

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

	1 Month	3Q22	YTD	1 Year <sup>^</sup>	Since Inception <sup>^*</sup>
RiverNorth Flexible Municipal Income Fund II, Inc. (NAV)	-5.44%	-4.20%	-22.77%	-21.06%	-11.86%
RiverNorth Flexible Municipal Income Fund II, Inc. (Price)	-8.32%	-7.10%	-29.60%	-29.94%	-17.82%
Bloomberg US Municipal Index <sup>1</sup>	-3.84%	-3.46%	-12.13%	-11.50%	-6.48%
Morningstar All CEF Peer Group (NAV) <sup>1</sup>	-7.43%	-4.85%	-18.96%	-17.03%	-8.45%
Morningstar All CEF Peer Group (Price) <sup>1</sup>	-10.30%	-6.64%	-22.93%	-20.91%	-9.07%

<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***

September was the 2nd worst month for closed-end fund (CEF) performance in the past 10 years (March 2020) and one of the worst months for CEFs since the start of our data set in late 1996. This capped off the 8th worst quarter for CEFs since 1997. Further, all three quarters in 2022 to date rank in the bottom ten since 1997.

The volatility in CEFs has pushed discounts out to very wide levels. At September 30, 2022, the All Muni CEF Peer Group average discount was in the 86th percentile of wideness. Said differently, only 14% of the time has the average discount been wider than where they sat at quarter-end.

If you look across those 14% of observations that were wider, you'll notice that most of them are clustered close to where discounts are today. It's very rare to see significantly wider discounts.

Both sleeves within the fund contributed negatively to performance over the quarter. The RiverNorth sleeve's exposure to CEF NAVs was the largest detractor from performance for the period. Given the continued increase in intermediate-term interest rates, the Fund's Treasury futures hedge was a significant positive contributor to performance over the quarter.

***MacKay Municipal Bond Income Strategy***

The AAA municipal yield curve flattened over the three months ending September 30. Yields in the front end of the curve rose over 100 basis points (bps) while yields on the long end rose by over 70bps for the quarter. Municipal market performance continued to be pressured by an overall higher rate environment that was exacerbated by ongoing heavy mutual fund outflows surpassing \$100 billion YTD. Municipal-to-Treasury ratios were relatively unchanged from the beginning of the quarter to the end, with significant volatility in between. Ratios continue to show volatility with the 10 year ratio tightening to 87%, however, the 30 year ratio widened to 103.7%, representing the best relative value to U.S. Treasuries. Subsequently, the Fund continued to execute tax loss swaps and reposition to more attractive premium coupon bonds. Some of the Fund's lower coupon bonds, mainly 4% coupons, experienced spread widening, duration extension and ultimately underperformed. We believe that these more attractive structures for investment grade credits that are trading at wider ratios represent compelling opportunity to reposition the fund. The Fund's U.S. Treasury futures hedge significantly aided the relative performance of the fund during the quarter as yields rose. The Fund's overweight exposure to the local general obligation and transportation 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 32% of Managed Assets to the RiverNorth Tactical Municipal CEF strategy and 68% 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 2.1% to a 10.8% discount at quarter-end. The Fund's hedged duration increased by 0.4 year to 7.1 years. Additionally, the Fund's distribution rate is now 7.5% on NAV and 8.4% on market price.

**WHAT IS THE OUTLOOK GOING FORWARD?**

We expect that investors will continue to harvest CEF tax losses into the 4th quarter. It's hard to say when the selling will peak, but it's typically around Thanksgiving. In the CEF market, discounts tend to bottom around that time.

It's our opinion that CEFs are truly providing a double discount. With the average NAV for the municipal CEF peer group down 21.86% YTD, we believe current discounts on top of a cheaper municipal asset class make CEFs uniquely attractive.

Municipal CEFs tend to exhibit strong mean reverting characteristics given investor demand for tax exempt yield, so it would be surprising to see discounts stay this wide for an extended period of time. Negative investor sentiment towards owning interest sensitive assets could act as a headwind for discount narrowing, but in our view, investors will eventually return to the attractive tax exempt yields offered by municipal CEFs.

**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.

Tax Loss Harvesting is the selling of securities at a loss to offset a capital gains tax liability.

<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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RMI000290 EXP. 1.31.23

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