



Al Frank
MUTUAL FUNDS

2019

Semi-Annual Report

AL FRANK FUND

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website www.alfrankfunds.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically or to continue receiving paper copies of shareholder reports, which are available free of charge, by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you.

AI Frank Fund
PORTFOLIO REVIEW (Unaudited)
June 30, 2019

The Fund's performance figures* for the periods ended June 30, 2019, compared to its benchmark:

	Six Months	One Year	Annualized			
			Five Year	Ten Year	Since Inception (1/2/98)	Since Inception (4/30/06)
AI Frank Fund - Investor Class**	13.22%	4.22%	5.31%	12.23%	9.90%	N/A
AI Frank Fund - Advisor Class***	13.39%	4.51%	5.58%	12.51%	N/A	5.77%
S&P 500® Total Return Index****	18.54%	10.42%	10.71%	14.70%	7.28%	8.60%
Russell 3000® Index*****	16.05%	7.34%	7.31%	13.14%	7.22%	6.73%

Returns reflect the reinvestment of dividends and capital gains. Fee waivers are in effect. In the absence of fee waivers, returns would have been reduced. The performance data and graphs above do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. Performance data shown does not reflect the 2.00% redemption fee imposed on shares held 60 days or less. If it did, returns would have been reduced.

* Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data for the most recent month-end is available at www.aifrankfunds.com. The Fund's total annual operating expenses are 1.64% for the Investor Class and 1.39% for the Advisor Class, respectively, per the May 1, 2019 prospectus. After fee waivers, the Fund's total annual operating expenses are 1.49% for the Investor Class and 1.24% for the Advisor Class, respectively.

** Commencement of operations on January 2, 1998.

*** Commencement of operations on April 30, 2006.

**** The S&P 500® Index is a broad based unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic market. You cannot invest directly in an index.

***** The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies determined by total market capitalization. You cannot invest directly in an index.

Holdings By Asset Class as of June 30, 2019	% of Net Assets
Information Technology	21.53%
Financials	16.20%
Industrials	12.74%
Consumer Discretionary	11.54%
Health Care	10.01%
Communication Services	7.06%
Consumer Staples	5.57%
Materials	5.21%
Energy	5.05%
Real Estate	3.52%
Other, Cash & Cash Equivalents	1.57%
	<u>100.00%</u>

Please refer to the Schedule of Investments in this semi-annual report for a detailed analysis of the Fund's holdings.

Al Frank Fund **SCHEDULE OF INVESTMENTS at June 30, 2019 (Unaudited)**

Shares		Value
	COMMON STOCKS - 98.43%	
	COMMUNICATION SERVICES - 7.06%	
	Internet - 1.41%	
1,000	Alphabet, Inc. (a)	\$ 1,080,910
	Media - 4.08%	
30,000	Comcast Corp. - Class A	1,268,400
13,250	Walt Disney Co.	1,850,230
		3,118,630
	Telecommunications - 1.57%	
17,000	AT&T, Inc.	569,670
11,000	Verizon Communications, Inc.	628,430
		1,198,100
	Total Communication Services (Cost \$2,651,486)	5,397,640
	CONSUMER DISCRETIONARY - 11.54%	
	Auto Manufacturers - 1.14%	
22,500	General Motors Co.	866,925
	Auto Parts & Equipment - 0.70%	
35,000	Goodyear Tire & Rubber Co.	535,500
	Home Builders - 1.69%	
39,456	MDC Holdings, Inc.	1,293,368
	Home Furnishings - 1.21%	
6,500	Whirlpool Corp.	925,340
	Leisure Time - 1.75%	
11,000	Royal Caribbean Cruises Ltd.	1,333,310
	Retail - 5.05%	
20,000	Designer Brands, Inc.	383,400
14,000	Foot Locker, Inc.	586,880
12,000	Kohl's Corp.	570,600
25,000	Tapestry, Inc.	793,250
9,000	Target Corp.	779,490
11,500	Williams-Sonoma, Inc.	747,500
		3,861,120
	Total Consumer Discretionary (Cost \$6,352,707)	8,815,563
	CONSUMER STAPLES - 5.57%	
	Agriculture - 1.47%	
27,500	Archer-Daniels-Midland Co.	1,122,000
	Food - 1.87%	
25,000	Kroger Co.	542,750
11,000	Tyson Foods, Inc. - Class A	888,140
		1,430,890

Al Frank Fund **SCHEDULE OF INVESTMENTS at June 30, 2019 (Unaudited)(Continued)**

Shares		Value
	Retail - 2.23%	
8,900	Walgreens Boots Alliance, Inc.	\$ 486,563
11,000	Wal-Mart, Inc.	1,215,390
		1,701,953
	Total Consumer Staples (Cost \$2,584,487)	4,254,843
	ENERGY - 5.05%	
	Oil & Gas - 3.28%	
12,400	Exxon Mobil Corp.	950,212
12,000	HollyFrontier Corp.	555,360
18,000	Total SA - ADR	1,004,220
		2,509,792
	Oil & Gas Services - 0.70%	
13,500	Schlumberger Ltd.	536,490
	Transportation - 1.07%	
65,000	Ship Finance International Ltd. (b)	813,150
	Total Energy (Cost \$3,322,066)	3,859,432
	FINANCIALS - 16.20%	
	Banks - 11.19%	
30,000	Bank of America Corp.	870,000
18,000	Bank of New York Mellon Corp.	794,700
29,000	BB&T Corp.	1,424,770
30,000	Fifth Third Bancorp.	837,000
4,500	Goldman Sachs Group, Inc.	920,700
15,000	JPMorgan Chase & Co.	1,677,000
60,000	Old National Bancorp	995,400
7,500	PNC Financial Services Group, Inc.	1,029,600
		8,549,170
	Diversified Financial Services - 1.54%	
13,000	Capital One Financial Corp.	1,179,620
	Insurance - 3.47%	
10,000	Axis Capital Holdings Ltd. (b)	596,500
18,000	MetLife, Inc.	894,060
11,500	Prudential Financial, Inc.	1,161,500
		2,652,060
	Total Financials (Cost \$6,832,173)	12,380,850
	HEALTH CARE - 10.01%	
	Biotechnology - 2.82%	
8,500	Amgen, Inc.	1,566,380
2,500	Biogen Idec, Inc. (a)	584,675
		2,151,055

