equity market performance in risk-on environments and to protect against severe drawdowns when markets decline. While the Focused Equity strategy will always stay invested, both the Defensive Equity and Absolute Return strategies have the ability to protect capital in declining markets. The Defensive Equity strategy utilizes a quantitative model that will raise cash in volatile equity markets and the Absolute Return strategy is designed to be negatively correlated to declining equity markets.

During the year, with the exception of a brief period of heightened equity market volatility in February, and a more prolonged episode in October, the markets were in what we would consider a risk-on environment. A lot can be gleaned about the Fund’s performance by taking a closer look at how it reacted during the market pullbacks in February and October. In February the Defensive Equity strategy converted 11% of its assets to cash in reaction to heightened volatility and a decline of more than 5% in the S&P 500. However, the pullback was short-lived and the Defensive Equity strategy redeployed the cash in relatively short order.

In October, however, the equity market decline was more dramatic, underpinned by broader fundamental weakness. The Defensive Equity strategy aggressively raised cash in early October by removing exposure and cutting losses in materials and energy, as well as reducing overall equity exposure. The Defensive Equity strategy reduced risk in the portfolio as intended in response to the rapid increase in equity volatility during this period. The cost of this protection was the cash drag over the subsequent market rally.

The Fund benefited from increased M&A activity as several positions in the Focused Equity strategy became acquisition targets during 2014; Gentiva Health Services (GTIV), DirecTV (DTV), International Game Technology (IGT) and Conversant (CNVR). These positions helped the Fund’s return over the period. The Focused Equity strategy purchases equities that we believe are undervalued relative to the overall U.S. equity market. These equities may become even more undervalued as they go through management transitions, new product launches, a change in industry dynamics, etc. and can remain undervalued for extended periods of time. Some examples of holdings that negatively impacted fund performance during the period are MoneyGram International (MGI), Liquidity Services (LQDT) and Coach (COH).

As we reflect back on the year, we are pleased that the Fund responded to equity market risk as intended during periods of heightened volatility. The Fund does not attempt to anticipate short-term market movements or predict future economic climates, but rather to limit downside risk while providing for profit potential in any environment. We believe that our risk managed approach to investing the Fund’s assets will provide better investment outcomes.

We are grateful for your support and look forward to the year ahead.

Respectfully submitted,



Pete Higgins & Bill Monaghan

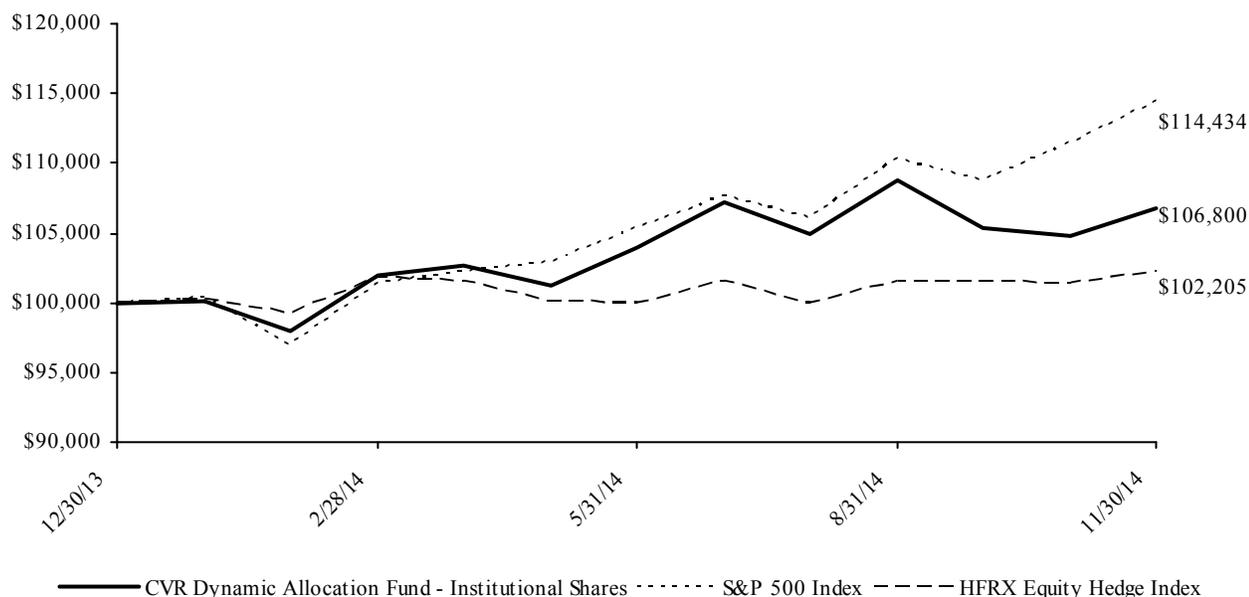
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<sup>1</sup> The S&P 500 Index is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market. All returns are total return, reflecting reinvested dividends and capital gain distributions. One cannot invest directly in an index.

