

The logo consists of a stylized blue icon of a plant with several vertical stems of varying heights, resembling grass or reeds.

BAYWOOD FUNDS

**Annual Financials and Other Information
September 30, 2024**

**Advised by:
SKBA Capital Management, LLC
www.baywoodfunds.com**

BAYWOOD VALUEPLUS FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2024

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 96.4%			Real Estate - 5.0% (continued)		
Basic Materials - 4.3%			500	Weyerhaeuser Co. REIT	\$ 16,930
300	Air Products and Chemicals, Inc.	\$ 89,322			<u>249,782</u>
400	Packaging Corp. of America	86,160	Technology - 9.9%		
600	Rio Tinto PLC, ADR	42,702	1,200	Cisco Systems, Inc.	63,864
		<u>218,184</u>	750	International Business Machines Corp.	165,810
Capital Goods / Industrials - 9.0%			900	NetApp, Inc.	111,159
700	3M Co.	95,690	400	NXP Semiconductors NV	96,004
300	L3Harris Technologies, Inc.	71,361	300	Texas Instruments, Inc.	61,971
110	Parker-Hannifin Corp.	69,500			<u>498,808</u>
1,800	RTX Corp.	218,088	Transportation - 2.3%		
		<u>454,639</u>	250	FedEx Corp.	68,420
Communication Services - 4.9%			200	Union Pacific Corp.	49,296
7,600	AT&T, Inc.	167,200			<u>117,716</u>
1,900	Comcast Corp., Class A	79,363	Utilities - 3.6%		
		<u>246,563</u>	700	American Electric Power Co., Inc.	71,820
Consumer Discretionary - 8.7%			1,200	Pinnacle West Capital Corp.	106,308
500	Darden Restaurants, Inc.	82,065			<u>178,128</u>
400	Genuine Parts Co.	55,872	Total Common Stock (Cost \$3,390,286)		
800	Hasbro, Inc.	57,856			<u>4,851,360</u>
2,300	Kontoor Brands, Inc.	188,094	Money Market Fund - 3.3%		
200	Lowe's Cos., Inc.	54,170	168,206	First American Government Obligations Fund, Class X, 4.82% ^(b)	
		<u>438,057</u>		(Cost \$168,206)	168,206
Consumer Staples - 7.9%			Investments, at value - 99.7% (Cost \$3,558,492)		
800	Ingredion, Inc.	109,944	Other Assets & Liabilities, Net - 0.3%		
2,600	Kenvue, Inc.	60,138	Net Assets - 100.0%		
1,110	Molson Coors Beverage Co., Class B	63,847			<u>\$ 5,019,566</u>
300	PepsiCo., Inc.	51,015			<u>14,255</u>
400	Target Corp.	62,344			<u>\$ 5,033,821</u>
250	The Hershey Co.	47,945			
		<u>395,233</u>	ADR	American Depositary Receipt	
Energy - 9.0%			PLC	Public Limited Company	
500	Chevron Corp.	73,635	REIT	Real Estate Investment Trust	
1,100	ConocoPhillips	115,808	(a)	Non-income producing security.	
1,400	Equinor ASA, ADR	35,462	(b)	Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of September 30, 2024.	
6,200	Kinder Morgan, Inc.	136,958			
700	Phillips 66	92,015			
		<u>453,878</u>			
Financials - 19.0%			The following is a summary of the inputs used to value the Fund's instruments as of September 30, 2024.		
1,500	Air Lease Corp.	67,935	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.		
1,100	American International Group, Inc.	80,553			
1,100	Brookfield Asset Management, Ltd.	52,019			
1,200	Citigroup, Inc.	75,120			
500	CME Group, Inc.	110,325			
4,700	Corebridge Financial, Inc.	137,052			
1,200	MetLife, Inc.	98,976			
3,000	Radian Group, Inc.	104,070			
900	The Charles Schwab Corp.	58,329			
1,100	Truist Financial Corp.	47,047			
1,000	U.S. Bancorp	45,730			
1,400	Wells Fargo & Co.	79,086			
		<u>956,242</u>			
Health Care - 12.8%					
140	Amgen, Inc.	45,109			
700	Cardinal Health, Inc.	77,364			
4,336	Koninklijke Philips NV, ADR ^(a)	141,874			
1,550	Medtronic PLC	139,547			
1,300	Merck & Co., Inc.	147,628			
3,200	Pfizer, Inc.	92,608			
		<u>644,130</u>			
Real Estate - 5.0%					
4,200	Healthcare Realty Trust, Inc. REIT	76,230			
1,104	Realty Income Corp. REIT	70,016			
2,600	VICI Properties, Inc. REIT	86,606			

See Notes to Financial Statements.

