

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
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FILER

HUTTON INVESTORS FUTURES FUND L P II

CIK: **812818** | IRS No.: **133406160** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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SIC: **6798** Real estate investment trusts

Mailing Address
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FUTURERS MANAGEMENT
INC
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NEW YORK NY 10013

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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
(X) QUARTERLY REPORT UNDER SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
OR () TRANSITION REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended June 30, 2004

Commission File Number 0-16526

HUTTON INVESTORS FUTURES FUND L.P. II

(Exact name of registrant as specified in its charter)

Delaware

13-3406160

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

c/o Citigroup Managed Futures LLC
399 Park Avenue. - 7th Fl.
New York, New York 10022

(Address and Zip Code of principal executive offices)

(212) 559-2011

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Acts).

Yes _____ No X

HUTTON INVESTORS FUTURES FUND L.P. II
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PART I

Item 1. Financial Statements

Hutton Investors Futures Fund L.P. II
Statements of Financial Condition
(Unaudited)

<TABLE>
<CAPTION>

	June 30, 2004	December 31, 2003
	-----	-----
<S>	<C>	<C>
ASSETS:		
Equity in commodity futures trading account:		
Cash (restricted \$3,555,537 and \$3,593,800 in 2004 and 2003, respectively)	\$18,252,690	\$19,769,476
Unrealized appreciation on open forward contracts	200,782	1,724,478
	-----	-----
	18,453,472	21,493,954
Interest receivable	16,180	11,147
	-----	-----
	\$18,469,652	\$21,505,101
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL:		
Liabilities:		
Net unrealized depreciation on open futures positions	\$ 562,319	\$ 9,154
Unrealized depreciation on open forward contracts	920,413	64,801
Accrued expenses:		
Commissions	98,950	63,600
Other	47,172	38,461
Redemptions payable	37,877	188,412
	-----	-----
	1,666,731	364,428
	-----	-----
Partners' capital :		
General Partner, 44 Unit equivalents outstanding in 2004 and 2003	333,317	414,505
Limited Partners, 2,174.0950 and 2,200.0950 Redeemable Units of Limited Partnership Interest outstanding in 2004 and 2003, respectively	16,469,604	20,726,168
	-----	-----
	16,802,921	21,140,673
	-----	-----
	\$18,469,652	\$21,505,101
	=====	=====

</TABLE>

See Accompanying Notes to Unaudited Financial Statements.

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Hutton Investors Futures Fund L.P. II
Condensed Schedule of Investments
June 30, 2004
(Unaudited)

Sector	Contract	Fair Value
<S>	<C>	<C>
Currencies		
	Unrealized appreciation on forward contracts 0.15%	\$ 25,353
	Unrealized depreciation on forward contracts (3.21)%	(539,116)
Total Currencies (3.06)%		(513,763)
Total Energy (1.02)%	Futures contracts purchased (1.02)%	(171,413)
Total Grains 0.45%	Futures contracts sold 0.45%	75,263
Interest Rates U.S.		
	Futures contracts purchased (0.02)%	(2,734)
	Futures contracts sold (0.66)%	(110,353)
Total Interest Rates U.S. (0.68)%		(113,087)
Interest Rates Non-U.S.		
	Futures contracts purchased (0.14)%	(23,406)
	Futures contracts sold (1.45)%	(243,760)
Total Interest Rates Non-U.S. (1.59)%		(267,166)
Total Livestock (0.11)%	Futures contracts purchased (0.11)%	(19,200)
Metals		
	Futures contracts sold (0.12)%	(20,820)
	Unrealized appreciation on forward contracts 1.04%	175,429
	Unrealized depreciation on forward contracts (2.27)%	(381,297)
	Total forward contracts (1.23)%	(205,868)
Total Metals (1.35)%		(226,688)
Softs		
	Futures contracts purchased (0.29)%	(48,692)
	Futures contracts sold 0.29%	48,817
Total Softs 0.00%*		125
Indices		
	Futures contracts purchased 0.10%	15,875
	Futures contracts sold (0.37)%	(61,896)
Total Indices (0.27)%		(46,021)
Total Fair Value (7.63)%		\$ (1,281,950)

