



REGAL

Total Return

Regal Total Return Fund
(Class A Shares: RTRTX)

SEMI-ANNUAL REPORT
SEPTEMBER 30, 2017

Regal Total Return Fund
A series of Investment Managers Series Trust II

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This report and the financial statements contained herein are provided for the general information of the shareholders of the Regal Total Return Fund. This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

Regal Total Return Fund
SCHEDULE OF INVESTMENTS
As of September 30, 2017 (Unaudited)

Number of Shares		Value
COMMON STOCKS – 62.4%		
COMMUNICATIONS – 3.0%		
155	Alphabet, Inc. - Class C*	\$ 148,662
8,331	America Movil S.A.B. de C.V. - ADR	147,875
686	Baidu, Inc. - ADR*	169,915
2,907	Ctrip.com International Ltd. - ADR*	153,315
1,185	Walt Disney Co.	116,806
1,377	WPP PLC - ADR	127,786
		864,359
CONSUMER DISCRETIONARY – 10.2%		
821	Alibaba Group Holding Ltd. - ADR*	141,795
6,147	Carnival Corp.	396,912
11,881	Fiat Chrysler Automobiles N.V.*	212,789
5,139	Lowe's Cos., Inc.	410,811
2,632	McDonald's Corp.	412,382
585	MercadoLibre, Inc.	151,474
5,521	NIKE, Inc. - Class B	286,264
733	O'Reilly Automotive, Inc.*	157,866
1,909	Signet Jewelers Ltd.	127,044
5,311	Starbucks Corp.	285,254
6,100	VF Corp.	387,777
		2,970,368
CONSUMER STAPLES – 9.7%		
23,160	AMBEV SA - ADR	152,624
1,765	Bunge Ltd.	122,597
5,467	Colgate-Palmolive Co.	398,271
4,247	CVS Health Corp.	345,366
928	Diageo PLC - ADR	122,617
2,768	JM Smucker Co.	290,446
1,122	PepsiCo, Inc.	125,024
4,204	Procter & Gamble Co.	382,480
6,757	Target Corp.	398,731
2,122	Unilever PLC - ADR	122,991
4,579	Wal-Mart Stores, Inc.	357,803
		2,818,950
ENERGY – 1.8%		
2,856	Andeavor	294,596
1,138	Core Laboratories N.V.	112,321
3,020	Enbridge, Inc.	126,357
		533,274
FINANCIALS – 11.0%		
1,637	American Express Co.	148,083
1,082	American Tower Corp. - REIT	147,888
684	AvalonBay Communities, Inc. - REIT	122,039

Regal Total Return Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2017 (Unaudited)

Number of Shares		Value
	COMMON STOCKS (Continued)	
	FINANCIALS (Continued)	
2,641	Bank of New York Mellon Corp.	\$ 140,026
739	Berkshire Hathaway, Inc. - Class B*	135,473
334	BlackRock, Inc.	149,328
9,637	Cohen & Steers, Inc.	380,565
1,316	Crown Castle International Corp. - REIT	131,574
317	Equinix, Inc. - REIT	141,477
1,969	Equity Residential - REIT	129,816
3,140	Lazard Ltd. - Class A	141,991
1,074	Mastercard, Inc. - Class A	151,649
18,589	Mitsubishi UFJ Financial Group, Inc. - ADR	119,713
10,487	Net 1 UEPS Technologies, Inc.*	102,143
2,341	Prologis, Inc. - REIT	148,560
2,371	Toronto-Dominion Bank	133,416
1,466	Visa, Inc. - Class A	154,282
6,364	Wells Fargo & Co.	350,975
1,854	Welltower, Inc. - REIT	130,299
4,007	Weyerhaeuser Co. - REIT	136,358
		3,195,655
	HEALTH CARE – 10.3%	
5,442	AbbVie, Inc.	483,576
504	Allergan PLC	103,295
730	Amgen, Inc.	136,108
1,943	Becton, Dickinson and Co.	380,731
2,148	Express Scripts Holding Co.*	136,011
813	IDEXX Laboratories, Inc.*	126,413
9,209	Insys Therapeutics, Inc.*	81,776
549	McKesson Corp.	84,332
4,715	Medtronic PLC	366,686
1,390	Novartis AG - ADR	119,332
11,779	Pfizer, Inc.	420,510
3,152	Quest Diagnostics, Inc.	295,153
2,320	Sanofi - ADR	115,513
2,314	Zoetis, Inc.	147,541
		2,996,977
	INDUSTRIALS – 6.0%	
2,632	AerCap Holdings N.V.*	134,522
1,261	Deere & Co.	158,369
1,675	Eaton Corp. PLC	128,623
4,730	General Electric Co.	114,371
3,094	Greenbrier Cos., Inc.	148,976
3,946	Grupo Aeroportuario del Centro Norte S.A.B. de C.V. - ADR	175,163
2,236	Siemens A.G. - ADR	158,197
1,255	Union Pacific Corp.	145,542