Al Frank Fund

SCHEDULE OF INVESTMENTS at June 30, 2019 (Unaudited)(Continued)

Shares		Value
	Health Care Products - 2.93%	
11,500	Abbott Laboratories	\$ 967,150
7,000	Medtronic PLC	681,730
5,000	Zimmer Biomet Holdings, Inc.	588,700
		<u>2,237,580</u>
	Health Care Services - 0.00% ^	
1	Encompass Health Corp.	<u>63</u>
	Pharmaceuticals - 4.26%	
11,200	Cardinal Health, Inc.	527,520
6,702	CVS Health Corp.	365,192
7,500	Johnson & Johnson	1,044,600
8,000	Merck & Co, Inc.	670,800
15,000	Pfizer, Inc.	649,800
		<u>3,257,912</u>
	Total Health Care (Cost \$5,627,819)	<u>7,646,610</u>
	INDUSTRIALS - 12.74%	
	Airlines - 1.19%	
16,000	Delta Air Lines, Inc.	<u>908,000</u>
	Commercial Services - 1.52%	
12,000	ManpowerGroup, Inc.	<u>1,159,200</u>
	Construction & Engineering - 0.57%	
11,666	Arcosa, Inc.	<u>438,992</u>
	Machinery- Construction & Mining - 1.43%	
8,000	Caterpillar, Inc.	<u>1,090,320</u>
	Machinery- Diversified - 2.91%	
5,500	Cummins, Inc.	942,370
7,750	Deere & Co.	1,284,252
		<u>2,226,622</u>
	Miscellaneous Manufacturing - 2.59%	
15,000	Eaton Corp. PLC	1,249,200
35,000	Trinity Industries, Inc.	726,250
		<u>1,975,450</u>
	Transportation - 2.53%	
4,500	FedEx Corp.	738,855
6,000	Norfolk Southern Corp.	1,195,980
		<u>1,934,835</u>
	Total Industrials (Cost \$5,868,192)	<u>9,733,419</u>

Al Frank Fund **SCHEDULE OF INVESTMENTS at June 30, 2019 (Unaudited)(Continued)**

Shares		Value
	INFORMATION TECHNOLOGY - 21.53%	
	Computers - 5.47%	
7,500	Apple, Inc.	\$ 1,484,400
7,100	International Business Machines Corp.	979,090
11,000	NetApp, Inc.	678,700
22,000	Seagate Technology PLC (b)	1,036,640
		<u>4,178,830</u>
	Electronics - 2.97%	
15,500	Benchmark Electronics, Inc.	389,360
47,100	Corning, Inc.	1,565,133
10,000	Jabil, Inc.	316,000
		<u>2,270,493</u>
	Internet - 1.02%	
36,000	Symantec Corp.	783,360
		<u>783,360</u>
	Semiconductors - 5.84%	
40,000	Cohu, Inc.	617,200
23,000	Intel Corp.	1,101,010
2,900	Lam Research Corp.	544,736
50,000	Marvell Technology Group Ltd.	1,193,500
13,200	QUALCOMM, Inc.	1,004,124
		<u>4,460,570</u>
	Software - 3.64%	
11,000	Microsoft Corp.	1,473,560
23,000	Oracle Corp.	1,310,310
		<u>2,783,870</u>
	Telecommunications - 2.59%	
21,500	Cisco Systems, Inc.	1,176,695
30,000	Juniper Networks, Inc.	798,900
		<u>1,975,595</u>
	Total Information Technology (Cost \$8,331,800)	<u>16,452,718</u>
	MATERIALS - 5.21%	
	Chemicals - 2.87%	
8,000	Albemarle Corp.	563,280
10,000	Celanese Corp. - Class A	1,078,000
22,000	The Mosaic Company	550,660
		<u>2,191,940</u>
	Forest Products & Paper - 1.16%	
20,500	International Paper Co.	888,060
		<u>888,060</u>
	Mining - 1.18%	
23,500	Newmont Goldcorp. Corp.	904,045
		<u>904,045</u>
	Total Materials (Cost \$3,308,869)	<u>3,984,045</u>

Al Frank Fund **SCHEDULE OF INVESTMENTS at June 30, 2019 (Unaudited)(Continued)**

Shares		Value
	REAL ESTATE - 3.52%	
	Real Estate Investment Trusts (REITS) - 3.52%	
9,100	Digital Realty Trust, Inc.	\$ 1,071,889
50,000	Kimco Realty Corp.	924,000
40,000	Physicians Realty Trust	697,600
	Total Real Estate (Cost \$2,346,780)	2,693,489
	TOTAL COMMON STOCKS (Cost \$47,226,379)	75,218,609
	SHORT-TERM INVESTMENT - 1.54%	
	Money Market Fund - 1.54%	
1,179,850	Fidelity Investments Money Market Funds - Government Portfolio - Class I, to yield 2.25% (c)	1,179,850
	TOTAL SHORT-TERM INVESTMENT (Cost \$1,179,850)	1,179,850
	Total Investments (Cost \$48,406,229) - 99.97%	\$ 76,398,459
	Other assets less liabilities: 0.03%	19,964
	NET ASSETS: 100.00%	\$ 76,418,423

ADR - American Depositary Receipt

^ Represents less than 0.005%

(a) Non-income producing security.

(b) U.S. traded security of a foreign issuer.

(c) Rate shown is the 7-day annualized yield as of June 30, 2019.

AI Frank Fund

STATEMENT OF ASSETS AND LIABILITIES (Unaudited)

June 30, 2019

ASSETS

Investment securities:

At cost	\$ 48,406,229
At value	\$ 76,398,459

Receivable for Fund shares sold	1,000
Dividends and interest receivable	147,913
Prepaid expenses & other assets	8,354

TOTAL ASSETS	76,555,726
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LIABILITIES

Payable for Fund shares redeemed	24,239
Investment advisory fees payable	49,753
Distribution (12b-1) fees payable	15,155
Payable to Related Parties	16,993
Accrued expenses and other liabilities	31,163

TOTAL LIABILITIES	137,303
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NET ASSETS

	\$ 76,418,423
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Net Assets Consist Of:

Paid in capital	\$ 44,706,664
Accumulated Earnings	31,711,759

NET ASSETS

	\$ 76,418,423
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Net Asset Value Per Share:

Investor Class Shares:

Net Assets	\$ 71,030,879
Shares of beneficial interest outstanding (\$0 par value, unlimited shares authorized)	3,026,610
Net asset value (Net Assets ÷ Shares Outstanding), offering price and redemption price per share (a)	\$ 23.47

Advisor Class Shares:

Net Assets	\$ 5,387,544
Shares of beneficial interest outstanding (\$0 par value, unlimited shares authorized)	228,912
Net asset value (Net Assets ÷ Shares Outstanding), offering price and redemption price per share (a)	\$ 23.54

(a) Redemptions of shares held less than 60 days may be assessed a redemption fee of 2.00%.