**CVR DYNAMIC ALLOCATION FUND**  
**PERFORMANCE CHART AND ANALYSIS (Unaudited)**  
**NOVEMBER 30, 2014**

The following chart reflects the change in the value of a hypothetical \$100,000 investment in Institutional Shares, including reinvested dividends and distributions, in the CVR Dynamic Allocation Fund (the "Fund") compared with the performance of the primary benchmark, the S&P 500 Index (the "S&P 500"), and the secondary benchmark, the HFRX Equity Hedge Index, since inception. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The HFRX Equity Hedge Index tracks strategies that maintain positions both long and short in primary equity and equity derivative securities. The total return of the S&P 500 and HFRX Equity Hedge Index include the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 and HFRX Equity Hedge Index do not include expenses. The Fund is professionally managed while the S&P 500 and HFRX Equity Hedge Index are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$100,000 Investment**  
**CVR Dynamic Allocation Fund – Institutional Shares vs. S&P 500 Index and HFRX Equity Hedge Index**



**Average Annual Total Returns**  
**Periods Ended November 30, 2014**

	<b>Six Months</b>	<b>Since Inception December 30, 2013</b>
CVR Dynamic Allocation Fund — Institutional Shares	2.79%	6.80%
S&P 500 Index	8.58%	14.43%
HFRX Equity Hedge Index	2.22%	2.21%

*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (855) 328-7691. As stated in the Fund's prospectus, the estimated annual operating expense ratio (gross) for Institutional Shares is 2.16%. However, the Fund's adviser has agreed to contractually waive its fees and/or reimburse Fund expenses to limit total annual Fund operating expenses (excluding all taxes, interest, portfolio transaction expenses, proxy expenses and extraordinary expenses) of Institutional Shares to 1.65%, through March 31, 2015. The Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if such payment is made within three years of the fees waived or reimbursed, is approved by the Fund's Board of Trustees and the reimbursement does not cause the Fund's net annual operating expenses of that class to exceed the expense cap in place at the time the fees were waived. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*



**CVR DYNAMIC ALLOCATION FUND**  
**NOTES TO SCHEDULE OF INVESTMENTS**  
**NOVEMBER 30, 2014**

ETF Exchange Traded Fund  
 PLC Public Limited Company  
 (a) Non-income producing security.  
 (b) Variable rate security. Rate presented is as of November 30, 2014.

\* Cost for federal income tax purposes is \$16,101,274 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$	1,204,211
Gross Unrealized Depreciation		(300,807)
Net Unrealized Appreciation	<u>\$</u>	<u>903,404</u>

At November 30, 2014, the Fund held the following futures contracts:

<u>Contracts</u>	<u>Type</u>	<u>Expiration Date</u>	<u>Notional Contract Value</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
4	10-year Mini JGB Future	12/15/14	\$ 534,768	\$ 3,666
10	3-month Euro EURIBOR Future	03/18/16	3,114,360	252
2	90-day Bank Bill Future	09/15/15	1,699,029	118
10	90-day EUR Future	03/14/16	2,472,362	3,263
10	90-day Sterling Future	03/20/16	1,963,209	5,718
2	Australian 10-year Bond Future	12/20/14	215,574	4,622
6	Australian 3-year Bond Future	12/20/14	568,801	1,937
1	DAX Index Future	12/23/14	307,127	3,991
1	EUR/JPY Currency Future	12/21/14	156,638	5,556
1	EUR/SEK Future	12/19/14	156,379	346
10	EURO-BOBL Future	12/12/14	1,608,586	1,559
9	EURO-BUND Future	12/12/14	1,717,157	3,262
11	EURO-SCHATZ Future	12/12/14	1,516,834	(86)
1	EURO-STOXX Future	12/23/14	40,126	347
3	FTSE 100 Index Future	12/22/14	307,119	17,452
1	GBP/JPY Currency Future	12/21/14	200,926	12,724
2	Long Gilt Future	03/31/15	364,402	3,766
4	NASDAQ 100 E-mini Future	12/23/14	328,917	18,143
6	New Zealand 3-month Bill Future	06/15/15	4,735,325	896
1	NIKKEI 225 Future	12/16/14	73,244	2,449
6	U.S. 10-year Note Future	03/31/15	756,631	5,650
12	U.S. 2-year Note Future	04/06/15	2,627,419	2,269
11	U.S. 5-year Note Future	04/06/15	1,310,487	3,928
2	U.S. Long Bond Future	03/31/15	282,785	2,464
(1)	AUD/NZD Future	12/21/14	(172,637)	2,056
(1)	CHF Currency Future	12/21/14	(129,610)	235
(1)	EUR/CHF Currency Future	12/21/14	(157,928)	543
(1)	GBP Currency Future	12/21/14	(97,666)	60
			<u>\$ 26,500,364</u>	<u>\$ 107,186</u>

**CVR DYNAMIC ALLOCATION FUND**  
NOTES TO SCHEDULE OF INVESTMENTS  
NOVEMBER 30, 2014

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of November 30, 2014.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b>Investments At Value</b>				
Common Stock				
Basic Materials	\$ 322,048	\$ -	\$ -	\$ 322,048
Communications	788,328	-	-	788,328
Consumer Discretionary	1,777,272	-	-	1,777,272
Consumer Staples	301,995	-	-	301,995
Financials	587,118	-	-	587,118
Health Care	597,843	-	-	597,843
Industrials	1,265,831	-	-	1,265,831
Technology	2,830,989	-	-	2,830,989
Investment Companies	6,033,106	-	-	6,033,106
Money Market Fund	-	2,500,148	-	2,500,148
<b>Total Investments At Value</b>	<b>\$ 14,504,530</b>	<b>\$ 2,500,148</b>	<b>\$ -</b>	<b>\$ 17,004,678</b>
<b>Other Financial Instruments**</b>				
Futures	107,272	-	-	107,272
<b>Total Assets</b>	<b>\$ 14,611,802</b>	<b>\$ 2,500,148</b>	<b>\$ -</b>	<b>\$ 17,111,950</b>
<b>Liabilities</b>				
<b>Other Financial Instruments**</b>				
Futures	(86)	-	-	(86)
<b>Total Liabilities</b>	<b>\$ (86)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (86)</b>

\*\* Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, which are valued at the unrealized appreciation (depreciation) at period end.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the period ended November 30, 2014.

**PORTFOLIO HOLDINGS**

**% of Total Investments**

Basic Materials	1.9%
Communications	4.6%
Consumer Discretionary	10.5%
Consumer Staples	1.8%
Financials	3.5%
Health Care	3.5%
Industrials	7.4%
Technology	16.6%
Investment Companies	35.5%
Money Market Fund	14.7%
	<u>100.0%</u>

**CVR DYNAMIC ALLOCATION FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**NOVEMBER 30, 2014**

**ASSETS**

Total investments, at value (Cost \$16,046,432)	\$ 17,004,678
Deposits with brokers	665,909
Cash	2,250,083
Receivables:	
Fund shares sold	30,000
Investment securities sold	303,739
Dividends	8,163
Prepaid expenses	3,952
Deferred offering costs	5,471
Total Assets	<u>20,271,995</u>