Country Composition	Investments at Fair Value	% of Investments at Fair Value
Australia	\$ (23,406)	(1.83)%
Canada	(4,252)	(0.33)
Germany	(66,100)	(5.15)
Japan	(159,060)	(12.41)
United Kingdom	(325,648)	(25.40)
United States	(703,484)	(54.88)
	\$ (1,281,950)	(100.00)%

</TABLE>
Percentages are based on Partners' capital unless otherwise indicated.
* Due to rounding
See Accompanying Notes to Unaudited Financial Statements.

Condensed Schedule of Investments
December 31, 2003
(Unaudited)

Sector	Contract	Fair Value
-----	-----	-----
<S>	<C>	<C>
Currencies		
	Unrealized appreciation on forward contracts 5.76%	\$1,217,525
	Unrealized depreciation on forward contracts (0.31)%	(64,801)

Total Currencies 5.45%		1,152,724

Total Energy 0.31%	Futures contracts purchased 0.31%	65,248

Total Grains 0.04%	Futures contracts purchased 0.04%	8,875

Total Interest Rates U.S. (0.10)%	Futures contracts purchased (0.10)%	(21,600)

Interest Rates Non-U.S.		
	Futures contracts purchased 0.07%	14,680
	Futures contracts sold (0.07)%	(15,507)

Total Interest Rates Non-U.S. (0.00)%*		(827)

Total Livestock (0.56)%	Futures contracts purchased (0.56)%	(118,460)

Metals		
	Futures contracts purchased 1.17%	247,038
	Unrealized appreciation on forward contracts 2.40%	506,953

Total Metals 3.57%		753,991

Softs		
	Futures contracts purchased (0.45)%	(93,654)
	Futures contracts sold (0.17)%	(36,475)

Total Softs (0.62)%		(130,129)

Indices		
	Futures contracts purchased 0.74%	157,218
	Futures contracts sold (1.02)%	(216,517)

Total Indices (0.28)%		(59,299)

Total Fair Value 7.81%		\$1,650,523
		=====

Country Composition	Investments at Fair Value	% of Investments at Fair Value
-----	-----	-----
Australia	\$ (15,507)	(0.94)%
Canada	7,586	0.46
Germany	96,946	5.87
Japan	(226,712)	(13.74)
United Kingdom	514,548	31.17
United States	1,273,662	77.18
	-----	-----
	\$ 1,650,523	100.00%
	=====	=====

</TABLE>

Percentages are based on Partners' capital unless otherwise indicated

* Due to rounding

See Accompanying Notes to Unaudited Financial Statements

(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Income:				
Net gains (losses) on trading of commodity interests:				
Realized gains (losses) on closed positions	\$ (3,560,193)	\$ 1,485,184	\$ (545,373)	\$ 7,147,445
Change in unrealized losses on open positions	(1,227,693)	(1,001,643)	(2,932,473)	(3,413,862)
	(4,787,886)	483,541	(3,477,846)	3,733,583
Interest income	44,148	48,454	82,614	96,343
	(4,743,738)	531,995	(3,395,232)	3,829,926
Expenses:				
Brokerage commissions including clearing fees of \$5,053, \$7,005, \$9,035 and \$11,807 respectively	266,339	278,889	466,880	471,554
Incentive fees	--	38,479	207,609	286,455
Other expenses	11,636	12,135	23,634	23,041
	277,975	329,503	698,123	781,050
Net income (loss)	(5,021,713)	202,492	(4,093,355)	3,048,876
Redemptions	(37,877)	(283,056)	(244,397)	(1,001,345)
Net increase (decrease) in Partners' capital	(5,059,590)	(80,564)	(4,337,752)	2,047,531
Partners' capital, beginning of period	21,862,511	21,614,869	21,140,673	19,486,774
Partners' capital, end of period	\$ 16,802,921	\$ 21,534,305	\$ 16,802,921	\$ 21,534,305
Net asset value per Redeemable Unit (2,218.0950 and 2,287.0950 Units outstanding at June 30, 2004 and 2003, respectively)	\$ 7,575.38	\$ 9,415.57	\$ 7,575.38	\$ 9,415.57
Net income (loss) per Redeemable Unit of Limited Partnership Interest and General Partner Unit equivalent	\$ (2,258.89)	\$ 87.14	\$ (1,845.20)	\$ 1,276.05