*Al Frank Fund***STATEMENT OF OPERATIONS (Unaudited)****For the Six Months Ended June 30, 2019****INVESTMENT INCOME**

Dividends	\$	1,098,175
Interest		16,836
TOTAL INVESTMENT INCOME		<u>1,115,011</u>

EXPENSES

Investment advisory fees	386,117
Distribution (12b-1) fees:	
Investor Class	89,820
Registration fees	36,200
Transfer agent fees	25,340
Administration fees	21,186
Fund accounting fees	17,394
Shareholder reporting expense	16,480
Trustees' fees	12,322
Legal fees	8,883
Third party administrative servicing fees	7,348
Compliance officer fees	6,706
Audit fees	6,516
Custody fees	5,249
Insurance expense	2,172
Other expenses	2,715
TOTAL EXPENSES	<u>644,448</u>

Less: Fees waived by the Adviser	<u>(75,725)</u>
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NET EXPENSES	<u>568,723</u>
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NET INVESTMENT INCOME	<u>546,288</u>
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REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investments	3,081,825
Net change in unrealized appreciation on investments	<u>5,994,242</u>

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	<u>9,076,067</u>
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NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$ 9,622,355</u></u>
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Al Frank Fund

STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2019 (Unaudited)	For the Year Ended December 31, 2018
FROM OPERATIONS		
Net investment income	\$ 546,288	\$ 860,658
Net realized gain on investments	3,081,825	5,841,646
Net change in unrealized appreciation/(depreciation) of investments	5,994,242	(13,021,779)
Net increase/(decrease) in net assets resulting from operations	9,622,355	(6,319,475)
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid		
Investor Class	-	(493,805)
Advisor Class	-	(6,610,378)
Net decrease in net assets from distributions to shareholders	-	(7,104,183)
FROM SHARES OF BENEFICIAL INTEREST		
Proceeds from shares sold		
Investor Class	816,754	811,203
Advisor Class	130,225	208,068
Net asset value of shares issued in reinvestment of distributions		
Investor Class	-	6,447,755
Advisor Class	-	489,920
Payments for shares redeemed		
Investor Class	(7,108,032)	(9,963,628)
Advisor Class	(449,821)	(1,149,505)
Redemption fee proceeds		
Investor Class	43	60
Advisor Class	3	5
Net decrease in net assets from shares of beneficial interest	(6,610,828)	(3,156,122)
TOTAL INCREASE/(DECREASE) IN NET ASSETS	3,011,527	(16,579,780)
NET ASSETS		
Beginning of Period	73,406,896	89,986,676
End of Period	\$ 76,418,423	\$ 73,406,896

*Al Frank Fund***STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	For the Six Months Ended June 30, 2019 (Unaudited)	For the Year Ended December 31, 2018
SHARE ACTIVITY - INVESTOR CLASS		
Shares sold	36,537	32,583
Shares reinvested	-	296,858
Shares redeemed	(309,262)	(403,523)
Net decrease in shares of beneficial interest outstanding	<u>(272,725)</u>	<u>(74,082)</u>
SHARE ACTIVITY - ADVISOR CLASS		
Shares sold	5,994	8,245
Shares reinvested	-	22,525
Shares redeemed	(19,582)	(45,051)
Net decrease in shares of beneficial interest outstanding	<u>(13,588)</u>	<u>(14,281)</u>

AI Frank Fund

FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period

	Investor Class					
	Six Months Ended June 30, 2019 (Unaudited)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Net asset value, beginning of year	\$ 20.72	\$ 24.79	\$ 23.27	\$ 21.13	\$ 24.67	\$ 26.24
Activity from investment operations:						
Net investment income (1)	0.16	0.25	0.32	0.29	0.24	0.28
Net realized and unrealized gain/(loss) on investments	2.59	(2.16)	3.79	3.03	(1.83)	1.13
Total from investment operations	2.75	(1.91)	4.11	3.32	(1.59)	1.41
Less distributions from:						
Net investment income	-	(0.25)	(0.31)	(0.30)	(0.23)	(0.31)
From net realized gain on investments	-	(1.91)	(2.28)	(0.88)	(1.69)	(2.67)
From return of capital	-	-	-	-	(0.03)	-
Total distributions	-	(2.16)	(2.59)	(1.18)	(1.95)	(2.98)
Paid in capital from redemption fees (5)	0.00	0.00	0.00	0.00	0.00	0.00
Net asset value, end of year	\$ 23.47	\$ 20.72	\$ 24.79	\$ 23.27	\$ 21.13	\$ 24.67 (6)
Total return (2)	13.22% (10)	(8.10)% (8)	17.76%	15.62%	(6.32)%	5.43% (7)
Net assets, at end of year (000s)	\$ 71,031	\$ 68,373	\$ 83,611	\$ 69,119	\$ 71,470	\$ 86,670
Ratio of gross expenses to average net assets (3)(4)	1.69% (9)	1.64%	1.61%	1.64%	1.58%	1.57%
Ratio of net expenses to average net assets (4)	1.49% (9)	1.49%	1.50%	1.51%	1.49%	1.49%
Ratio of net investment income to average net assets (4)	1.40% (9)	0.98%	1.28%	1.33%	0.96%	1.04%
Portfolio turnover rate	1.49% (10)	16.28%	22.16%	7.99%	12.38%	17.85%

(1) Per share amounts calculated using the average shares method, which more appropriately presents the per share data for the year.

(2) Total returns shown exclude the effect of applicable redemption fees. Had the Adviser not waived a portion of the Fund's expenses, total returns would have been lower.

(3) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the Adviser.

(4) Does not include the expenses of other investment companies in which the Fund invests.