**LIABILITIES**

Payables:	
Investment securities purchased	731,056
Fund shares redeemed	21
Variation margin	5,554
Accrued Liabilities:	
Investment adviser fees	15,419
Fund services fees	6,639
Other expenses	21,054
Total Liabilities	<u>779,743</u>

**NET ASSETS**

\$ 19,492,252

**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 18,467,125
Accumulated net investment loss	(1,702)
Accumulated net realized loss	(38,201)
Net unrealized appreciation	1,065,030

**NET ASSETS**

\$ 19,492,252

**SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)**

Institutional Shares	1,824,531
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**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE**

Institutional Shares (based on net assets of \$19,492,252)	<u>\$ 10.68</u>
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**CVR DYNAMIC ALLOCATION FUND**  
**STATEMENT OF OPERATIONS**  
**PERIOD ENDED NOVEMBER 30, 2014\***

<b>INVESTMENT INCOME</b>	
Dividend income	\$ 94,706
Total Investment Income	<u>94,706</u>
<b>EXPENSES</b>	
Investment adviser fees	136,311
Fund services fees	126,063
Custodian fees	4,664
Registration fees	4,354
Professional fees	31,686
Trustees' fees and expenses	2,360
Offering costs	60,179
Miscellaneous expenses	23,569
Total Expenses	<u>389,186</u>
Fees waived and expenses reimbursed	<u>(207,417)</u>
Net Expenses	<u>181,769</u>
<b>NET INVESTMENT LOSS</b>	<u>(87,063)</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>	
Net realized gain (loss) on:	
Investments	(95,009)
Contribution by affiliate	88,576
Foreign currency transactions	(2,702)
Futures	56,295
Net realized gain	<u>47,160</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	958,246
Foreign currency translations	(402)
Futures	107,186
Net change in unrealized appreciation (depreciation)	<u>1,065,030</u>
<b>NET REALIZED AND UNREALIZED GAIN</b>	<u>1,112,190</u>
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$ 1,025,127</u>

\* Commencement of operations was December 30, 2013.

**CVR DYNAMIC ALLOCATION FUND**  
**STATEMENT OF CHANGES IN NET ASSETS**

	<b>December 30, 2013* through November 30, 2014</b>
<b>OPERATIONS</b>	
Net investment loss	\$ (87,063)
Net realized gain	47,160
Net change in unrealized appreciation (depreciation)	1,065,030
Increase in Net Assets Resulting from Operations	<u>1,025,127</u>
<b>CAPITAL SHARE TRANSACTIONS</b>	
Sale of shares:	
Institutional Shares	18,743,634
Redemption of shares:	
Institutional Shares	<u>(276,509)</u>
Increase in Net Assets from Capital Share Transactions	<u>18,467,125</u>
Increase in Net Assets	<u>19,492,252</u>
<b>NET ASSETS</b>	
Beginning of Period	<u>-</u>
End of Period (Including line (a))	<u>\$ 19,492,252</u>
<b>SHARE TRANSACTIONS</b>	
Sale of shares:	
Institutional Shares	1,851,891
Redemption of shares:	
Institutional Shares	<u>(27,360)</u>
Increase in Shares	<u>1,824,531</u>
(a) Accumulated net investment loss	<u>\$ (1,702)</u>
* Commencement of operations.	

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**CVR DYNAMIC ALLOCATION FUND**  
**FINANCIAL HIGHLIGHTS**

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These financial highlights reflect selected data for a share outstanding throughout the period.

	<b>December 30, 2013 (a) through November 30, 2014</b>
<b>INSTITUTIONAL SHARES</b>	
<b>NET ASSET VALUE, Beginning of Period</b>	<u>\$ 10.00</u>
<b>INVESTMENT OPERATIONS</b>	
Net investment loss (b)	(0.07)
Net realized and unrealized gain	0.68
Net gain from contribution by affiliate	<u>0.07</u>
Total from Investment Operations	<u>0.68</u>
<b>NET ASSET VALUE, End of Period</b>	<u>\$ 10.68</u>
<b>TOTAL RETURN</b>	6.80%(c)(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>	
Net Assets at End of Period (000's omitted)	\$19,492
Ratios to Average Net Assets:(e)	
Net investment loss	(0.70)(f)
Net expenses (g)	1.47(f)
Gross expenses (h)	3.14(f)
<b>PORTFOLIO TURNOVER RATE</b>	157%(d)