</TABLE>

See Accompanying Notes to Unaudited Financial Statements

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Hutton Investors Futures Fund L.P. II
Statements of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Cash flows from operating activities:				
Net income (loss)	\$ (5,021,713)	\$202,492	\$ (4,093,355)	\$3,048,876
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Net unrealized appreciation on open futures positions	1,790,072	801,497	553,165	1,953,883
Unrealized appreciation on open forward contracts	917,918	205,879	1,523,696	753,030
(Increase) decrease in interest				

receivable	(1,771)	2,143	(5,033)	313
Unrealized depreciation on open forward contracts	(1,480,297)	(5,734)	855,612	706,949
Accrued expenses:				
Increase in commissions	14,600	39,850	35,350	31,950
Increase (decrease) in incentive fees	(207,609)	(209,497)	--	38,479
Increase in other	3,453	12,135	8,711	23,041
Increase (decrease) in redemptions payable	(168,643)	(529,978)	(150,535)	9,242
	-----	-----	-----	-----
Net cash provided by (used in) operating activities	(4,153,990)	518,787	(1,272,389)	6,565,763
	-----	-----	-----	-----
Cash flows from financing activities:				
Payments for redemptions	(37,877)	(283,056)	(244,397)	(1,001,345)
	-----	-----	-----	-----
Net change in cash	(4,191,867)	235,731	(1,516,786)	5,564,418
Cash, at beginning of period	22,444,557	23,240,733	19,769,476	17,912,046
	-----	-----	-----	-----
Cash, at end of period	\$ 18,252,690	\$ 23,476,464	\$18,252,690	\$23,476,464
	=====	=====	=====	=====

</TABLE>

See Accompanying Notes to Unaudited Financial Statements

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Hutton Investors Futures Fund L.P. II
Notes to Financial Statements
June 30, 2004
(Unaudited)

1. General

Hutton Investors Futures Fund L.P. II (the "Partnership") is a limited partnership organized on March 31, 1987 under the partnership laws of the State of Delaware to engage in the speculative trading of a diversified portfolio of commodity interests including futures contracts, options and forward contracts. The commodity interests that are traded by the Partnership are volatile and involve a high degree of market risk. The Partnership commenced operations on July 24, 1987.

Citigroup Managed Futures LLC, formerly Smith Barney Futures Management LLC, acts as the general partner (the "General Partner") of the Partnership. The Partnership's commodity broker is Citigroup Global Markets Inc. ("CGM"), formerly Salomon Smith Barney Inc. CGM is an affiliate of the General Partner. The General Partner is wholly owned by Citigroup Global Markets Holdings Inc. ("CGMHI"), formerly Salomon Smith Barney Holdings Inc., which is the sole owner of CGM. CGMHI is a wholly owned subsidiary of Citigroup Inc. ("Citigroup"). As of June 30, 2004, all trading decisions are made for the Partnership by John W. Henry & Company, Inc. (the "Advisor").

The accompanying financial statements are unaudited but, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the Partnership's financial condition at June 30, 2004 and December 31, 2003, the results of its operations and cash flows for the three and six months ended June 30, 2004 and 2003. These financial statements present the results of interim periods and do not include all disclosures normally provided in annual financial statements. You should read these financial statements together with the financial statements and notes included in the Partnership's annual report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2003.

