

Closed-end funds (CEF) performance was relatively flat in Q3. The Morningstar All Municipal CEFs Peer Group Index¹ returned -0.74% and -0.99% for the quarter on net asset value (NAV) and market price, respectively. RFMZ (the “Fund”) returned -1.75% and 0.73% on NAV and market price, respectively, compared to the Bloomberg Barclays US Municipal Bond Index total return of -0.27%.

| | 1 Month | 3Q21 | Since Inception* |
|--|---------|--------|------------------|
| RiverNorth Flexible Municipal Income Fund II, Inc. (NAV) | -1.56% | -1.75% | 3.55% |
| RiverNorth Flexible Municipal Income Fund II, Inc. (Price) | -5.08% | 0.73% | 4.32% |
| Bloomberg Barclays Municipal Bond Index ¹ | -0.72% | -0.27% | 1.54% |
| Morningstar All CEF Peer Group (NAV) ¹ | -1.50% | -0.55% | 4.67% |
| Morningstar All CEF Peer Group (Price) ¹ | -2.26% | -1.15% | 8.63% |

* 2.24.2021.

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by calling (844) 569-4750 or by visiting rivernorth.com. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions.

Municipal (muni) CEFs entered Q3 with high valuations. The average national fund traded at slight premium on 6.30.2021 and ended the quarter at a slight discount. We believe muni CEFs should be trading near premiums. From our standpoint, the average tax-exempt yield is attractive, distributions have been stable, and leverage costs are low. The average discount of the Fund’s CEF portfolio is 4.51%, which is slightly wider than where we started the quarter.

In our view, the yield advantage on CEFs is simply too good to ignore. In this environment, \pm 5% premiums or discounts can make sense. We’ll be an aggressive buyer on weakness in the muni space. Yes, there is duration risk, but in our view, muni CEFs are the best way to use your duration risk budget.

The Fund’s yield, duration, and asset allocation were, broadly speaking, relatively unchanged over the quarter.

Notes from MacKay Municipal Managers

Municipal yields rose during the quarter and the municipal yield curve steepened with yields 10 years and longer rising more than front end yields. Furthermore, Municipal-to-Treasury ratios widened during the quarter as the market moved further away from the strong technicals of the summer into a weaker fall municipal technical backdrop. A steepening yield curve and widening ratios detracted from returns as securities within the portfolio were generally longer on the yield curve. Securities in New York dragged on performance as issuance in the state was robust during the summer months causing spreads to widen to absorb the supply. Conversely, exposures to credits in Massachusetts and Texas added to relative performance for the quarter. The Fund’s allocation to lower coupon and longer dated securities detracted from relative results as interest rates increased at the end of the quarter and market participants favored more defensive structures. Given this backdrop, the fund’s exposure to BBB rated credits aided relative performance. The U.S. Treasury futures hedge positively contributed to relative results.

Risk Information: See the prospectus for a more detailed description of Fund risks. Investing involves risk.

Although the income from the Fund’s municipal bond investments is generally exempt from federal income tax, you may owe taxes on any capital gains realized through the Fund’s trading or through your own redemption of shares. For some investors, a portion of the Fund’s income may be subject to state and local taxes, as well as to the federal alternative minimum tax. Risk is inherent in all investing. Investing in any investment company security involves risk, including the risk that you may receive little or no return on your investment or even that you may lose part or all of your investment. Therefore, before investing in the Common Shares, you should consider the risks as well as the other information in the prospectus.

Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle. The fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market’s value. Investments may include securities that have a rating that below investment grade, including “high yield” securities. High yield bonds are subject to interest rate risk. If rates increase, the value generally declines. Leverage is a speculative technique that exposes a closed-end fund to greater risk and increased costs than if it were not used. The use of leverage may cause greater volatility in the level of a closed-end fund’s NAV, market price and distributions on its common shares. Leverage will also result in higher fees to the closed-end fund manager because the amount of assets under management will be included in the Fund’s managed assets. There can be no assurance that a closed-end fund will use leverage or that its leveraging strategy will be successful during any period in which it is employed.

Definitions:

A closed-end fund is a portfolio of pooled assets that raises a fixed amount of capital through an initial public offering (IPO) and then lists shares for trade on a stock exchange.

Yield refers to the earnings generated and realized on an investment over a particular period of time.

Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. Duration is non-linear and accelerates as time to maturity lessens.

Credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). All fund securities except for those labeled "Not Rated" and "Other" have been rated by Moody's, S&P or Fitch, which are each a Nationally Recognized Statistical Rating Organization ("NRSRO"). A BBB+ rating means that the bond still is considered an investment grade bond, though it does carry more risk than higher rated bonds.

U.S. Treasury Bond Futures are standardized contracts for the purchase and sale of U.S. government notes or bonds for future delivery. Bond futures are financial derivatives that obligate the contract holder to purchase or sell a bond on a specified date at a predetermined price. The bond futures contract is used for hedging, speculating, or arbitrage purposes. Hedging is a form of investing in products that provide protection to holdings.

¹ The Morningstar All Municipal CEFs Peer Group Index is an equally-weighted index of all Closed-End Funds that invest substantially all of their assets in closed-end funds categorized by Morningstar as utilizing a municipal bond investment strategy. Municipal bond closed-end funds are defined as funds that invest in a diversified portfolio of investment grade municipal bonds in a variety of sectors and States. The Bloomberg Barclays Municipal Index is an unmanaged index made up of a representative list of general obligation, revenue, insured and pre-refunded bonds. The index is frequently used as a general measure of tax-exempt bond market performance. The index cannot be invested in directly and does not reflect fees and expenses. The Morningstar All CEF Peer Group (NAV) Index and the Morningstar All CEF Peer Group (Price) Index is an equally-weighted index of all U.S.-listed Closed-End Funds that invest substantially all of their assets in taxable, nonmunicipal securities. Indexes cannot be invested in directly and do not reflect fees and expenses.

Investors should consider the investment objective, management fees, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and other information about the Fund. For a current Prospectus, call toll-free 844.569.4750 or visit rivernorth.com. Please read the Prospectus carefully before you invest.