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- (a) Commencement of operations.  
(b) Calculated based on average shares outstanding during the period.  
(c) Calculation includes affiliate reimbursements and gains incurred on the contribution of capital. Excluding the effect of the net reimbursements from the Fund's ending net asset value per share, total return for the period ending November 30, 2014, would have been 6.10%.  
(d) Not annualized.  
(e) The ratios of expenses and net investment loss to average net assets do not reflect the Fund's proportionate share of income and expenses of underlying investment companies in which the Fund invests.  
(f) Annualized.  
(g) Net expenses include reimbursement of indirect fees by the Adviser, such as acquired fund fees and expenses.  
(h) Reflects the expense ratio excluding any waivers and/or reimbursements.

**Note 1. Organization**

The CVR Dynamic Allocation Fund (the “Fund”) is a diversified portfolio of Forum Funds II (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the “Act”), as amended. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund commenced operations on December 30, 2013. The Fund currently offers two classes of shares: Institutional Shares and Investor Shares. As of November 30, 2014, Investor Shares had not commenced operations. The Fund seeks to preserve and increase the purchasing power value of its shares over the long term.

**Note 2. Summary of Significant Accounting Policies**

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

**Security Valuation** – Exchange-traded securities (such as shares of exchange-traded funds) and over-the-counter securities are valued using the last quoted trade or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale, at the mean of the last bid and ask prices provided by independent pricing services. Futures contracts listed for trading on a securities exchange or board of trade shall be valued at the last quoted sales price or in the absence of a sale at the mean of the last bid and asked prices. Shares of non-exchange traded open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in 60 days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or not readily available or (2) the adviser believes that the values available are unreliable. The Trust’s Valuation Committee, as defined in the Fund’s registration statement, performs certain functions as they relate to the administration and oversight of the Fund’s valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad-hoc basis to review such investments and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with the adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different NAV than a NAV determined by using market quotes.

The Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets and liabilities

Level 2 — other significant observable inputs (including quoted prices of 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)

The aggregate value by input level, as of November 30, 2014, for the Fund’s investments is included at the end of the Fund’s Schedule of Investments.

**Security Transactions, Investment Income and Realized Gain and Loss** – Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

**Foreign Currency Translations** – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

**Futures Contracts** – The Fund may purchase futures contracts to gain exposure to market changes, which may be more efficient or cost effective than actually buying the securities. A futures contract is an agreement between parties to buy or sell a security at a set price on a future date. Upon entering into such a contract, a fund is required to pledge to the broker an amount of cash, U.S. Government obligations or other high-quality debt securities equal to the minimum “initial margin” requirements of the exchange on which the futures contract is traded. Pursuant to the contract, the fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as “variation margin” and are recorded by the fund as unrealized gains or losses. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and value at the time it was closed. Risks of entering into futures contracts include the possibility that there may be an illiquid market and that a change in the value of the contract may not correlate with changes in the value of the underlying securities.

Notional amounts of each individual futures contract outstanding as of November 30, 2014, for the Fund, are disclosed in the Schedule of Investments.

**Distributions to Shareholders** – Distributions to shareholders of net investment income, if any, are declared and paid at least annually. Distributions to shareholders of net capital gains, if any, are declared and paid annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

On December 12, 2014, the Fund paid distributions of \$0.032503 in long-term capital gains per share and \$0.033627 in short-term capital gains per share related to the period ended November 30, 2014.

**Federal Taxes** – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund will file a U.S. federal income and excise tax return as required. A fund’s federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of November 30, 2014, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure.

**Income and Expense Allocation** – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

**Offering Costs** – Offering costs for the Fund of \$65,650 consist of fees related to the mailing and printing of the initial prospectus, certain startup legal costs, and initial registration filings. Such costs are amortized over a twelve-month period beginning with the commencement of operations of the Fund.