(5) Amount represents less than \$0.005 per share.

(6) The NAV and offering price shown above differs from the traded NAV on December 31, 2014 due to financial statement rounding and/or financial statement adjustments made in accordance with accounting principles generally accepted in the U.S.

(7) Total return was calculated using the adjusted NAV on December 31, 2014.

(8) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(9) Annualized for periods less than one full year.

(10) Not annualized.

AI Frank Fund

FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period

	Advisor Class					
	Six Months Ended June 30, 2019 (Unaudited)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Net asset value, beginning of year	\$ 20.76	\$ 24.83	\$ 23.30	\$ 21.16	\$ 24.71	\$ 26.27
Activity from investment operations:						
Net investment income (1)	0.19	0.31	0.38	0.35	0.29	0.35
Net realized and unrealized gain/(loss) on investments	2.59	(2.15)	3.80	3.03	(1.82)	1.14
Total from investment operations	2.78	(1.84)	4.18	3.38	(1.53)	1.49
Less distributions from:						
Net investment income	-	(0.32)	(0.37)	(0.36)	(0.30)	(0.38)
From net realized gain on investments	-	(1.91)	(2.28)	(0.88)	(1.69)	(2.67)
From return of capital	-	-	-	-	(0.03)	-
Total distributions	-	(2.23)	(2.65)	(1.24)	(2.02)	(3.05)
Paid in capital from redemption fees (5)	0.00	0.00	0.00	0.00	0.00	0.00
Net asset value, end of year	\$ 23.54	\$ 20.76	\$ 24.83	\$ 23.30	\$ 21.16	\$ 24.71
Total return (2)	13.39% (7)	(7.83)%	18.05%	15.87%	(6.09)%	5.73%
Net assets, at end of year (000s)	\$ 5,388	\$ 5,033	\$ 6,376	\$ 2,673	\$ 2,820	\$ 4,098
Ratio of gross expenses to average net assets (3)(4)	1.44% (6)	1.39%	1.36%	1.39%	1.32%	1.32%
Ratio of net expenses to average net assets (4)	1.24% (6)	1.24%	1.25%	1.26%	1.24%	1.24%
Ratio of net investment income to average net assets (4)	1.64% (6)	1.23%	1.52%	1.59%	1.21%	1.28%
Portfolio turnover rate	1.49% (7)	16.28%	22.16%	7.99%	12.38%	17.85%

(1) Per share amounts calculated using the average shares method, which more appropriately presents the per share data for the year.

(2) Total returns shown exclude the effect of applicable redemption fees. Had the Adviser not waived a portion of the Fund's expenses, total returns would have been lower.

(3) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the Adviser.

(4) Does not include the expenses of other investment companies in which the Fund invests.

(5) Amount represents less than \$0.005 per share.

(6) Annualized for periods less than one full year.

(7) Not annualized.

Al Frank Fund

NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)

NOTE 1 - ORGANIZATION

The Al Frank Fund (the “Fund”) is a diversified series of Northern Lights Fund Trust II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) as an open-end management investment company. The investment objective of the Al Frank Fund is long-term capital appreciation. The Al Frank Fund Investor and Advisor Classes commenced operations on January 2, 1998, and April 30, 2006, respectively.

Advisor Class Shares are offered primarily to qualified registered investment advisers, financial advisors and investors such as pension and profit sharing plans, employee benefit trusts, endowments, foundations and corporations. Advisor Class Shares may be purchased through certain financial intermediaries and mutual fund supermarkets that charge their customers transaction or other fees with respect to their customers’ investment in the Fund. The Fund may also be purchased by qualified investors directly through the Fund’s Transfer Agent. Wrap account programs established with broker-dealers or financial intermediaries may purchase Advisor Class Shares only if the program for which the shares are being acquired will not require the Fund to pay any type of distribution or administration payment to any third-party. A registered investment advisor may aggregate all client accounts investing in the Fund to meet the Advisor Class Shares investment minimum.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies” including FASB Accounting Standard Update “ASU” 2013-08.

- A. *Security Valuation:* All investments in securities are recorded at their estimated fair value, as described in Note 3.
- B. *Federal Income Taxes:* It is the Fund’s policy to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of their taxable income to shareholders. Therefore, no provision for Federal income taxes has been recorded.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years ended December 31, 2016 to December 31, 2018, or expected to be taken in the Fund’s December 31, 2019 year-end tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and the state of Ohio. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

- C. *Security Transactions, Income and Distributions:* Security transactions are accounted for on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost. Interest income is recorded on an accrual basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

Investment income, expenses (other than those specific to the class of shares), and realized and unrealized gains and losses on investments are allocated to the separate classes of the Fund’s shares based upon their

Al Frank Fund

NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)(Continued)

relative net assets on the date income is earned or expenses, realized and unrealized gains and losses are incurred. The Fund distributes substantially all net investment income, if any, and net realized capital gains, if any, annually. The amount of dividends and distributions to shareholders from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations, which differs from accounting principles generally accepted in the United States of America. To the extent these book/tax differences are permanent, such amounts are reclassified within the capital accounts based on their Federal tax treatment. Dividends and distributions to shareholders are recorded on ex-dividend date.

- D. *Redemption Fees:* The Fund charges a 2% redemption fee to shareholders who redeem shares held for 60 days or less. Such fees are retained by the Fund and accounted for as an addition to paid-in capital. For the six months ended June 30, 2019, the Al Frank Fund assessed \$46 in redemption fees.
- E. *Expenses* – Expenses of the Trust that are directly identifiable to a specific fund are charged to that fund. Expenses, which are not readily identifiable to a specific fund, are allocated in such a manner as deemed equitable, taking into consideration the nature and type of expense and the relative size of the fund in the Trust.
- F. *Indemnification* – The Trust indemnifies its officers and Trustees for certain liabilities that may arise from the performance of their duties to the Trust. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the risk of loss due to these warranties and indemnities appears to be remote.

NOTE 3 - SECURITIES VALUATION

Securities listed on an exchange are valued at the last reported sale price at the close of the regular trading session of the primary exchange on the business day the value is being determined, or in the case of securities listed on NASDAQ at the NASDAQ Official Closing Price ("NOCP"). In the absence of a sale such securities shall be valued at the mean between the current bid and ask prices on the day of valuation. Investments valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. Investments in open-end investment companies are valued at net asset value. Short-term debt obligations having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost. Investments in open-end investment companies are valued at net asset value.