BAYWOOD VALUEPLUS FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2024

PORTFOLIO HOLDINGS (Unaudited)**% of Total Investments**

Basic Materials	4.3%
Capital Goods / Industrials	9.1%
Communication Services	4.9%
Consumer Discretionary	8.7%
Consumer Staples	7.9%
Energy	9.0%
Financials	19.1%
Health Care	12.8%
Real Estate	5.0%
Technology	9.9%
Transportation	2.3%
Utilities	3.6%
Money Market Fund	3.4%
	<u>100.0%</u>

BAYWOOD VALUEPLUS FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2024

ASSETS	
Investments, at value (Cost \$3,558,492)	\$ 5,019,566
Receivables:	
Fund shares sold	2,109
Dividends	6,374
From investment advisor	11,586
Prepaid expenses	9,446
Total Assets	<u>5,049,081</u>
LIABILITIES	
Accrued Liabilities:	
Fund services fees	4,752
Other expenses	10,508
Total Liabilities	<u>15,260</u>
NET ASSETS	<u>\$ 5,033,821</u>
COMPONENTS OF NET ASSETS	
Paid-in capital	\$ 3,422,273
Distributable Earnings	<u>1,611,548</u>
NET ASSETS	<u>\$ 5,033,821</u>
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)	<u>218,400</u>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	<u>\$ 23.05</u>

BAYWOOD VALUEPLUS FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

INVESTMENT INCOME	
Dividend income (Net of foreign withholding taxes of \$2,474)	\$ 158,399
Total Investment Income	<u>158,399</u>
EXPENSES	
Investment advisor fees	22,305
Fund services fees	58,616
Transfer agent fees	19,380
Custodian fees	5,185
Registration fees	20,826
Professional fees	33,579
Trustees' fees and expenses	7,246
Shareholder reports	17,470
Other expenses	19,485
Total Expenses	<u>204,092</u>
Fees waived and expenses reimbursed	<u>(172,867)</u>
Net Expenses	<u>31,225</u>
NET INVESTMENT INCOME	<u>127,174</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain on investments	129,979
Net change in unrealized appreciation (depreciation) on investments	<u>821,954</u>
NET REALIZED AND UNREALIZED GAIN	<u>951,933</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 1,079,107</u>

BAYWOOD VALUEPLUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Years Ended September 30,	
	2024	2023
OPERATIONS		
Net investment income	\$ 127,174	\$ 120,020
Net realized gain	129,979	120,610
Net change in unrealized appreciation (depreciation)	821,954	275,694
Increase in Net Assets Resulting from Operations	<u>1,079,107</u>	<u>516,324</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid	<u>(240,472)</u>	<u>(191,543)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares	111,881	334,388
Reinvestment of distributions	239,380	191,229
Redemption of shares	<u>(75,626)</u>	<u>(164,807)</u>
Increase in Net Assets from Capital Share Transactions	<u>275,635</u>	<u>360,810</u>
Increase in Net Assets	<u>1,114,270</u>	<u>685,591</u>
NET ASSETS		
Beginning of Year	<u>3,919,551</u>	<u>3,233,960</u>
End of Year	<u>\$ 5,033,821</u>	<u>\$ 3,919,551</u>
SHARE TRANSACTIONS		
Sale of shares	5,376	16,809
Reinvestment of distributions	11,622	9,826
Redemption of shares	<u>(3,694)</u>	<u>(8,369)</u>
Increase in Shares	<u>13,304</u>	<u>18,266</u>

BAYWOOD VALUEPLUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each year.

	For the Years Ended September 30,				
	2024	2023	2022	2021	2020
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	\$ 19.11	\$ 17.31	\$ 20.03	\$ 14.96	\$ 17.03
INVESTMENT OPERATIONS					
Net investment income (a)	0.60	0.60	0.55	0.45	0.39
Net realized and unrealized gain (loss)	4.49	2.17	(1.26)	5.04	(1.86)
Total from Investment Operations	5.09	2.77	(0.71)	5.49	(1.47)
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.56)	(0.59)	(0.49)	(0.42)	(0.38)
Net realized gain	(0.59)	(0.38)	(1.52)	-	(0.22)
Total Distributions to Shareholders	(1.15)	(0.97)	(2.01)	(0.42)	(0.60)
NET ASSET VALUE, End of Year	\$ 23.05	\$ 19.11	\$ 17.31	\$ 20.03	\$ 14.96
TOTAL RETURN	27.46%	16.00%	(4.16)%	36.80%	(8.77)%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 5,034	\$ 3,920	\$ 3,234	\$ 3,389	\$ 2,588
Ratios to Average Net Assets:					
Net investment income	2.84%	3.08%	2.77%	2.39%	2.51%
Net expenses	0.70%	0.70%	0.70%	0.70%	0.70%
Gross expenses (b)	4.57%	4.75%	5.19%	5.66%	6.68%
PORTFOLIO TURNOVER RATE	22%	28%	48%	35%	40%

- (a) Calculated based on average shares outstanding during each year.
(b) Reflects the expense ratio excluding any waivers and/or reimbursements.