Regal Total Return Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2017 (Unaudited)

Number of Shares		Value
COMMON STOCKS (Continued)		
INDUSTRIALS (Continued)		
3,045	United Technologies Corp.	\$ 353,464
1,257	W.W. Grainger, Inc.	225,946
		1,743,173
MATERIALS – 4.4%		
2,623	Air Products & Chemicals, Inc.	396,650
3,586	Albemarle Corp.	488,808
1,917	Compass Minerals International, Inc.	124,413
1,865	Franco-Nevada Corp.	144,500
1,210	Monsanto Co.	144,982
		1,299,353
TECHNOLOGY – 5.2%		
1,725	Analog Devices, Inc.	148,643
2,180	Cerner Corp.*	155,478
3,305	IHS Markit Ltd.*	145,684
22,193	Infosys Ltd. - ADR	323,796
6,442	QUALCOMM, Inc.	333,953
20,034	Telefonaktiebolaget LM Ericsson - ADR	115,196
3,626	Tencent Holdings Ltd. - ADR	159,236
2,456	Ubiquiti Networks, Inc.*	137,585
		1,519,571
UTILITIES – 0.8%		
1,661	Dominion Energy, Inc.	127,781
4,500	Huaneng Power International, Inc. - ADR	109,890
		237,671
TOTAL COMMON STOCKS		
(Cost \$16,653,460)		18,179,351
EXCHANGE-TRADED FUNDS – 31.4%		
12,288	CurrencyShares Euro Trust*	1,402,061
8,043	CurrencyShares Japanese Yen Trust*	686,631
2,462	iShares 1-3 Year Credit Bond ETF	259,372
4,460	iShares 3-7 Year Treasury Bond ETF	550,855
4,870	iShares 7-10 Year Treasury Bond ETF	518,752
15,916	iShares Floating Rate Bond ETF	810,761
12,148	iShares iBoxx \$ High Yield Corporate Bond ETF	1,078,256
2,349	iShares Intermediate Credit Bond ETF	258,766
6,794	iShares JP Morgan USD Emerging Markets Bond ETF	790,957
9,910	iShares MBS ETF	1,061,361
14,870	Market Vectors Agribusiness ETF	877,032
36,960	Market Vectors Gold Miners ETF	848,602
TOTAL EXCHANGE-TRADED FUNDS		
(Cost \$9,025,723)		9,143,406

Regal Total Return Fund
SCHEDULE OF INVESTMENTS - Continued
As of September 30, 2017 (Unaudited)

Number of Shares		Value
	SHORT-TERM INVESTMENTS – 10.4%	
3,036,423	Fidelity Institutional Government Portfolio Fund - Institutional Class, 0.93% ¹	\$ 3,036,423
	TOTAL SHORT-TERM INVESTMENTS	
	(Cost \$3,036,423)	3,036,423
	TOTAL INVESTMENTS – 104.2%	
	(Cost \$28,715,606)	30,359,180
	Liabilities in Excess of other assets – (4.2)%	(1,216,004)
	TOTAL NET ASSETS –100.0%	\$ 29,143,176

ADR – American Depositary Receipt

PLC – Public Limited Company

REIT – Real Estate Investment Trust

* Non-income producing security.

¹ The rate is the annualized seven-day yield at period end.

See accompanying Notes to Financial Statements.

Regal Total Return Fund
SUMMARY OF INVESTMENTS
As of September 30, 2017 (Unaudited)

Security Type/Sector	Percent of Total Net Assets
Common Stocks	
Financials	11.0%
Health Care	10.3%
Consumer Discretionary	10.2%
Consumer Staples	9.7%
Industrials	6.0%
Technology	5.2%
Materials	4.4%
Communications	3.0%
Energy	1.8%
Utilities	0.8%
Total Common Stocks	62.4%
Exchange-Traded Funds	31.4%
Short-Term Investments	10.4%
Total Investments	104.2%
Liabilities in Excess of other assets	(4.2)%
Total Net Assets	100.0%

See accompanying Notes to Financial Statements.