**Commitments and Contingencies** – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund’s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

**Note 3. Cash – Concentration in Uninsured Account**

For cash management purposes the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of November 30, 2014, the Fund held \$2,000,083 as cash reserves at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

**Note 4. Fees and Expenses**

**Investment Adviser** – CVR Portfolio Funds LLC (the “Adviser”) is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.10% of the Fund’s average daily net assets.

The Adviser has employed a sub-adviser to manage a portion of the Fund's assets. The sub-advisory fee, calculated as a percentage of the Fund’s average daily net assets, is paid by the Adviser.

**Distribution** – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Fund has adopted a Distribution Plan (the “Plan”) in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund may pay the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the Fund’s average daily net assets of Investor Shares for providing distribution and/or shareholder services to the Fund. The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates.

**Other Service Providers** – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to the Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, the Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to the Fund, as well as certain additional compliance support functions.

**Trustees and Officers** – The Trust pays each Independent Trustee an annual retainer fee of \$5,000 for service to the Trust (\$20,000 for the Chairman). Effective January 1, 2015, the Trust will pay each Independent Trustee an annual retainer fee of \$16,000 for service to the Trust (\$21,000 for the Chairman). The Independent Trustees and Chairman may receive additional fees for special Board meetings. Each Independent Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Independent Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

**Note 5. Expenses Reimbursed and Fees Waived**

The Adviser has contractually agreed to waive its fee and/or reimburse certain expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, proxy expenses and extraordinary expenses) to 1.65% for Institutional Shares through March 31, 2015. Other fund service providers have voluntarily agreed to waive and reimburse a portion of their fees. These voluntary fee waivers and reimbursements may be reduced or eliminated at any time. For the period ended November 30, 2014, fees waived and expenses reimbursed were as follows:

<u>Investment Adviser Fees Waived</u>	<u>Investment Adviser Expenses Reimbursed*</u>	<u>Other Waivers</u>	<u>Total Fees Waived and Expenses Reimbursed</u>
\$ 136,311	\$ 23,936	\$ 47,170	\$ 207,417

\* Includes \$22,697 of Acquired Fund Fees and Expenses (“AFFE”) reimbursed by the Adviser.

The Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if such payment is made within three years of the fee waiver or expense reimbursement, is approved by the Fund’s Board of Trustees and does not cause the net annual fund operating expenses of a class to exceed the expense cap in place at the time the fees were waived. As of November 30, 2014, the following amounts are subject to recapture by the Adviser:

	<u>Amount of Fees Waived and/or Expenses Reimbursed</u>	<u>Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed</u>	<u>Fees Recouped</u>
November 30, 2014	\$ 160,247	November 30, 2017	\$ -

**CVR DYNAMIC ALLOCATION FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOVEMBER 30, 2014**

**Note 6. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended November 30, 2014, were \$30,109,411 and \$16,468,118, respectively.

During the period, the Adviser executed certain portfolio trades in anticipation of certain Fund shareholder purchases. Those shareholder purchases were not executed. The Adviser voluntarily contributed capital to the Fund to offset the unrealized depreciation related to the portfolio trades. The amount of the contribution is disclosed on the line Contribution by affiliate in the Statement of Operations.

**Note 7. Summary of Derivative Activity**

The volume of open derivative positions may vary on a daily basis as the Fund transacts derivative contracts in order to achieve the exposure desired by the Adviser. The notional value of activity for the period ended November 30, 2014 for any derivative type that was held during the year is as follows:

Futures Contracts \$ 171,430,804

The Fund's use of derivatives during the period ended November 30, 2014, was limited to futures contracts.