BAYWOOD SOCIALLY RESPONSIBLE FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2024

Shares	Security Description	Value	Shares	Security Description	Value										
Common Stock - 97.6%			Technology - 12.4%												
Basic Materials - 3.8%			2,300	Cisco Systems, Inc.	\$ 122,406										
200	Air Products and Chemicals, Inc.	\$ 59,548	1,100	Coherent Corp. ^(a)	97,801										
5,900	Graphic Packaging Holding Co.	174,581	3,200	Corning, Inc.	144,480										
500	Packaging Corp. of America	107,700	3,600	Intel Corp.	84,456										
		<u>341,829</u>	1,300	International Business Machines Corp.	287,404										
Capital Goods / Industrials - 6.7%			1,000	NetApp, Inc.	123,510										
800	3M Co.	109,360	1,100	NXP Semiconductors NV	264,011										
13,000	Clarivate PLC ^(a)	92,300			<u>1,124,068</u>										
300	Cummins, Inc.	97,137	Transportation - 1.4%												
4,400	nVent Electric PLC	309,144	500	Union Pacific Corp.	123,240										
		<u>607,941</u>	Utilities - 0.9%												
Communication Services - 5.1%			900	WEC Energy Group, Inc.	86,562										
600	Alphabet, Inc., Class A	99,510	Total Common Stock (Cost \$5,367,986)												
9,200	AT&T, Inc.	202,400			<u>8,830,243</u>										
3,800	Comcast Corp., Class A	158,726	Shares Security Description Value												
		<u>460,636</u>	Money Market Fund - 4.3%												
Consumer Discretionary - 7.0%			388,822	First American Government Obligations Fund, Class X, 4.82% ^(b)											
1,900	Aptiv PLC ^(a)	136,819		(Cost \$388,822)	<u>388,822</u>										
900	Genuine Parts Co.	125,712	Investments, at value - 101.9% (Cost \$5,756,808)												
4,500	Kontoor Brands, Inc.	368,010	Other Assets & Liabilities, Net - (1.9%)												
		<u>630,541</u>	Net Assets - 100.0%												
Consumer Staples - 4.3%					<u>\$ 9,219,065</u>										
7,900	Kenvue, Inc.	182,727			<u>(170,734)</u>										
1,600	Mondelez International, Inc., Class A	117,872			<u>\$ 9,048,331</u>										
500	PepsiCo., Inc.	85,025	ADR American Depositary Receipt												
		<u>385,624</u>	PLC Public Limited Company												
Energy - 9.6%			REIT Real Estate Investment Trust												
2,600	Devon Energy Corp.	101,712	(a) Non-income producing security.												
11,000	Kinder Morgan, Inc.	242,990	(b) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of September 30, 2024.												
3,000	Schlumberger NV	125,850	The following is a summary of the inputs used to value the Fund's instruments as of September 30, 2024.												
450	Texas Pacific Land Corp.	398,133	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>868,685</u>	<table border="1"> <thead> <tr> <th>Valuation Inputs</th> <th>Investments in Securities</th> </tr> </thead> <tbody> <tr> <td>Level 1 - Quoted Prices</td> <td>\$ 9,219,065</td> </tr> <tr> <td>Level 2 - Other Significant Observable Inputs</td> <td>-</td> </tr> <tr> <td>Level 3 - Significant Unobservable Inputs</td> <td>-</td> </tr> <tr> <td>Total</td> <td><u>\$ 9,219,065</u></td> </tr> </tbody> </table>			Valuation Inputs	Investments in Securities	Level 1 - Quoted Prices	\$ 9,219,065	Level 2 - Other Significant Observable Inputs	-	Level 3 - Significant Unobservable Inputs	-	Total	<u>\$ 9,219,065</u>
Valuation Inputs	Investments in Securities														
Level 1 - Quoted Prices	\$ 9,219,065														
Level 2 - Other Significant Observable Inputs	-														
Level 3 - Significant Unobservable Inputs	-														
Total	<u>\$ 9,219,065</u>														
Financials - 21.6%			The Level 1 value displayed in this table is Common Stock and a Money Market Fund. Refer to this Schedule of Investments for a further breakout of each security by industry.												
2,600	Air Lease Corp.	117,754													
1,400	American Express Co.	379,680													
3,100	American International Group, Inc.	227,013													
500	Berkshire Hathaway, Inc., Class B ^(a)	230,130													
2,775	Brookfield Corp.	147,491													
400	Cboe Global Markets, Inc.	81,948													
1,100	CME Group, Inc.	242,715													
7,000	Corebridge Financial, Inc.	204,120													
700	Interactive Brokers Group, Inc.	97,552													
4,050	W R Berkley Corp.	229,757													
		<u>1,958,160</u>													
Health Care - 20.3%															
1,500	AstraZeneca PLC, ADR	116,865													
4,000	Avantor, Inc. ^(a)	103,480													
800	Becton Dickinson & Co.	192,880													
1,400	Cardinal Health, Inc.	154,728													
7,500	Fortrea Holdings, Inc. ^(a)	150,000													
10,708	Koninklijke Philips NV, ADR ^(a)	350,366													
650	Labcorp Holdings, Inc.	145,262													
2,300	Medtronic PLC	207,069													
1,800	Merck & Co., Inc.	204,408													
200	Regeneron Pharmaceuticals, Inc. ^(a)	210,248													
		<u>1,835,306</u>													
Real Estate - 4.5%															
10,000	Healthcare Realty Trust, Inc. REIT	181,500													
2,071	Realty Income Corp. REIT	131,343													
2,800	Weyerhaeuser Co. REIT	94,808													
		<u>407,651</u>													