Regal Total Return Fund
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2017 (Unaudited)

Assets:

Investments, at value (cost \$28,715,606)	\$ 30,359,180
Receivables:	
Fund shares sold	11,930
Dividends and interest	12,470
Prepaid expenses	<u>12,762</u>
Total assets	<u>30,396,342</u>

Liabilities:

Payables:	
Investment securities purchased	1,159,884
Fund shares redeemed	37,663
Advisory fees	6,936
Distribution fees (Note 8)	5,927
Shareholder servicing fees (Note 7)	2,484
Auditing fees	7,614
Transfer agent fees and expenses	7,501
Fund accounting fees	6,887
Fund administration fees	5,109
Legal fees	3,195
Trustees' fees and expenses	2,837
Custody fees	1,784
Chief Compliance Officer fees	214
Accrued other expenses	<u>5,131</u>
Total liabilities	<u>1,253,166</u>

Net Assets	<u>\$ 29,143,176</u>
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Components of Net Assets:

Paid-in Capital (par value of \$0.01 per share with unlimited number of shares authorized)	\$ 27,105,083
Accumulated net investment income	106,747
Accumulated net realized gain on investments and written options contracts	287,772
Net unrealized appreciation on Investments	<u>1,643,574</u>

Net Assets	<u>\$ 29,143,176</u>
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Maximum Offering Price per Share

Shares of beneficial interest issued and outstanding	2,641,436
Net asset value per share	<u>\$ 11.03</u>
Maximum sales charge (5.75% of offering price) ¹	<u>0.67</u>
Maximum public offering price to public	<u>\$ 11.71</u>

¹On sales of \$100,000 or more, the sales charge will be reduced.

Regal Total Return Fund
STATEMENT OF OPERATIONS
For the Six Months Ended September 30, 2017 (Unaudited)

Investment Income:

Dividends (net of foreign withholding taxes of \$3,047)	\$ 258,786
Interest	18,521
Total investment income	<u>277,307</u>

Expenses:

Advisory fees	123,169
Distribution fees (Note 8)	34,213
Fund administration fees	23,479
Fund accounting fees	21,462
Shareholder servicing fees (Note 7)	19,160
Transfer agent fees and expenses	17,686
Registration fees	16,177
Legal fees	8,775
Auditing fees	7,521
Shareholder reporting fees	6,835
Chief Compliance Officer fees	6,769
Custody fees	5,979
Trustees' fees and expenses	4,112
Miscellaneous	3,259
Insurance fees	<u>2,372</u>
Total expenses	300,968
Advisory fees waived	<u>(88,844)</u>
Net expenses	<u>212,124</u>
Net investment income	<u><u>65,183</u></u>

Realized and Unrealized Gain on Investments:

Net realized gain on investments	169,059
Net change in unrealized appreciation/depreciation on investments	<u>850,244</u>
Net realized and unrealized gain on investments	<u>1,019,303</u>

Net Increase in Net Assets from Operations

\$ 1,084,486

See accompanying Notes to Financial Statements.

Regal Total Return Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended September 30, 2017 (Unaudited)	For the Year Ended March 31, 2017
Increase in Net Assets from:		
Operations:		
Net investment income	\$ 65,183	\$ 106,226
Net realized gain on investments	169,059	1,239,157
Net change in unrealized appreciation/depreciation on investments	850,244	379,365
Net increase in net assets resulting from operations	1,084,486	1,724,748
Distributions to Shareholders:		
From net investment income	-	(78,341)
From net realized gain	-	-
Total distributions to shareholders	-	(78,341)
Capital Transactions:		
Net proceeds from shares sold	6,482,931	10,240,044
Reinvestment of distributions	-	76,670
Cost of shares redeemed ¹	(4,316,347)	(8,032,813)
Net increase in net assets from capital transactions	2,166,584	2,283,901
Total increase in net assets	3,251,070	3,930,308
Net Assets:		
Beginning of period	25,892,106	21,961,798
End of period	<u>\$ 29,143,176</u>	<u>\$ 25,892,106</u>
Accumulated net investment income	\$ 106,747	\$ 41,564
Capital Share Transactions:		
Shares sold	602,876	990,064
Shares reinvested	-	7,351
Shares redeemed	(402,045)	(783,853)
Net increase in capital share transactions	200,831	213,562

¹ Net of redemption fee proceeds of \$1,133 and \$1,556, respectively.

Regal Total Return Fund

FINANCIAL HIGHLIGHTS

Per share operating performance.

For a capital share outstanding throughout each period.