Following is a summary of the effect of derivatives on the Statement of Assets and Liabilities as of November 30, 2014:

<b>Location:</b>	<b>Interest Risk</b>	<b>Currency Risk</b>	<b>Equity Risk</b>	<b>Total</b>
<b>Liability derivatives:</b>				
Payable – variation margin	\$ 24	\$ (5,477)	\$ (101)	\$ (5,554)

Realized and unrealized gains and losses on derivatives contracts during the period ended November 30, 2014, by the Fund are recorded in the following locations on the Statement of Operations:

<b>Location:</b>	<b>Interest Risk</b>	<b>Commodity Risk</b>	<b>Currency Risk</b>	<b>Equity Risk</b>	<b>Total</b>
<b>Net realized gain (loss) on:</b>					
Futures	\$ 47,089	\$ 14,273	\$ (31,325)	26,258	\$ 56,295
<b>Total net realized gain (loss)</b>	<u>\$ 47,089</u>	<u>\$ 14,273</u>	<u>\$ (31,325)</u>	<u>26,258</u>	<u>\$ 56,295</u>
<b>Net change in unrealized appreciation (depreciation) on:</b>					
Futures	\$ 43,286	\$ -	\$ 21,519	42,381	\$ 107,186
<b>Total net change in unrealized appreciation (depreciation)</b>	<u>\$ 43,286</u>	<u>\$ -</u>	<u>\$ 21,519</u>	<u>42,381</u>	<u>\$ 107,186</u>

Asset (Liability) amounts shown in the table below represent amounts for derivative related investments at November 30, 2014. These amounts may be collateralized by cash or financial instruments.

<b>Liabilities:</b>	<b>Gross Asset (Liability) as Presented in the Statement of Assets and Liabilities</b>	<b>Financial Instruments (Received) Pledged**</b>	<b>Cash Collateral (Received) Pledged**</b>	<b>Net Amount</b>
Over-the-counter derivatives*	\$ (5,554)	-	\$ 5,554	-

\* Over-the-counter derivatives consists of futures contracts. The amounts disclosed above represent the exposure to one or more counterparties. For further detail on individual derivative contracts and the corresponding unrealized appreciation (depreciation), see the Schedule of Investments.

\*\* The actual financial instruments and cash collateral (received) pledged may be in excess of the amounts shown in the table. The table only reflects collateral amounts up to the amount of the financial instrument disclosed on the Statement of Assets and Liabilities.

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**CVR DYNAMIC ALLOCATION FUND**  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2014

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**Note 8. Federal Income Tax**

As of November 30, 2014, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$	62,110
Undistributed Long-Term Gain		60,034
Capital and Other Losses		(31,443)
Unrealized Appreciation		934,426
Total	\$	<u>1,025,127</u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales, mark to market, and 1256 contract treatment of futures.

For tax purposes, the current year post-October loss was \$29,741 and the current deferred late year ordinary loss was \$1,702 (realized during the period November 1, 2014 through November 30, 2014). These losses will be recognized for tax purposes on the first business day of the Fund's next fiscal year, December 1, 2015.

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the period ended November 30, 2014. The following reclassification was the result of currency gain/loss, section 988 transactions, and net operating loss offsetting short term gain and has no impact on the net assets of the Fund.

Undistributed Net Investment Income	\$	85,361
Accumulated Net Realized Gain		(85,361)

**Note 9. Subsequent Events**

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and the Fund has had no such events.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Board of Trustees of Forum Funds II and the Shareholders of  
CVR Dynamic Allocation Fund

We have audited the accompanying statement of assets and liabilities of the CVR Dynamic Allocation Fund (the "*Fund*"), a series of shares of beneficial interest in the Forum Funds II Trust, including the schedule of investments, as of November 30, 2014, and the related statements of operations and changes in net assets and the financial highlights for the period December 30, 2013 (commencement of operations) through November 30, 2014. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2014 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the CVR Dynamic Allocation Fund as of November 30, 2014, and the results of its operations, the changes in its net assets and its financial highlights for the period December 30, 2013 through November 30, 2014, in conformity with accounting principles generally accepted in the United States of America.



**BBD, LLP**

**Philadelphia, Pennsylvania**  
**January 23, 2015**

**CVR DYNAMIC ALLOCATION FUND**  
**ADDITIONAL INFORMATION (Unaudited)**  
**NOVEMBER 30, 2014**

**Proxy Voting Information**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (855) 328-7691 and on the U.S. Securities and Exchange Commission's (the "SEC") website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (855) 328-7691 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**Availability of Quarterly Portfolio Schedules**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. These filings are available, without charge and upon request on the SEC's website at [www.sec.gov](http://www.sec.gov) or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

**Shareholder Expense Example**

As a shareholder of the Fund, you incur ongoing costs, including management fees, distribution and/or service (12b-1) fees (for Investor Shares only), and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from June 1, 2014, through November 30, 2014.