See Notes to Financial Statements.

BAYWOOD SOCIALLY RESPONSIBLE FUND**SCHEDULE OF INVESTMENTS**SEPTEMBER 30, 2024

PORTFOLIO HOLDINGS (Unaudited)**% of Total Investments**

Basic Materials	3.7%
Capital Goods / Industrials	6.6%
Communication Services	5.0%
Consumer Discretionary	6.9%
Consumer Staples	4.2%
Energy	9.4%
Financials	21.3%
Health Care	19.9%
Real Estate	4.4%
Technology	12.2%
Transportation	1.3%
Utilities	0.9%
Money Market Fund	4.2%
	<u>100.0%</u>

BAYWOOD SOCIALLY RESPONSIBLE FUND

STATEMENT OF ASSETS AND LIABILITIES

SEPTEMBER 30, 2024

ASSETS

Investments, at value (Cost \$5,756,808)	\$	9,219,065
Receivables:		
Fund shares sold		1,927
Dividends		10,579
From investment advisor		9,168
Prepaid expenses		9,633
Total Assets		<u>9,250,372</u>

LIABILITIES

Payables:		
Investment securities purchased		185,563
Fund shares redeemed		12
Accrued Liabilities:		
Fund services fees		5,229
Other expenses		11,237
Total Liabilities		<u>202,041</u>

NET ASSETS\$ 9,048,331**COMPONENTS OF NET ASSETS**

Paid-in capital	\$	5,363,015
Distributable Earnings		<u>3,685,316</u>
NET ASSETS	\$	<u>9,048,331</u>

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)511,901**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE**\$ 17.68

BAYWOOD SOCIALLY RESPONSIBLE FUND**STATEMENT OF OPERATIONS**FOR THE YEAR ENDED SEPTEMBER 30, 2024

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$2,355)	\$	218,203
Total Investment Income		<u>218,203</u>

EXPENSES

Investment advisor fees		56,540
Fund services fees		64,384
Transfer agent fees		19,380
Custodian fees		5,336
Registration fees		18,687
Professional fees		33,833
Trustees' fees and expenses		7,551
Shareholder reports		19,164
Other expenses		20,765
Total Expenses		<u>245,640</u>
Fees waived and expenses reimbursed		<u>(173,754)</u>
Net Expenses		<u>71,886</u>

NET INVESTMENT INCOME146,317**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain on investments		224,950
Net change in unrealized appreciation (depreciation) on investments		<u>1,604,921</u>

NET REALIZED AND UNREALIZED GAIN1,829,871**INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**\$ 1,976,188

BAYWOOD SOCIALLY RESPONSIBLE FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Years Ended September 30,	
	2024	2023
OPERATIONS		
Net investment income	\$ 146,317	\$ 135,177
Net realized gain	224,950	157,089
Net change in unrealized appreciation (depreciation)	1,604,921	809,424
Increase in Net Assets Resulting from Operations	<u>1,976,188</u>	<u>1,101,690</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid	<u>(304,037)</u>	<u>(296,577)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares	1,659,816	260,194
Reinvestment of distributions	297,165	290,272
Redemption of shares	(1,561,909)	(910,587)
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>395,072</u>	<u>(360,121)</u>
Increase in Net Assets	<u>2,067,223</u>	<u>444,992</u>
NET ASSETS		
Beginning of Year	<u>6,981,108</u>	<u>6,536,116</u>
End of Year	<u>\$ 9,048,331</u>	<u>\$ 6,981,108</u>
SHARE TRANSACTIONS		
Sale of shares	104,055	18,016
Reinvestment of distributions	19,247	20,068
Redemption of shares	(96,661)	(63,325)
Increase (Decrease) in Shares	<u>26,641</u>	<u>(25,241)</u>

BAYWOOD SOCIALLY RESPONSIBLE FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each year.