	For the	For the Year Ended March 31,		For the Period
	Six Months Ended September 30, 2017 (Unaudited)	2017	2016	May 27, 2014* through March 31, 2015
Net asset value, beginning of period	\$ 10.61	\$ 9.86	\$ 10.32	\$ 10.00
Income from Investment Operations:				
Net investment income ¹	0.03	0.05	0.03	0.03
Net realized and unrealized gain (loss)	0.39	0.74	(0.34)	0.31
Total from investment operations	0.42	0.79	(0.31)	0.34
Less Distributions:				
From net investment income	-	(0.04)	(0.02)	(0.02)
From net realized gain	-	-	(0.13)	-
Total distributions	-	(0.04)	(0.15)	(0.02)
Redemption fee proceeds¹	- ²	- ²	- ²	- ²
Net asset value, end of period	\$ 11.03	\$ 10.61	\$ 9.86	\$ 10.32
Total return³	3.96% ⁴	7.97%	(2.96)%	3.40% ⁴
Ratios and Supplemental Data:				
Net assets, end of period (in thousands)	\$ 29,143	\$ 25,892	\$ 21,962	\$ 22,448
Ratio of expenses to average net assets:				
Before fees waived and expenses absorbed	2.20% ⁵	2.38%	2.26%	3.11% ⁵
After fees waived and expenses absorbed	1.55% ⁵	1.55%	1.55%	1.55% ⁵
Ratio of net investment income (loss) to average net assets:				
Before fees waived and expenses absorbed	(0.17)% ⁵	(0.35)%	(0.39)%	(1.24)% ⁵
After fees waived and expenses absorbed	0.48% ⁵	0.48%	0.32%	0.32% ⁵
Portfolio turnover rate	36% ⁴	104%	164%	158% ⁴

* Commencement of operations.

¹ Based on average shares outstanding during the period.

² Amount represents less than \$0.01 per share.

³ Total returns would have been lower had expenses not been waived or absorbed by the Advisor. Returns shown do not include payment of sales load of 5.75% of offering price which is reduced on sales of \$100,000 or more. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

⁴ Not annualized.

⁵ Annualized.

See accompanying Notes to Financial Statements.

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2017 (Unaudited)

Note 1 – Organization

Regal Total Return Fund (the “Fund”) was organized as a diversified series of Investment Managers Series Trust II, a Delaware statutory trust (the “Trust”) which is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary investment objective is to seek positive total return. The Fund commenced investment operations on May 27, 2014.

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.”

Note 2 – Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

(a) Valuation of Investments

The Fund values equity securities at the last reported sale price on the principal exchange or in the principal over the counter (“OTC”) market in which such securities are traded, as of the close of regular trading on the NYSE on the day the securities are being valued or, if the last-quoted sales price is not readily available, the securities will be valued at the last bid or the mean between the last available bid and ask price. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price (“NOCP”). Debt securities are valued by utilizing a price supplied by independent pricing service providers. The independent pricing service providers may use various valuation methodologies including matrix pricing and other analytical pricing models as well as market transactions and dealer quotations. These models generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions. If a price is not readily available for a portfolio security, the security will be valued at fair value (the amount which the Fund might reasonably expect to receive for the security upon its current sale) as determined in good faith by the Fund’s advisor, subject to review and approval by the Valuation Committee, pursuant to procedures adopted by the Board of Trustees. The actions of the Valuation Committee are subsequently reviewed by the Board at its next regularly scheduled board meeting. The Valuation Committee meets as needed. The Valuation Committee is comprised of all the Trustees, but action may be taken by any one of the Trustees.

(b) Options

The Fund may write or purchase options contracts primarily to enhance the Fund’s returns or reduce volatility. In addition, the Fund may utilize options in an attempt to generate gains from option premiums or to reduce overall portfolio risk. When the Fund writes or purchases an option, an amount equal to the premium received or paid by the Fund is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or a loss on investment transactions. The Fund, as a writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

(c) Exchange Traded Funds (“ETFs”)

ETFs typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. As a result, Fund shareholders indirectly bear their proportionate share of these acquired expenses. Therefore, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in securities.

Each ETF in which the Fund invests is subject to specific risks, depending on the nature of the ETF. Each ETF is subject to the risks associated with direct ownership of the securities comprising the index on which the ETF is based. These risks could include liquidity risk, sector risk as well as risks associated with fixed-income securities.

(d) Investment Transactions, Investment Income and Expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country’s tax rules and rates and are disclosed in the Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction’s legal obligation to pay reclaims as well as payment history and market convention. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Expenses incurred by the Trust with respect to more than one Fund are allocated in proportion to the net assets of each Fund except where allocation of direct expenses to each Fund or an alternative allocation method can be more appropriately made.

(e) Federal Income Taxes

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, any tax positions expected to be taken in the Fund’s current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the six months ended September 30, 2017, the Fund did not have a liability for any unrecognized tax

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(f) Distributions to Shareholders

The Fund will make distributions of net investment income and capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense and gain (loss) items for financial statement and tax purposes.