**Actual Expenses** – The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

**Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	<u>Beginning Account Value June 1, 2014</u>	<u>Ending Account Value November 30, 2014</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
<b>Institutional Shares</b>				
Actual	\$ 1,000.00	\$ 1,027.91	\$ 7.52	1.48%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,017.65	\$ 7.49	1.48%

\* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by 365 to reflect the half-year period.

**Trustees and Officers of the Trust**

The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. Mr. Keffer and Mr. Hong are considered Interested Trustees due to their affiliation with Atlantic. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (855) 328-7691.

**CVR DYNAMIC ALLOCATION FUND**  
**ADDITIONAL INFORMATION (Unaudited)**  
**NOVEMBER 30, 2014**

<b>Name and Year of Birth</b>	<b>Position with the Trust</b>	<b>Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Series of Fund Complex<sup>1</sup> Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
<b>Independent Trustees</b>					
David Tucker Born: 1958	Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee	Since 2013	Director, Blue Sky Experience since 2008; Senior Vice President & General Counsel, American Century Companies 1998-2008.	33	Trustee, Forum Funds; Trustee, Forum ETF Trust
Mark D. Moyer Born: 1959	Trustee; Chairman, Audit Committee	Since 2013	Chief Financial Officer, Institute of International Education 2008-2011; Chief Financial Officer and Chief Restructuring Officer, Ziff Davids Media Inc. 2005-2008; Adjunct Professor of Accounting, Fairfield University since 2011.	9	Trustee, Forum ETF Trust; Trustee, Outlook Funds Trust
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2013	Principal, Portland Global Advisors 1996-2010.	9	Trustee, Forum ETF Trust
<b>Interested Trustees</b>					
Stacey E. Hong Born: 1966	Trustee	Since 2013	President, Atlantic since 2008.	8	None
John Y. Keffer <sup>2</sup> Born: 1942	Trustee	Since 2012	Chairman, Atlantic since 2008; President, Forum Investment Advisors, LLC since 2011; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997.	33	Trustee, Forum Funds, Forum ETF Trust and ALTMFX Trust; Director, Wintergreen Fund, Inc.
<b>Officers</b>					
Stacey E. Hong Born: 1966	President; Principal Executive Officer	Since 2013	President, Atlantic since 2008.	N/A	N/A
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2013	Senior Vice President, Atlantic since 2008.	N/A	N/A
Zachary Tackett Born: 1988	Vice President; Secretary; Anti-Money Laundering Compliance Officer	Since 2014	Associate Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.	N/A	N/A
Michael J. McKeen Born: 1971	Vice President	Since 2013	Senior Vice President, Atlantic since 2008.	N/A	N/A
Timothy Bowden Born: 1969	Vice President	Since 2013	Manager, Atlantic since 2008.	N/A	N/A
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A

<sup>1</sup>The Fund Complex includes the Trust, Forum Funds and Forum ETF Trust and is overseen by different Boards of Trustees.

<sup>2</sup>Atlantic is a subsidiary of Forum Holdings Corp. I, a Delaware corporation that is wholly owned by Mr. Keffer.

# **CVR DYNAMIC ALLOCATION FUND**

**FOR MORE INFORMATION:**

P.O. Box 588  
Portland, ME 04112  
(855) 328-7691 (toll free)

**INVESTMENT ADVISER**

CVR Portfolio Funds LLC  
One Bromfield Street, Suite 5100  
Boston, MA 02108

**TRANSFER AGENT**

Atlantic Fund Services  
P.O. Box 588  
Portland, ME 04112  
[www.atlanticfundservices.com](http://www.atlanticfundservices.com)

**DISTRIBUTOR**

Foreside Fund Services, LLC  
Three Canal Plaza, Suite 100  
Portland, Maine 04101  
[www.foreside.com](http://www.foreside.com)

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management, and other information.