	For the Years Ended September 30,				
	2024	2023	2022	2021	2020
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	\$ 14.39	\$ 12.80	\$ 14.32	\$ 10.18	\$ 11.21
INVESTMENT OPERATIONS					
Net investment income (a)	0.29	0.27	0.25	0.18	0.15
Net realized and unrealized gain (loss)	3.60	1.91	(1.14)	4.19	(0.90)
Total from Investment Operations	3.89	2.18	(0.89)	4.37	(0.75)
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.26)	(0.27)	(0.21)	(0.14)	(0.15)
Net realized gain	(0.34)	(0.32)	(0.42)	(0.09)	(0.13)
Total Distributions to Shareholders	(0.60)	(0.59)	(0.63)	(0.23)	(0.28)
NET ASSET VALUE, End of Year	\$ 17.68	\$ 14.39	\$ 12.80	\$ 14.32	\$ 10.18
TOTAL RETURN	27.72%	17.10%	(6.58)%	43.10%	(6.67)%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 9,048	\$ 6,981	\$ 6,536	\$ 6,766	\$ 3,626
Ratios to Average Net Assets:					
Net investment income	1.81%	1.88%	1.73%	1.31%	1.45%
Net expenses	0.89%	0.89%	0.89%	0.89%	0.89%
Gross expenses (b)	3.03%	3.12%	3.17%	3.76%	5.10%
PORTFOLIO TURNOVER RATE	23%	25%	22%	15%	30%

- (a) Calculated based on average shares outstanding during each year.
(b) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund (individually, a “Fund” and collectively, the “Funds”) are diversified portfolios 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, as amended (the “Act”). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund’s shares of beneficial interest without par value. The Baywood Value*Plus* Fund commenced operations on December 2, 2013, through a reorganization of a collective investment trust into the Baywood Value*Plus* Fund. The collective investment trust was previously managed by the Baywood Value*Plus* Fund’s Advisor and portfolio management team. This collective investment trust was organized and commenced operations on June 27, 2008. The Baywood Value*Plus* Fund currently offers Institutional Shares. The Baywood Value*Plus* Fund seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The Baywood Socially*Responsible* Fund commenced operations on January 3, 2005. The Baywood Socially*Responsible* Fund currently offers Institutional Shares. The Baywood Socially*Responsible* Fund seeks to provide long-term capital growth.

Note 2. Summary of Significant Accounting Policies

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification Topic 946, “Financial Services – Investment Companies.” 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 year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of each Fund:

Security Valuation – Securities are recorded at fair value using last quoted trade or official closing price from the principal exchange where the security is traded, as provided by independent pricing services on each Fund business day. In the absence of a last trade, securities are valued at the mean of the last bid and ask price provided by the pricing service. Shares of non-exchange traded open-end mutual funds are valued at net asset value per share (“NAV”). Short-term investments that mature in sixty days or less may be recorded at amortized cost, which approximates fair value.

Pursuant to Rule 2a-5 under the Investment Company Act, the Trust’s Board of Trustees (the “Board”) has designated the Advisor, as defined in Note 3, as each Fund’s valuation designee to perform any fair value determinations for securities and other assets held by each Fund. The Advisor is subject to the oversight of the Board and certain reporting and other requirements intended to provide the Board the information needed to oversee the Advisor’s fair value determinations. The Advisor is responsible for determining the fair value of investments for which market quotations are not readily available in accordance with policies and procedures that have been approved by the Board. Under these procedures, the Advisor 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 Board has approved the Advisor’s fair valuation procedures as a part of each Fund’s compliance program and will review any changes made to the procedures.

The Advisor provides fair valuation inputs. In determining fair valuations, inputs may include market-based analytics that may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Advisor 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 Advisor 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 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.

GAAP has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the level of various “inputs” used to determine the value of each 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.

BAYWOOD FUNDS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

Level 2 - Prices determined using significant other observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Short-term securities are valued at amortized cost, which approximates market value, are categorized as Level 2 in the hierarchy. Municipal securities, long-term U.S. government obligations and corporate debt securities are valued in accordance with the evaluated price supplied by a pricing service and generally categorized as Level 2 in the hierarchy. Other securities that are categorized as Level 2 in the hierarchy include, but are not limited to, warrants that do not trade on an exchange, securities valued at the mean between the last reported bid and ask quotation and international equity securities valued by an independent third party with adjustments for changes in value between the time that the securities' respective local market closes and the close of the U.S. market.

Level 3 - Significant unobservable inputs (including each Fund's own assumptions in determining the fair value of investments).

The aggregate value by input level, as of September 30, 2024, for each Fund's investments is included at the end of each Fund's Schedule of Investments.

REITs – Each Fund has made certain investments in real estate investment trusts (“REITs”) which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REIT's taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. Each Fund may include the gross dividends from such REITs in income or may utilize estimates of any potential REIT dividend reclassifications in each Fund's annual distributions to shareholders and, accordingly, a portion of each Fund's distributions may be designated as a return of capital, require reclassification, or be under distributed on an excise basis and subject to excise tax.