Due to the nature of commodity trading, the results of operations for the interim periods presented should not be considered indicative of the results that may be expected for the entire year.

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Hutton Investors Futures Fund L.P. II
Notes to Financial Statements
June 30, 2004
(Unaudited)
(Continued)

2. Financial Highlights:

Changes in Net Asset Value per Redeemable Unit of Limited Partnership Interest for the three and six months ended June 30, 2004 and 2003 were as follows:

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Net realized and unrealized gains/(losses)*	\$ (2,273.51)	\$ 87.95	\$ (1,779.10)	\$ 1,364.99
Interest income	19.86	20.97	37.00	40.97
Expenses **	(5.24)	(21.78)	(103.10)	(129.91)
Increase (decrease) for the period	(2,258.89)	87.14	(1,845.20)	1,276.05
Net Asset Value per Redeemable Unit, beginning of period	9,834.27	9,328.43	9,420.58	8,139.52
Net Asset Value per Redeemable Unit, end of period	\$ 7,575.38	\$ 9,415.57	\$ 7,575.38	\$ 9,415.57

</TABLE>

* Includes brokerage commissions.
** Excludes brokerage commissions.

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Hutton Investors Futures Fund L.P. II
Notes to Financial Statements
June 30, 2004
(Unaudited)
(Continued)

Financial Highlights (continued):

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Ratio to average net assets: ***				
Net investment loss before incentive fees ****	(4.9)%	(4.5)%	(4.0)%	(3.7)%
Operating expenses	5.8%	5.4%	4.8%	4.6%
Incentive fees	0.0%	0.7%	1.0%	2.7%
Total expenses	5.8%	6.1%	5.8%	7.3%
Total return:				
Total return before incentive fees	(23.0)%	1.1%	(18.6)%	17.2%
Incentive fees	0.0%	(0.2)%	(1.0)%	(1.5)%
Total return after incentive fees	(23.0)%	0.9%	(19.6)%	15.7%

*** Annualized (other than incentive fees)

**** Interest income less total expenses (exclusive of incentive fees)

The above ratios may vary for individual investors based on the timing of capital transactions during the period. Additionally, these ratios are calculated for the Limited Partner class using the Limited Partners' share of income, expenses and average net assets.

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Hutton Investors Futures Fund L.P. II
Notes to Financial Statements
June 30, 2004
(Unaudited)
(Continued)

3. Trading Activities:

The Partnership was formed for the purpose of trading contracts in a variety of commodity interests, including derivative financial instruments and derivative commodity instruments. The results of the Partnership's trading activities are shown in the Statements of Income and Expenses and Partners' Capital and are discussed in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Customer Agreement between the Partnership and CGM gives the Partnership the legal right to net unrealized gains and losses on open futures positions.

All of the commodity interests owned by the Partnership are held for trading purposes. The average fair values of these interests during the six and twelve months ended June 30, 2004 and December 31, 2003, based on a monthly calculation, were \$333,549 and \$1,355,704, respectively. The fair value of these commodity interests, including options thereon, if applicable, at June 30, 2004 and December 31, 2003, were \$(1,281,950) and \$1,650,523, respectively. Fair values for exchange traded commodity futures and options are based on quoted market prices for those futures and options. Fair values for all other financial instruments for which market quotations are not readily available are based on calculations approved by the General Partner.

4. Financial Instrument Risk:

In the normal course of its business the Partnership is party to financial instruments with off-balance sheet risk, including derivative financial instruments and derivative commodity instruments. These financial instruments may include forwards, futures and options, whose values are based upon an underlying asset, index, or reference rate, and generally represent future commitments to exchange currencies or cash flows, to purchase or sell other financial instruments at specific terms at specified future dates, or, in the case of derivative commodity instruments, to have a reasonable possibility to be settled in cash, through physical delivery or with another financial instrument. These instruments may be traded on an exchange or over-the-counter ("OTC"). Exchange traded instruments are standardized and include futures and certain option contracts. OTC contracts are negotiated between contracting parties and include forwards and certain options. Each of these instruments is subject to various risks similar to those related to the underlying financial instruments including market and credit risk. In general, the risks associated with OTC contracts are greater than those associated with exchange traded instruments because of the greater risk of default by the counterparty to an OTC contract.