The Fund may hold securities, such as private investments, interests in commodity pools, other non-traded securities or temporarily illiquid securities, for which market quotations are not readily available or are determined to be unreliable. These securities will be valued using the "fair value" procedures approved by the Trust's Board of Trustees (the "Board"). The Board has delegated execution of these procedures to a fair value committee composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The committee may also enlist third party consultants such as a valuation specialist at a public accounting firm, valuation consultant or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value. The Board has also engaged a third party valuation firm to attend valuation meetings held by the Trust, review minutes of such meetings and report to the Board on a quarterly basis. The Board reviews and ratifies the execution of this process and the resultant fair value prices at least quarterly to assure the process produces reliable results.

Fair Valuation Process – As noted above, the fair valuation committee is composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) adviser. The applicable investments are valued collectively via inputs from each of these groups. For example, fair value determinations are required for the following securities: (i) securities for which market quotations are insufficient or not readily available on a particular business day (including securities for which there is a short and temporary lapse in the provision of a price by the regular pricing source); (ii) securities for which, in the judgment of the adviser, the prices or values available do not represent the fair value of the instrument, factors which may cause the adviser to make such a judgment include, but are not limited to, the following: only a bid price or an asked price is available; the spread

Al Frank Fund
NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)(Continued)

between bid and asked prices is substantial; the frequency of sales; the thinness of the market; the size of reported trades; and actions of the securities markets, such as the suspension or limitation of trading, (iii) securities determined to be illiquid; and (iv) securities with respect to which an event that will affect the value thereof has occurred (a “significant event”) since the closing prices were established on the principal exchange on which they are traded, but prior to a Fund’s calculation of its net asset value. Specifically, interests in commodity pools or managed futures pools are valued on a daily basis by reference to the closing market prices of each futures contract or other asset held by a pool, as adjusted for pool expenses. Restricted or illiquid securities, such as private investments or non-traded securities are valued via inputs from the adviser based upon the current bid for the security from two or more independent dealers or other parties reasonably familiar with the facts and circumstances of the security (who should take into consideration all relevant factors as may be appropriate under the circumstances). If the adviser is unable to obtain a current bid from such independent dealers or other independent parties, the fair value committee shall determine the fair value of such security using the following factors: (i) the type of security; (ii) the cost at date of purchase; (iii) the size and nature of the Fund’s holdings; (iv) the discount from market value of unrestricted securities of the same class at the time of purchase and subsequent thereto; (v) information as to any transactions or offers with respect to the security; (vi) the nature and duration of restrictions on disposition of the security and the existence of any registration rights; (vii) how the yield of the security compares to similar securities of companies of similar or equal creditworthiness; (viii) the level of recent trades of similar or comparable securities; (ix) the liquidity characteristics of the security; (x) current market conditions; and (xi) the market value of any securities into which the security is convertible or exchangeable.

The Fund utilizes various methods to measure fair value of all of their investments on a recurring basis. GAAP establishes the hierarchy that prioritizes inputs to valuation methods. The three levels of input are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the Fund have the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables summarize the inputs used as of June 30, 2019 for the Fund’s assets measured at fair value:

Al Frank Fund
NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)(Continued)

Al Frank Fund				
Common Stocks	Level 1	Level 2	Level 3	Total
Communication Services	\$ 5,397,640	\$ -	\$ -	\$ 5,397,640
Consumer Discretionary	8,815,563	-	-	8,815,563
Consumer Staples	4,254,843	-	-	4,254,843
Energy	3,859,432	-	-	3,859,432
Financials	12,380,850	-	-	12,380,850
Health Care	7,646,610	-	-	7,646,610
Industrials	9,733,419	-	-	9,733,419
Information Technology	16,452,718	-	-	16,452,718
Materials	3,984,045	-	-	3,984,045
Real Estate	2,693,489	-	-	2,693,489
Total Common Stocks	75,218,609	-	-	75,218,609
Short-Term Investment				
Money Market Fund	1,179,850	-	-	1,179,850
Total Short-Term Investment	1,179,850	-	-	1,179,850
Total Investments	\$ 76,398,459	\$ -	\$ -	\$ 76,398,459

There were no Level 3 securities held in the Fund during the six months ended June 30, 2019.

NOTE 4 - INVESTMENT ADVISORY AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

Kovitz Investment Group Partners, LLC serves as the Fund's investment adviser (the "Adviser").

Pursuant to an investment advisory agreement with the Fund (the "Advisory Agreement"), the Adviser, under the oversight of the Board, directs the daily operations of the Fund and supervises the performance of administrative and professional services provided by others. As compensation for its services, the Fund pays the Adviser a management fee, computed and accrued daily and paid monthly, at an annual rate of 1.00% of the Fund's average daily net assets.

For the six months ended June 30, 2019, the Adviser earned \$386,117 in Advisory Fees.

Pursuant to a written contract (the "Waiver Agreement"), the Adviser has agreed, at least until April 30, 2020, to waive a portion of its advisory fee. and has agreed to reimburse the Fund for other expenses to the extent necessary so that the total expenses incurred by the Fund (excluding any front-end or contingent deferred loads, brokerage fees and commissions, acquired fund fees and expenses, borrowing costs, (such as interest and dividend expense on securities sold short) taxes and extraordinary expenses such as litigation) do not exceed 1.49% and 1.24% of the Fund's average net assets for Investor Class and Advisor Class shares, respectively. Any such reduction made by the Adviser in its fees or payment of expenses which are the Fund's obligation are subject to reimbursement by the Fund to the Adviser, if so requested by the Adviser, in subsequent fiscal years only if the aggregate amount actually paid by the Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) would not cause the Fund to exceed the expense limitation in effect at the time of the waiver or currently in effect, whichever is lower. The Adviser is permitted to receive reimbursement from the Fund for fees it waived and Fund expenses it paid only if reimbursement is made within three years from the date the fees and expenses were initially waived or reimbursed. Any such reimbursement is also contingent upon the Board's review and approval at the time the reimbursement is made. Such reimbursement may not be paid prior to the Fund's payment of current ordinary operating expenses. For the six months ended June 30, 2019, the Adviser waived its fees in the amount of \$75,725.