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 determining the existence of a dividend declaration after exercising reasonable due diligence. Interest income is recorded on an accrual basis. Premium is amortized to the next call date above par, and discount is accreted to maturity using the effective interest method and included in interest income. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

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 at least at least 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 each Fund, timing differences and differing characterizations of distributions made by each Fund.

Federal Taxes – Each Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended (“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 Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. Each Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. During the year, each Fund did not incur any interest or penalties. Each Fund files a U.S. federal income and excise tax return as required. Each 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 September 30, 2024, 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.

Commitments and Contingencies – In the normal course of business, each Fund enters into contracts that provide general indemnifications by each Fund to the counterparty to the contract. Each Fund's maximum exposure under these arrangements is dependent on future claims that may be made against each Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote. Each Fund has determined that none of these arrangements requires disclosure on each Fund's statement of assets and liabilities.

Note 3. Fees and Expenses

Investment Advisor – SKBA Capital Management, LLC (the “Advisor”) is the investment adviser to the Funds. Pursuant to an investment advisory agreement, the Advisor receives an advisory fee, payable monthly, at an annual rate of 0.50% and 0.70% of the average daily net assets of Baywood ValuePlus Fund and Baywood SociallyResponsible Fund, respectively.

Distribution – Foreside Fund Services, LLC, a wholly owned subsidiary of Foreside Financial Group, LLC (d/b/a ACA Group) (the “Distributor”), acts as the agent of the Trust in connection with the continuous offering of shares of the Funds. The Funds do not have a distribution (12b-1) plan; accordingly, the Distributor does not receive compensation from the Funds for its distribution services. The Advisor compensates the Distributor directly for its services. The Distributor is not affiliated with the Advisor or Atlantic Fund Administration, LLC, a wholly owned subsidiary of Apex US Holdings LLC (d/b/a Apex Fund Services) (“Apex”) or their affiliates.

Other Service Providers – Apex provides fund accounting, fund administration, compliance and transfer agency services to each Fund. The fees related to these services are included in Fund services fees within the Statements of Operations. Apex also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Apex Services Agreement, each Fund pays Apex customary fees for its services. Apex provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer and an Anti-Money Laundering Officer to each Fund, as well as certain additional compliance support functions.

Trustees and Officers – Each Independent Trustee receives an annual fee of \$25,000 (\$32,500 for the Chairman) for service to the Trust. The Independent Trustees and Chairman may receive additional fees for special Board meetings. The Independent Trustees are also reimbursed for all reasonable out-of-pocket expenses incurred in connection with their duties as Trustees, including travel and related expenses incurred in attending Board meetings. The amount of Independent Trustees’ fees attributable to each Fund is disclosed in the Statements 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 each Fund.

Note 4. Expense Reimbursement and Fees Waived

The Advisor has contractually agreed to waive its fee and/or reimburse certain expenses to limit total operating expenses (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 0.70% through January 31, 2025, for Baywood ValuePlus Fund. The Advisor also has contractually agreed to waive its fees and/or reimburse certain expenses to limit total operating expenses (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 0.89% through January 31, 2025, for Baywood SociallyResponsible Fund. Other Fund service providers have agreed to waive a portion of their fees and such waivers may be changed or eliminated with the approval of the Board of Trustees of the Trust. For the year ended September 30, 2024, fees waived and expenses reimbursed were as follows:

	Investment Adviser Fees Waived	Investment Adviser Expenses Reimbursed	Other Waivers	Total Fees Waived and Expenses Reimbursed
Baywood ValuePlus Fund	\$ 22,305	\$ 129,562	\$ 21,000	\$ 172,867
Baywood SociallyResponsible Fund	56,540	96,214	21,000	173,754

The Advisor may be reimbursed by each Fund for fees waived and expenses reimbursed by the Advisor pursuant to the Expense Cap if such payment is made within three years of the fee waiver or expense reimbursement, and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the lesser of (i) the then-current expense cap, or (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. As of September 30, 2024, \$426,774 and \$430,466 in the Baywood ValuePlus Fund and Baywood SociallyResponsible Fund, respectively, is subject to recapture by the Advisor. Other Waivers are not eligible for recoupment.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended September 30, 2024 were as follows:

	Purchases	Sales
Baywood ValuePlus Fund	\$ 1,189,702	\$ 949,599
Baywood SociallyResponsible Fund	2,148,665	1,751,954

BAYWOOD FUNDS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 6. Federal Income Tax

As of September 30, 2024, the cost for federal income tax purposes and the components of net unrealized appreciation were as follows:

	<u>Tax Cost of Investments</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Baywood ValuePlus Fund	\$ 3,541,292	\$ 1,487,232	\$ (8,958)	\$ 1,478,274
Baywood SociallyResponsible Fund	5,756,245	3,482,350	(19,530)	3,462,820