Market risk is the potential for changes in the value of the financial instruments traded by the Partnership due to market changes, including interest and foreign exchange rate movements and fluctuations in commodity or security prices. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded.

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Hutton Investors Futures Fund L.P. II
Notes to Financial Statements
June 30, 2004
(Unaudited)
(Continued)

Credit risk is the possibility that a loss may occur due to the failure of

a counterparty to perform according to the terms of a contract. Credit risk with respect to exchange traded instruments is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transactions. The Partnership's risk of loss in the event of counterparty default is typically limited to the amounts recognized as unrealized appreciation in the statements of financial condition and not represented by the contract or notional amounts of the instruments. The Partnership has credit risk and concentration risk because the sole counterparty or broker with respect to the Partnership's assets is CGM.

The General Partner monitors and controls the Partnership's risk exposure on a daily basis through financial, credit and risk management monitoring systems, and accordingly believes that it has effective procedures for evaluating and limiting the credit and market risks to which the Partnership is subject. These monitoring systems allow the General Partner to statistically analyze actual trading results with risk-adjusted performance indicators and correlation statistics. In addition, on-line monitoring systems provide account analysis of futures, forwards and options positions by sector, margin requirements, gain and loss transactions and collateral positions.

The majority of these instruments mature within one year of June 30, 2004. However, due to the nature of the Partnership's business, these instruments may not be held to maturity.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources

The Partnership does not engage in the sale of goods or services. Its only assets are its equity in its commodity futures trading account, consisting of cash, net unrealized appreciation (depreciation) on open futures and forward contracts and interest receivable. Because of the low margin deposits normally required in commodity futures trading, relatively small price movements may result in substantial losses to the Partnership. While substantial losses could lead to a substantial decrease in liquidity, no such losses occurred in the Partnership's second quarter of 2004.

The Partnership's capital consists of the capital contributions of the partners as increased or decreased by realized and/or unrealized gains or losses on commodity futures trading, expenses, interest income, redemptions of Redeemable Units and distributions of profits, if any.

For the six months ended June 30, 2004, Partnership capital decreased 20.5% from \$21,140,673 to \$16,802,921. This decrease was attributable to a net loss from operations of \$4,093,355 and by the redemption of 26 Redeemable Units resulting in an outflow of \$244,397. Future redemptions can impact the amount of funds available for investment in commodity contract positions in subsequent months.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

All commodity interests (including derivative financial instruments and derivative commodity instruments) are used for trading purposes. The commodity interests are recorded on trade date and open contracts are recorded in the statements of financial condition at fair value on the last business day of the period, which represents market value for those commodity interests for which market quotations are readily available or other measures of fair value deemed appropriate by management of the General Partner for those commodity interests and foreign currencies for which market quotations are not readily available. Investments in commodity interests denominated in foreign currencies are translated into U.S. dollars at the exchange rates prevailing on the last business day of the period. Realized gains (losses) and changes in unrealized values on open positions are recognized in the period in which the contract is closed or the changes occur and are included in net gains (losses) on trading of commodity interests.

Foreign currency contracts are those contracts where the Partnership agrees

to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. Foreign currency contracts are valued daily, and the Partnership's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange

rates at the date of entry into the contracts and the forward rates at the reporting dates, is included in the statement of financial condition. Realized gains (losses) and changes in unrealized values on foreign currency contracts are recognized in the period in which the contract is closed or the changes occur and are included in the statements of income and expenses and partners' capital.