Al Frank Fund

NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)(Continued)

Cumulative expenses subject to recapture pursuant to the aforementioned conditions expire as follows:

12/31/2019	12/31/2020	12/31/2021
\$ 94,767	\$ 85,266	\$ 133,701

As of December 31, 2018, \$68,226 of previously waived fees expired unrecouped.

Distributor- The distributor for the Fund is Northern Lights Distributors LLC (the “Distributor”) and acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. The Board has adopted the Trust’s Master Distribution and Shareholder Servicing Plan for Investor Class shares (the “Investor Class Plan”) pursuant to Rule 12b-1 under the 1940 Act to pay for ongoing distribution-related activities or shareholder services. Under the Investor Class Plan, the Fund is permitted to pay a fee at an annual rate of 0.25% of the average daily net assets of the Fund’s Investor Class shares. The Fund pays the Distributor to provide compensation for ongoing distribution-related activities or services and/or maintenance of the Fund’s shareholder accounts, not otherwise required to be provided by the Adviser. The Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 expenses incurred. For the six months ended June 30, 2019, the Al Frank Fund Investor Class shares incurred 12b-1 fees of \$89,820. For the six months ended June 30, 2019, the Al Frank Fund Investor Class shares paid the Distributor underwriting fees of \$0.

In addition, certain affiliates of the Distributor provide services to the Fund as follows:

Gemini Fund Services, LLC (“GFS”). GFS, an affiliate of the Distributor, provides administration, fund accounting, and transfer agent services to the Trust. Pursuant to separate servicing agreements with GFS, the Fund pays GFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Trust are also officers of GFS, and are not paid any fees directly by the Fund for serving in such capacities.

Northern Lights Compliance Services, LLC (“NLCS”) - NLCS, an affiliate of GFS and the Distributor, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives customary fees from the Fund.

Blu Giant, LLC (“Blu Giant”) – Blu Giant, an affiliate of GFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund.

On February 1, 2019, NorthStar Financial Services Group, LLC, the parent company of GFS and its affiliated companies including NLD, NLCS and Blu Giant (collectively, the “Gemini Companies”), sold its interest in the Gemini Companies to a third party private equity firm that contemporaneously acquired Ultimus Fund Solutions, LLC (an independent mutual fund administration firm) and its affiliates (collectively, the “Ultimus Companies”). As a result of these separate transactions, the Gemini Companies and the Ultimus Companies are now indirectly owned through a common parent entity, The Ultimus Group, LLC.

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the six months ended June 30, 2019, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, for the Fund was \$1,124,437 and \$6,693,369, respectively.

Al Frank Fund
NOTES TO FINANCIAL STATEMENTS at June 30, 2019 (Unaudited)(Continued)

NOTE 6 - AGGREGATE UNREALIZED APPRECIATION & DEPRECIATION – TAX BASIS

Cost for Federal Tax purposes	\$	48,314,813
Unrealized Appreciation	\$	29,613,270
Unrealized Depreciation		(1,529,624)
Tax Net Unrealized Appreciation		<u>28,083,646</u>

NOTE 7 – DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of portfolio distributions paid for the following years was as follows:

	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Ordinary Income	\$ 817,098	\$ 1,139,552
Long-Term Capital Gain	6,263,668	7,463,654
Return of Capital	23,417	-
	<u>\$ 7,104,183</u>	<u>\$ 8,603,206</u>

As of December 31, 2018, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gains	Post October Loss and Late Year Loss	Capital Loss Carry Forwards	Other Book/Tax Differences	Unrealized Appreciation	Total Accumulated Earnings
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,089,404	\$ 22,089,404

The difference between book basis and tax basis undistributed net investment income/(loss), accumulated net realized gain/(loss), and unrealized appreciation/(depreciation) from investments is primarily attributable to the tax deferral of losses on wash sales and adjustments for return of capital distributions from C-Corporations.

Permanent book and tax differences, primarily attributable to return of capital distributions, resulted in reclassification for the year ended December 31, 2018 as follows:

Paid In Capital	Accumulated Earnings (Losses)
\$ (23,417)	\$ 23,417

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, the FASB issued Accounting Standards Update (“ASU”) No. 2018-13, which changes certain fair value measurement disclosure requirements. The new ASU, in addition to other modifications and additions, removes the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, and the policy for the timing of transfers between levels. For investment companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is allowed and the Fund has adopted these amendments early.

NOTE 9 – SUBSEQUENT EVENT

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has determined that no events or transactions occurred requiring adjustment or disclosure in the financial statements.

Al Frank Fund

EXPENSE EXAMPLES at June 30, 2019 (Unaudited)

Generally, shareholders of mutual funds incur two types of costs: (1) transaction costs, redemption fees, and exchange fees, and (2) ongoing costs, including management fees, distribution and/or service fees, 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 in both the Investor Class and the Advisor Class at the beginning of the period and held for the entire period (1/1/19 – 6/30/19).

Actual Expenses

The first line of the tables below provides information about actual account values and actual expenses, with actual net expenses being limited to 1.49% and 1.24% per the operating expenses limitation agreement for the Al Frank Fund Investor Class and Advisor Class, respectively. Although the Fund does not charge a sales load or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks, and stop payment orders at prevailing rates charged by Gemini Fund Services, LLC, the Funds' transfer agent. The Example below includes, but is not limited to, management fees, 12b-1 fees, fund accounting, custody and transfer agent fees. You may use the information in the first 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 this period.

Hypothetical Example for Comparison Purposes

The second line of the tables 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's and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as redemption fees, or exchange fees. Therefore, the second line of the tables is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these costs were included, your costs would have been higher.

		Beginning Account	Ending Account	Expenses Paid	Expense Ratio
		Value 1/1/2019	Value 6/30/2019	During Period *	During Period **
Actual				1/1/19-6/30/19	1/1/19-6/30/19
Al Frank Fund					
	Investor Class	\$ 1,000.00	\$ 1,132.20	\$ 7.88	1.49%
	Advisor Class	1,000.00	1,133.90	6.56	1.24%
Hypothetical (5% return before Expenses)					
Al Frank Fund					
	Investor Class	\$ 1,000.00	\$ 1,017.41	\$ 7.45	1.49%
	Advisor Class	1,000.00	1,018.65	6.21	1.24%

*Expenses are equal to the average account value over the period, multiplied by the Fund's annualized expense ratio, multiplied by the number of days in the period (181) divided by the number of days in the fiscal year (365).

