

**HOW DID THE FUND PERFORM RELATIVE TO ITS BENCHMARK DURING THE PERIOD?**

|  | 1 Month | 2Q22    | YTD     | 1 Year <sup>^</sup> | Since Inception <sup>^*</sup> |
|--|---------|---------|---------|---------------------|-------------------------------|
| RiverNorth Flexible Municipal Income Fund II, Inc. (NAV)   | -5.37%  | -8.58%  | -19.39% | -19.04%             | -11.13%                       |
| RiverNorth Flexible Municipal Income Fund II, Inc. (Price) | -4.99%  | -9.69%  | -24.21% | -24.04%             | -16.33%                       |
| Bloomberg US Municipal Index <sup>1</sup>                  | -1.64%  | -2.94%  | -8.98%  | -8.57%              | -5.19%                        |
| Morningstar All CEF Peer Group (NAV) <sup>1</sup>          | -6.47%  | -10.52% | -14.81% | -13.25%             | -6.54%                        |
| Morningstar All CEF Peer Group (Price) <sup>1</sup>        | -6.24%  | -11.26% | -17.45% | -16.26%             | -5.99%                        |

<sup>^</sup>Periods greater than one year are annualized.

\* 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](http://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.

**WHAT CONTRIBUTING FACTORS WERE RESPONSIBLE FOR THE FUND'S RELATIVE PERFORMANCE DURING THE PERIOD?*****RiverNorth Tactical Municipal Closed-End Fund Strategy***

Q2 picked up where Q1 left off with inflation, interest rate, and geopolitical uncertainty driving significant volatility in the closed-end fund (CEF) space. CEFs hit near-panic levels in mid-May, bounced a bit off the lows, then resumed their decline towards the end of the quarter. Muni CEFs were some of the hardest hit given their interest rate sensitivity.

The sleeve's exposure to the underlying net asset values (NAVs) of CEFs was the largest detractor from returns for the period. Exposure to CEF discounts also detracted from performance, albeit much less than CEF NAVs. The Fund's Treasury futures hedge contributed positively to performance as interest rates generally rose during the period.

***MacKay Municipal Bond Income Strategy***

The AAA municipal yield curve steepened by 64 basis points over the three months ending June 30. Municipal market performance continued to be pressured by an overall higher rate environment that was exacerbated by ongoing heavy mutual fund outflows. Overall for the quarter, municipal mutual fund and ETF outflows were around \$48bn, making 2022's outflow cycle the largest on record. Municipal-to-Treasury ratios were relatively unchanged from the beginning of the quarter to the end, with significant volatility in between. Ratios hit their widest 2022 levels around May 20th, with the 10 year ratio around 104% and 30 year around 110%. However, given municipal spreads had also widened, even on high quality paper, actual ratios were even more attractive. The market recovered briefly in the latter half of May as investors sought to reinvest proceeds from June 1st principal and interest payments. Some of the Fund's lower coupon bonds, mainly 4% coupons, experienced spread widening and underperformed. We continue to believe wider spreads and attractive ratios will provide opportunities for the second half of the year. Consequently the Fund's U.S. Treasury futures hedge significantly aided the relative performance of the Fund. The Fund's overweight exposure to the Transportation, Leasing and Local General Obligation (GO) sectors represented the largest drag on relative performance for the quarter.

**HOW WAS THE FUND POSITIONED AT THE END OF THE PERIOD?**

The Fund allocated 33% of Managed Assets to the RiverNorth Tactical Municipal CEF strategy and 67% to the MacKay Municipal Bond Income Strategy. The credit quality distribution was 93% investment grade, 5% not rated and 2% high yield.

The average discount of the Fund's CEF portfolio widened about 80 basis points to an 8.7% discount at quarter-end, which we view as attractive.

Quarter over quarter, the Fund's duration ticked lower by about 2/3 of a year, and the leverage ratio increased to ~40%.

**WHAT IS THE OUTLOOK GOING FORWARD?**

We are looking forward to the second half of the year as CEF investors are likely to drive discounts wider as they harvest tax losses. To that end, we're slow to increase CEF exposure through the summer months and early Fall as more attractive opportunities could present themselves in Q4.

The market is interesting today and there are many exceptional values. We continue to like term funds trading at attractive discounts. If you accrete the discount over the remaining time to term and add that "spread" to the underlying, these trades look attractive.

**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.

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.

An "AAA" municipal yield curve is derived from market estimates of yields for bonds with the highest ratings levels in the municipal market.

A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity.

Basis points (bps) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Credit spread is the difference in yield between a U.S. Treasury bond and another debt security of the same maturity but different credit quality. 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").

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

A coupon or coupon payment is the annual interest rate paid on a bond, expressed as a percentage of the face value and paid from issue date until maturity.

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.

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A General Obligation bond (GO bond) is a municipal bond backed solely by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project.

A term fund has a specified termination date at which time the fund's portfolio is liquidated.

<sup>1</sup> 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 US 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 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](http://rivernorth.com). Please read the Prospectus carefully before you invest.**

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RMI000279 EXP. 10.31.22

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