Results of Operations

During the Partnership's second quarter of 2004, the Net Asset Value per Redeemable Unit decreased 23.0% from \$9,834.27 to \$7,575.38 as compared to an increase of 0.9% in the second quarter of 2003. The Partnership experienced a net trading loss before brokerage commissions and related fees in the second quarter of 2004 of \$4,787,886. Losses were primarily attributable to the trading of commodity futures in currencies, grains, U.S. and non-U.S. interest rates, metals and indices and were partially offset by gains in energy, livestock and softs. The Partnership experienced a net trading gain before brokerage commissions and related fees in the second quarter of 2003 of \$483,541. Gains were primarily attributable to the trading of commodity futures in currencies, U.S. interest rates and indices and were partially offset by losses in grains, livestock, metals, energy, softs, and non-U.S. interest rates.

During the Partnership's six months ended June 30, 2004, the Net Asset Value per Redeemable Unit decreased 19.6% from \$9,420.58 to \$7,575.38 as compared to an increase of 15.7% in the six months ended June 30, 2003. The Partnership experienced a net trading loss before brokerage commissions and related fees during the six months ended June 30, 2004 of \$3,477,846. Losses were primarily attributable to the trading of commodity futures in currencies, non-U.S. interest rates, metals and indices and were partially offset by gains in energy, grains, U.S. interest rates, livestock and softs. The Partnership experienced a net trading gain before brokerage commissions and related fees during the six months ended June 30, 2003 of \$3,733,583. Gains were primarily attributable to the trading of commodity futures in currencies, energy, U.S. and non-U.S. interest rates and indices and were partially offset by losses in grains, livestock, softs and metals.

The lack of persistent trends resulted in a difficult environment for the Advisor, which began precisely as the second quarter of 2004 got underway. Trends in both financial and commodity futures markets had been clear for the previous three quarters. In the second quarter of 2004, however, substantially opposing fundamental considerations along with benign short-term volatility greatly reduced the opportunities for the Advisor resulting in a particularly difficult trading environment.

The directionless behavior of so many markets can be explained in terms of a perception that a significant change may be underway in the global economic cycle. Some of the primary drivers of these conditions have been: softer than expected U.S. economic data creating confusion with regard to forecasting the pace of Federal Reserve tightening; U.S. and international bonds, equity and currency markets coping with indications of rising inflation, but at the same time, an apparent pause in growth; and a fragile Eurozone recovery keeping European Central Bank monetary intervention on hold.

Trading in all market sectors was unprofitable for the Partnership except in the energy sector, the softs and base metals markets. Positions in Japanese currency and interest rate markets, the Euro and gold were the primary contributors to the losses while trading in crude oil, cotton and copper provided some profits for the Partnership.

Commodity futures markets are highly volatile. The potential for broad and rapid price fluctuations increases the risks involved in commodity trading but also increases the possibility of profit. The profitability of the Partnership depends on the existence of major price trends and the ability of the Advisor to

correctly identify those price trends. Price trends are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and changes in interest rates. To

the extent that market trends exist and the Advisor is able to identify them, the Partnership expects to increase capital through operations.

Interest income on 80% of the Partnership's daily equity maintained in cash was earned at the monthly average 13-week U.S. Treasury bill yield. CGM may continue to maintain the Partnership assets in cash and/or place all of the Partnership assets in 90-day Treasury bills and pay the Partnership 80% of the interest earned on the Treasury bills purchased. CGM will retain 20% of any interest earned on Treasury bills. Interest income for the three and six months ended June 30, 2004 decreased by \$4,306, and \$13,729, respectively, as compared to the corresponding period in 2003. The decrease in interest income is primarily due to a decrease in net assets and interest rates during the three and six months ended June 30, 2004 as compared to 2003.

Brokerage commissions are based on the number of trades executed by the Advisor. Brokerage commissions and fees for the three and six months ended June 30, 2004 decreased by \$12,550, and \$4,674, respectively, as compared to the corresponding period in 2003. The decrease in commissions and fees is primarily due to lower net assets, and therefore higher number of round turns, during the three and six months ended June 30, 2004 as compared to 2003.