** Annualized

Al Frank Fund
SUPPLEMENTAL INFORMATION at June 30, 2019 (Unaudited)

FACTORS CONSIDERED BY THE TRUSTEES IN THE APPROVAL OF AN INVESTMENT ADVISORY AGREEMENT

At a Special meeting (the “Meeting”) of the Board of Trustees (the “Board”) of Northern Lights Fund Trust II (the “Trust”) held on September 14, 2018, the Board, including the disinterested Trustees (the “Independent Trustees”), considered the approval of a proposed interim advisory agreement (“Interim Advisory Agreement”) and a new advisory agreement (“New Advisory Agreement”) each between Kovitz Investment Group Partners, LLC (“KIG”) and the Trust on behalf of the Al Frank Fund (the Interim Advisory Agreement and New Advisory Agreement are collectively referred to as the “Advisory Agreements”)

Based on their evaluation of the information provided by KIG, in conjunction with the Al Frank Fund’s other service providers, the Board, by a unanimous vote (including a separate vote of the Independent Trustees), approved the Advisory Agreements with respect to the Al Frank Fund.

In advance of the Meeting, the Board requested and received materials to assist them in considering the Advisory Agreements. The materials provided contained information with respect to the factors enumerated below, including the Advisory Agreements, a memorandum prepared by the Trust’s outside legal counsel discussing in detail the Trustees’ fiduciary obligations and the factors they should assess in considering the continuation of the Advisory Agreements and comparative information relating to the advisory fee and other expenses of the AL Frank Fund. The materials also included due diligence materials relating to KIG (including due diligence questionnaires completed by KIG, select financial information of KIG, bibliographic information regarding KIG’s key management and investment advisory personnel, and comparative fee information relating to the Fund) and other pertinent information. At the Meeting, the Independent Trustees were advised by counsel that is experienced in Investment Company Act of 1940 matters and that is independent of fund management and met with such counsel separately from fund management.

The Board then reviewed and discussed the written materials that were provided in advance of the Meeting and deliberated on the approval of the Advisory Agreements with respect to the Al Frank Fund. The Board relied upon the advice of independent legal counsel and their own business judgment in determining the material factors to be considered in evaluating the Advisory Agreements and the weight to be given to each such factor. The conclusions reached by the Board were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the Advisory Agreements. In considering the approval of the Advisory Agreements, the Board reviewed and analyzed various factors that they determined were relevant, including the factors enumerated below.

Nature, Extent and Quality of Services. As to the nature, extent, and quality of the services to be provided by KIG to the Al Frank Fund, the Board first discussed the Transaction and its effect on AFAM and KIG. The Board reviewed materials provided by AFAM and KIG related to the Transaction as well as the New Advisory Agreement with the Trust. The Board also reviewed other materials provided by AFAM and KIG, including a description of the manner in which investment decisions will be made and executed and a review of the professional personnel that would perform services for the Al Frank Fund, including the team of individuals that would be primarily responsible for monitoring and executing the investment process, noting that the same individuals managing the Al Frank Fund at AFAM would continue to do so at KIG and that the Board was familiar with their experience and track record. The Board then discussed the extent of KIG’s research capabilities, the quality of its compliance infrastructure and the experience of its fund management personnel noting that the personnel managing the Al Frank Fund would now be part of a larger firm with access to additional resources and expertise. The Board considered KIG’s specific

Al Frank Fund
SUPPLEMENTAL INFORMATION at June 30, 2019 (Unaudited)(Continued)

responsibilities in all aspects of the day-to-day management of the Al Frank Fund. The Board noted that none of the personnel responsible for the management of the Al Frank Fund would change but could be augmented by additional personnel at KIG, and that the investment process and day-to-day operations of the Al Frank Fund would remain unchanged. The Board reviewed and discussed the compliance program of KIG and was advised by the Trust's CCO that KIG had adequate compliance policies and procedures which, in his opinion, were reasonably designed to protect KIG and the Al Frank Fund from violations of the federal securities laws. Additionally, the Board received satisfactory responses from representatives of KIG with respect to a series of important questions, including whether KIG was involved in any lawsuits or pending regulatory actions; whether the management of other accounts would conflict with its management of the Al Frank Fund; and whether KIG has procedures in place to adequately allocate trades among its respective clients. The Board considered that, under the terms of the New Advisory Agreement, KIG, subject to the supervision of the Board, would continue to provide the Al Frank Fund with investment advice and supervision and would continuously furnish an investment program for the Al Frank Fund consistent with the investment objectives and policies of the Al Frank Fund. The Board reviewed the descriptions provided by KIG of its practices for monitoring compliance with the Al Frank Fund's investment limitations, noting that KIG's CCO had a program in place to continually review the portfolio managers' performance of their duties with respect to the Al Frank Fund to ensure compliance under KIG's compliance program. The Board then reviewed the capitalization of KIG based on financial information and other materials provided by KIG and discussed such materials with KIG. The Board concluded that KIG was sufficiently well-capitalized in order for KIG to meet its obligations to the Al Frank Fund. The Board also concluded that KIG had sufficient quality and depth of personnel, resources, investment methods and compliance policies and procedures necessary to perform its duties under the Interim Advisory Agreement and New Advisory Agreement and that the nature, overall quality and extent of the management services to be provided by KIG after the Transaction were satisfactory. The Board concluded that, overall, they were satisfied with the nature, extent, and quality of the services provided to the Al Frank Fund under the AFAM Advisory Agreement and did not expect them to change materially under the Interim Advisory Agreement or the New Advisory Agreement.

Performance. The Board discussed the reports prepared by Broadridge and reviewed the performance of the Al Frank Fund as compared to its peer group, the Large Value Morningstar category and benchmark, the S&P 500 Index, for the one year, three year, five year and since inception periods ended August 31, 2018 noting that the Al Frank Fund had outperformed its peer group and Morningstar category medians for each of the periods, outperformed its benchmark for the since inception period but had underperformed its benchmark for the one year, three year and five periods. The Board noted that, although KIG would be a new investment adviser for the Al Frank Fund, consideration of the past performance of the Al Frank Fund was relevant in connection with the consideration of KIG as the Al Frank Fund's new investment adviser because the AFAM personnel currently managing the Al Frank Fund would be retained by KIG and continue to manage the Al Frank Fund at KIG and there would be no material change in the way the Al Frank Fund is currently managed. After further discussion, the Board concluded that overall, the Al Frank Fund's past performance was satisfactory and in-line with its investment objective and it was expected that the performance under KIG would continue to be satisfactory.