Distributions paid during the fiscal years ended as noted were characterized for tax purposes as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
Baywood ValuePlus Fund			
2024	\$ 119,009	\$ 121,463	\$ 240,472
2023	118,073	73,470	191,543
Baywood SociallyResponsible Fund			
2024	131,870	172,167	304,037
2023	129,507	167,070	296,577

As of September 30, 2024, distributable earnings (accumulated loss) on a tax basis were as follows:

	<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-Term Gain</u>	<u>Net Unrealized Appreciation</u>	<u>Total</u>
Baywood ValuePlus Fund	\$ 1,415	\$ 131,859	\$ 1,478,274	\$ 1,611,548
Baywood SociallyResponsible Fund	2,001	220,495	3,462,820	3,685,316

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to wash sales, REITS and equity return of capital.

Note 7. 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 each Fund has had no such events.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund
and the Board of Trustees of Forum Funds II

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund (the “Funds”), each a series of Forum Funds II, as of September 30, 2024, the related statements of operations for the year then ended, the statements of changes in net assets and the financial highlights for each of the two years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of September 30, 2024, the results of their operations for the year then ended, and the changes in net assets and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Funds’ financial highlights for the years ended September 30, 2022, and prior, were audited by other auditors whose report dated November 28, 2022, expressed an unqualified opinion on those financial highlights.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2024, by correspondence with the custodian and broker. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Funds’ auditor since 2023.



COHEN & COMPANY, LTD.

Philadelphia, Pennsylvania
November 22, 2024

BAYWOOD FUNDS

IMPORTANT TAX INFORMATION (Unaudited)

SEPTEMBER 30, 2024

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund designate 97.30% and 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% and 100.00% for the qualified dividend rate (QDI), respectively.

Pursuant to Section 852(b)(3) of the Internal Revenue Code, Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund designated \$121,463 and \$172,167 as long-term capital gain dividends, respectively.

BAYWOOD FUNDS

OTHER INFORMATION (Unaudited)

SEPTEMBER 30, 2024

Changes in and Disagreements with Accountants (Item 8 of Form N-CSR)

N/A

Proxy Disclosure (Item 9 of Form N-CSR)

N/A

Remuneration Paid to Directors, Officers, and Others (Item 10 of Form N-CSR)

Please see financial statements in Item 7.

Statement Regarding the Basis for the Board's Approval of Investment Advisory Contract (Item 11 of Form N-CSR)

At the September 19, 2024 Board meeting ("September meeting"), the Board of Trustees of Forum Funds II, including the Trustees who are not "interested persons" of the Trust, met and considered the approval of the continuance of the investment advisory agreement between the Adviser and the Trust pertaining to the Funds (the "Advisory Agreement").

In preparation for the September meeting, the Board was presented with a range of information to assist in its deliberations. The Board requested and reviewed written responses from the Adviser to a letter circulated on the Board's behalf concerning the Adviser's personnel, operations, financial condition, performance, and services provided to the Funds by the Adviser. During its deliberations, the Board received an oral presentation from the Adviser and discussed the materials with the Adviser, independent legal counsel to the Independent Trustees ("Independent Legal Counsel"), and, as necessary, with the Trust's administrator. The Independent Trustees also met in executive session with Independent Legal Counsel while deliberating.

At the September meeting, the Board reviewed, among other matters, the topics discussed below:

Nature, Extent and Quality of Services

Based on written materials received and the presentation from the Adviser regarding the personnel, operations, and financial condition of the Adviser, the Board considered the quality of services provided by the Adviser under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser with principal responsibility for the Funds, as well as the investment philosophy and decision-making process of those professionals and the capability and integrity of the Adviser's senior management and staff.

The Board also considered the adequacy of the Adviser's resources and noted the Adviser's representations that the firm is in stable financial condition and has the operational capability and the necessary staffing and experience to continue providing high-quality investment advisory services to the Funds. Based on the presentation and the materials provided by the Adviser in connection with the Board's consideration of the renewal of the Advisory Agreement, among other relevant factors, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services provided to the Funds under the Advisory Agreement.

Performance

In connection with a presentation by the Adviser regarding its approach to managing the Funds, including the investment objective and strategy of each Fund, the Board reviewed the performance of each Fund compared to their respective primary benchmarks and compared to independent peer groups of funds identified by a third-party, independent service provider, Strategic Insight, Inc. ("Strategic Insight"), believed to have characteristics similar to those of the Funds.