Incentive fees are based on the new trading profits generated by the Advisor as defined in the advisory agreements between the Partnership, the General Partner and the Advisor. Trading performance for the three and six months ended June 30, 2004 resulted in incentive fees of \$0, and \$207,609, respectively. Trading performance for the three and six months ended June 30, 2003, resulted in incentive fees of \$38,479, and \$286,455, respectively.

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Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Partnership is a speculative commodity pool. The market sensitive instruments held by it are acquired for speculative trading purposes, and all or substantially all of the Partnership's assets are subject to the risk of trading loss. Unlike an operating company, the risk of market sensitive instruments is integral, not incidental, to the Partnership's main line of business.

Market movements result in frequent changes in the fair value of the Partnership's open positions and, consequently, in its earnings and cash flow. The Partnership's market risk is influenced by a wide variety of factors, including the level and volatility of interest rates, exchange rates, equity price levels, the value of financial instruments and contracts, the diversification effects among the Partnership's open positions and the liquidity of the markets in which it trades.

The Partnership rapidly acquires and liquidates both long and short positions in a wide range of different markets. Consequently, it is not possible to predict how a particular future market scenario will affect performance, and the Partnership's past performance is not necessarily indicative of its future results.

Value at Risk is a measure of the maximum amount which the Partnership could reasonably be expected to lose in a given market sector. However, the inherent uncertainty of the Partnership's speculative trading and the recurrence in the markets traded by the Partnership of market movements far exceeding expectations could result in actual trading or non-trading losses far beyond the indicated Value at Risk or the Partnership's experience to date (i.e., "risk of ruin"). In light of the foregoing as well as the risks and uncertainties intrinsic to all future projections, the inclusion of the quantification in this section should not be considered to constitute any assurance or representation that the Partnership's losses in any market sector will be limited to Value at Risk or by the Partnership's attempts to manage its market risk.

Exchange maintenance margin requirements have been used by the Partnership as the measure of its Value at Risk. Maintenance margin requirements are set by exchanges to equal or exceed the maximum losses reasonably expected to be incurred in the fair value of any given contract in 95%-99% of any one-day interval. Maintenance margin has been used rather than the more generally available initial margin, because initial margin includes a credit risk component, which is not relevant to Value at Risk.

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The following table indicates the trading Value at Risk associated with the Partnership's open positions by market category as of June 30, 2004 and the highest, lowest and average value during the three months ended June 30, 2004. All open position trading risk exposures of the Partnership have been included in calculating the figures set forth below. As of June 30, 2004, the Partnership's total capitalization was \$16,802,921. There has been no material change in the trading Value at Risk information previously disclosed in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2003.

June 30, 2004
(Unaudited)

<TABLE>

<CAPTION>

Market Sector	Value at Risk	% of Total Capitalization	Three Months Ended June 30, 2004		
			High Value at Risk	Low Value at Risk	Average Value at Risk
<S>	<C>	<C>	<C>	<C>	<C>
Currencies:					
- OTC Contracts	\$ 618,786	3.68%	\$ 857,803	\$ 441,364	\$ 696,092
Energy	248,440	1.48%	265,080	235,440	255,200
Grains	57,575	0.34%	62,825	9,625	56,275
Interest Rates U.S.	227,100	1.35%	284,250	43,760	234,967
Interest Rates Non-U.S.	736,862	4.39%	1,047,458	552,174	728,243
Livestock	19,200	0.12%	19,200	16,000	17,067
Metals:					
Exchange Traded					
Contracts	180,500	1.07%	192,500	74,000	186,500
- OTC Contracts	227,310	1.35%	260,600	146,800	193,770
Softs	124,634	0.74%	126,569	94,039	112,459
Indices	752,607	4.48%	752,607	241,991	452,000
Total	\$ 3,193,014	19.00%			

</TABLE>

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Item 4. Controls and Procedures

Based on their evaluation of the Partnership's disclosure controls and procedures as of June 30, 2004, the Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures are effective.