Fees and Expenses. As to the costs of the services to be provided by KIG, the Board reviewed and discussed the Al Frank Fund's fee and overall expenses as compared to its peer group and Morningstar category as presented in the Broadridge Report. The Board reviewed the contractual arrangements for the Al Frank Fund noting that KIG proposed to charge the Al Frank Fund an advisory fee at an annual rate of 1.00% based on the average net assets of the Al Frank Fund in both the Interim Advisory Agreement and New Advisory Agreement, which remains the same fee as was charged by AFAM under the AFAM Advisory Agreement. Additionally, the Board reviewed the New Expense Limitation Agreement, noting that KIG had agreed to waive or limit its advisory fee and/or reimburse expenses at least until April 30, 2020,

Al Frank Fund
SUPPLEMENTAL INFORMATION at June 30, 2019 (Unaudited)(Continued)

extending the Al Frank Fund's current expense limitation by a year, in order to limit net annual operating expenses, exclusive of certain fees, so as not to exceed 1.49% and 1.24% of the Al Frank Fund's average net assets for Investor Class and Advisor Class shares respectively, and found such arrangements to be beneficial to shareholders. It was the consensus of the Board that, although the fee was among the highest of its peer group, based on KIG's experience and expertise, and the services to be provided by KIG to the Al Frank Fund, the advisory fee to be charged by KIG was reasonable and that the extension of the Al Frank Fund's current expense limitation under the New Expense Limitation Agreement would be beneficial to shareholders.

Profitability. The Board also considered the level of profits that could be expected to accrue to KIG with respect to the Al Frank Fund based on profitability reports and analyses reviewed by the Board and the selected financial information of KIG provided by KIG. After review and discussion, the Board concluded that based on the services provided or paid for by KIG and the current assets of the Al Frank Fund, profits from KIG's relationship with the Al Frank Fund were not anticipated to be excessive.

Economies of Scale. As to the extent to which the Al Frank Fund will realize economies of scale as it grows, and whether the fee levels reflect these economies of scale for the benefit of investors, the Board discussed the current size of the Al Frank Fund and noted that KIG anticipates that the realization of economies of scale would require a significant growth of assets in the Al Frank Fund. The Board also discussed the current size of the Al Frank Fund, along with KIG's expectations for growth, and concluded that any further material economies of scale would not be achieved in the near term.

Conclusion. The Board relied upon the advice of counsel, and their own business judgment in determining the material factors to be considered in evaluating the Advisory Agreements and the weight to be given to each such factor. Accordingly, having requested and received such information from KIG as the Trustees believed to be reasonably necessary to evaluate the terms of the Interim Advisory Agreement and New Advisory Agreement, and as assisted by the advice of independent counsel, the Board, including a majority of the Independent Trustees voting separately, determined that (a) the terms of each of the Interim Advisory Agreement and New Advisory Agreement are reasonable; (b) the investment advisory fee payable pursuant to each of the Interim Advisory Agreement and New Advisory Agreement is reasonable; and (c) the Interim Advisory Agreement and New Advisory Agreement are each in the best interests of the Al Frank Fund and its shareholders. Moreover, the Board noted that each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the Advisory Agreements.

Privacy Policy

Rev. May 2019

Row May 2016

FACTS	WHAT DOES NORTHERN LIGHTS FUND TRUST II (“NLFT II”) DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <div><div><ul style="list-style-type: none">• Social Security number• Employment information• Account balances</div><div><ul style="list-style-type: none">• Account transactions• Income• Investment experience</div></div> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>		
How?	All financial companies need to share a customer’s personal information to run their everyday business - to process transactions, maintain customer accounts, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customer’s personal information; the reasons NLFT II chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does NLFT II share?	Can you limit this sharing?
For our everyday business purposes -- such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes -- to offer our products and services to you		Yes	No
For joint marketing with other financial companies		Yes	No
For our affiliates’ everyday business purposes -- information about your transactions and experiences		Yes	No
For our affiliates’ everyday business purposes -- information about your creditworthiness		No	We don't share
For nonaffiliates to market to you		No	We don't share
Questions?	Call 1-402-493-4603		

Who we are	
Who is providing this notice?	Northern Lights Fund Trust II
What we do	
How does NLFT II protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does NLFT II collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • open an account • give us your income information • provide employment information • provide account information • give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Northern Lights Fund Trust II has no affiliates.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>NLFT II does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products and services to you.</p> <ul style="list-style-type: none"> • <i>Our joint marketing partners include other financial service companies.</i>

Advisor

Kovitz Investment Group Partners, LLC
115 S. LaSalle Street, 27th Floor
Chicago, IL 60603
alfrankfunds.com

Distributor

Northern Lights Distributors, LLC
17605 Wright Street
Omaha, NE 68130

Transfer Agent

Gemini Fund Services, LLC
17605 Wright Street
Omaha, NE 68130

PROXY VOTING POLICY

Information regarding how the Fund voted proxies relating to portfolio securities for the most recent twelve month period ended June 30 as well as a description of the policies and procedures that the Fund used to determine how to vote proxies is available without charge, upon request, by calling 1-888-263-6443 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

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. Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (1-800-SEC-0330). The information on Form N-Q is available without charge, upon request, by calling 1-888-263-6443.

This report is intended for shareholders of the Fund and may not be used as sales literature unless preceded or accompanied by a current prospectus. Statements and other information herein are dated and are subject to change.

If you have any questions or need help with your account,
call our customer service team at:

888.263.6443

The Al Frank Fund's web site contains resources for both
current and potential shareholders, including:

- Performance through the most recent quarter and month-end
- Applications, including new account forms, IRA and IRA transfer forms
- Electronic copies of the Prospectus, Annual Report and Semi-Annual Report

All of this information and more is available at:

alfrankfunds.com

Must be preceded or accompanied by a prospectus. Please refer to the prospectus for important information about the investment company, including investment objectives, risks, charges and expenses.

Small company investing involves greater volatility, limited liquidity and other risks.