The Board observed that the *SociallyResponsible* Fund outperformed its primary benchmark index, the Morningstar US Large Value Total Return Index, for the one- and five-year periods ended June 30, 2024, and underperformed its primary benchmark index for the three- and ten-year periods ended June 30, 2024, as well as the period since the *SociallyResponsible* Fund's inception on January 3, 2005. The Board observed that the *SociallyResponsible* Fund outperformed the average of its Strategic Insight peers for the one-, three-, and five-year periods ended June 30, 2024 and underperformed the average of its Strategic Insight peers for the ten-year period ended June 30, 2024. The Board noted the Adviser's representation that the *SociallyResponsible* Fund's relative outperformance during the short term could be attributed, at least in part, to sector allocation and stock selection. The Board also noted the Adviser's representation that the *SociallyResponsible* Fund's underperformance over the longer term could be attributed, at least in part, to a

BAYWOOD FUNDS

OTHER INFORMATION (Unaudited)

SEPTEMBER 30, 2024

significant shareholder redemption that occurred prior to the *SociallyResponsible* Fund's reorganization into the Trust at the beginning of 2016, which disproportionately impacted the *SociallyResponsible* Fund's long-term performance. The Board further noted the Adviser's representation that the Morningstar US Large Value Total Return Index did not have the same socially responsible investment constraints as those of the *SociallyResponsible* Fund, which could result in performance variance versus the index.

The Board observed that the *ValuePlus* Fund underperformed its primary benchmark index, the Morningstar US Large Value Total Return Index, for the one-, three- and ten-year periods ended June 30, 2024 and outperformed the primary benchmark index for the five-year period ended June 30, 2024 and for the period since the *ValuePlus* Fund's inception on June 27, 2008. The Board also observed that, based on the information provided by Strategic Insight, the *ValuePlus* Fund outperformed the average of its Strategic Insight peers for the one-, three-, and five-year periods ended June 30, 2024 and underperformed the average of its Strategic Insight peers for the ten-year period ended June 30, 2024. The Board noted the Adviser's representations that stock selection, particularly in the consumer discretionary, industrials, and health care space contributed to the *ValuePlus* Fund's performance during the year. The Board also noted the Adviser's representation that the *ValuePlus* Fund's active management style and value bias remained out of favor in the market relative to passive investment and growth-oriented strategies.

In consideration of the Funds' investment strategies and the foregoing performance information, among other considerations, the Board determined that the Funds could benefit from the Adviser's continued management of each Fund.

Compensation

The Board evaluated the Adviser's compensation for providing advisory services to the Funds and analyzed comparative information on actual advisory fee rates and actual total expense ratios of the Funds as compared to those of their respective Strategic Insight peer groups. The Board observed that the Adviser's net management fee rates for each of the Funds were less than the medians of their respective Strategic Insight peer groups. The Board also observed that the net total expense ratio for the *ValuePlus* Fund was less than the median of its Strategic Insight peer group and that, although the net total expense ratio for the *SociallyResponsible* Fund was higher than the median of its Strategic Insight peer group, the *SociallyResponsible* Fund's net total expense ratio was within a narrow range of the median of its peers. Based on the foregoing, and other relevant considerations, the Board concluded that the Adviser's advisory fee rates charged to the Funds were reasonable.

Cost of Services and Profitability

The Board considered information provided by the Adviser regarding the costs of services and its profitability with respect to the Funds. In this regard, the Board considered the Adviser's resources devoted to the Funds, as well as the information provided by the Adviser regarding the costs and profitability of its Fund activities. The Board noted the Adviser's representation that, as a result of the contractual expense limitation arrangement in place for each of the Funds, the Adviser was not earning any profit from its mutual fund operations but that the Adviser was willing to continue subsidizing the Funds in an effort to support growth initiatives. Based on these and other applicable considerations, including financial statements from the Adviser indicating its profitability and expenses from overall operations, the Board concluded that the Adviser's costs of services and profits attributable to management of the Funds appeared to be reasonable in light of the nature, extent and quality of the services provided by the Adviser.

Economies of Scale

The Board evaluated whether the Funds were benefitting, or may benefit in the future, from any economies of scale. In this respect, the Board considered the Funds' fee structures, asset sizes, and net expense ratios. The Board noted the Adviser's representation that economies of scale could be experienced if the Funds were to reach significantly higher asset levels but that, in light of the Funds' current asset levels and the Adviser's ongoing subsidization of the Funds, breakpoints in the advisory fee were not believed by the Adviser to be appropriate at this time. Based on the foregoing information and other applicable considerations, the Board concluded that the asset levels of the Funds were not consistent with the existence of economies of scale and that economies of scale were not a material factor in approving the continuation of the Advisory Agreement.

Other Benefits

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Funds. Based on the foregoing representation and the materials presented, the Board concluded that other benefits

BAYWOOD FUNDS

OTHER INFORMATION (Unaudited)

SEPTEMBER 30, 2024

received by the Adviser from its relationship with the Funds were not a material factor to consider in approving the continuation of the Advisory Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Fund counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.



BAYWOOD FUNDS

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

217-ANR-0924