During the Partnership's last fiscal quarter, no changes occurred in the Partnership's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The following information supplements and amends our discussion set forth under Part I, Item 3 "Legal Proceedings" in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and under Part II, Item 1 "Legal Proceedings" in the Partnership's Quarterly Report" on Form 10-Q for the fiscal quarter ended March 31, 2004.

WorldCom, Inc.

On May 10, 2004, Citigroup announced that it had agreed to pay \$2.65 billion to settle the WorldCom class action suits.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

The following chart sets forth the purchases of Redeemable Units by the Partnership.

Period	(a) Total Number of Shares (or Units) Purchased*	(b) Average Price Paid per Share (or Unit)**	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1, 2004 - April 31, 2004	0	N/A	N/A	N/A
May 1, 2004 - April 30, 2004	0	N/A	N/A	N/A
June 1, 2004 - June 30, 2004	5	7,575.38	N/A	N/A
Total	5	7,575.38	N/A	N/A

</TABLE>

* Generally, Limited Partners are permitted to redeem their Redeemable Units as of the end of each month on 10 days' notice to the General Partner. Under certain circumstances, the General Partner can compel redemption but to date the General Partner has not exercised this right. Purchases of Redeemable Units by the Partnership reflected in the chart above were made in the ordinary course of the Partnership's business in connection with effecting redemptions for Limited Partners.

** Redemptions of Redeemable Units are effected as of the last day of each month at the Net Asset Value per Redeemable Unit as of that day.

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Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information - None

Item 6. Exhibits and Reports of Form 8-K

- (a) The exhibits required to be filed by Item 601 of Regulation S-K are incorporated herein by reference to the exhibit index of the Partnership's Annual Report on Form 10-K for the year ended December 31, 2003.

Exhibit - 31.1 - Rule 13a-14(a)/15d-14(a) Certification (Certification of President and Director)

Exhibit - 31.2 - Rule 13a-14(a)/15d-14(a) Certification (Certification of Chief Financial Officer and Director)

Exhibit - 32.1 - Section 1350 Certification (Certification of President and Director).

Exhibit - 32.2 - Section 1350 Certification (Certification of Chief Financial Officer and Director).

- (b) Reports on Form 8-K - None

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HUTTON INVESTORS FUTURES FUND L.P. II

By: Citigroup Managed Futures LLC
(General Partner)

By: /s/ David J. Vogel

David J. Vogel
President and Director

Date: August 12, 2004

By: /s/ Daniel R. McAuliffe, Jr.

Daniel R. McAuliffe, Jr.
Chief Financial Officer and Director

Date: August 12, 2004

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Exhibit 31.1

CERTIFICATION

I, David J. Vogel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hutton Investors Futures Fund L.P. II (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David J. Vogel

David J. Vogel
Citigroup Managed Futures LLC
President and Director

Exhibit 31.2

CERTIFICATION

I, Daniel R. McAuliffe, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hutton Investors Futures Fund L.P. II (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Daniel R. McAuliffe, Jr.

Daniel R. McAuliffe, Jr.
Citigroup Managed Futures LLC
Chief Financial Officer and Director

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hutton Investors Futures Fund L.P. II (the "Partnership") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Vogel, President and Director of Citigroup Managed Futures LLC, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ David J. Vogel

David J. Vogel
Citigroup Managed Futures LLC
President and Director

August 12, 2004

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Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hutton Investors Futures Fund L.P. II (the "Partnership") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel R. McAuliffe, Jr., Chief Financial Officer and Director of Citigroup Managed Futures LLC, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Daniel R. McAuliffe, Jr.

Daniel R. McAuliffe, Jr.
Citigroup Managed Futures LLC
Chief Financial Officer and Director

August 12, 2004

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