Note 3 – Investment Advisory and Other Agreements

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the “Agreement”) with Regal Investment Advisors, LLC (the “Advisor”). Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Advisor at the annual rate of 0.90% of the Fund’s average daily net assets. The Advisor has contractually agreed to waive its fee and/or pay for operating expenses of the Fund to ensure that total annual fund operating expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with SEC Form N-1A), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 1.55% of the average daily net assets of the Class A shares of the Fund. This agreement is in effect until July 31, 2018, and it may be terminated before that date only by the Trust’s Board of Trustees.

For the six months ended September 30, 2017, the Advisor waived a portion of its advisory fees totaling \$88,844. The Advisor may recover from the Fund fees and/or expenses previously waived and/or absorbed, if the Fund’s expense ratio, including the recovered expenses, falls below the expense at which they were waived. The Fund’s advisor is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period ending three full fiscal years after the date of the waiver or payment. This reimbursement may be requested from the Fund if the reimbursement will not cause the Fund’s annual expense ratio to exceed the lesser of (a) the expense limitation amount in effect at the time such fees were waived or payments made, or (b) the expense limitation amount in effect at the time of the reimbursement. At September 30, 2017, the amount of these potentially recoverable expenses was \$604,828. The Advisor may recapture all or a portion of this amount no later than March 31 of the years stated below:

2018	\$	165,811
2019		166,110
2020		184,063
2021		88,844
Total	\$	<u>604,828</u>

IMST Distributors, LLC serves as the Fund’s distributor; UMB Fund Services, Inc. (“UMBFS”) serves as the Fund’s fund accountant, transfer agent and co-administrator; and Mutual Fund Administration, LLC (“MFAC”) serves as the Fund’s other co-administrator. UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund’s custodian.

Certain trustees and officers of the Trust are employees of UMBFS or MFAC. The Fund does not compensate trustees and officers affiliated with the Fund’s co-administrators. For the six months ended September 30, 2017, the Fund’s allocated fees incurred for Trustees who are not affiliated with the Fund’s co-administrators are reported on the Statement of Operations.

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

Dziura Compliance Consulting, LLC provides Chief Compliance Officer (“CCO”) services to the Trust. The Fund’s allocated fees incurred for CCO services for the six months ended September 30, 2017, are reported on the Statement of Operations.

Note 4 – Federal Income Taxes

At September 30, 2017, gross unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes were as follows:

Cost of investments	\$	<u>28,737,539</u>
Gross unrealized appreciation	\$	2,127,049
Gross unrealized depreciation		<u>(505,408)</u>
Net unrealized appreciation on investments	\$	<u>1,621,641</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

As of March 31, 2017, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$	28,156
Undistributed long-term capital gains		<u>141,971</u>
Tax accumulated earnings		170,127
Accumulated capital and other losses		-
Net unrealized appreciation on investments		<u>783,480</u>
Total accumulated earnings	\$	<u>953,607</u>

During the fiscal year ended March 31, 2017, the Fund utilized \$1,001,662 of short-term non-expiring capital loss carry forward and \$116,885 of long-term non-expiring capital loss carry forward.

The tax character of the distributions paid during the fiscal years ended March 31, 2017 and March 31, 2016 was as follows:

Distribution paid from:	2017	2016
Ordinary income	\$ 78,341	\$ 332,127
Net long term capital gains	-	23,997
Total distributions paid	<u>\$ 78,341</u>	<u>\$ 356,124</u>

Note 5 – Redemption Fee

The Fund may impose a redemption fee of 2.00% of the total redemption amount on all shares redeemed within 60 days of purchase. For the six months ended September 30, 2017 and the year ended March 31, 2017, the Fund received \$1,133 and \$1,556 respectively, in redemption fees.

Note 6- Investment Transactions

For the six months ended September 30, 2017, purchases and sales of investments, excluding short-term investments, were \$13,849,114 and \$8,214,468, respectively.

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

Note 7 – Shareholder Servicing Plan

The Trust, on behalf of the Fund, has adopted a Shareholder Servicing Plan to pay a fee at an annual rate of up to 0.15% of average daily net assets of shares serviced by shareholder servicing agents who provide administrative and support services to their customers.

For the six months ended September 30, 2017, shareholder servicing fees incurred are disclosed on the Statement of Operations.

Note 8 - Distribution Plan

The Trust, on behalf of the Fund, has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act that allows the Fund to pay distribution fees for the sale and distribution of its shares. With respect to the Fund’s shares, the Plan provides for the payment of distribution fees at the annual rate of up to 0.25% of its average daily net assets, payable to the Distributor.

For the six months ended September 30, 2017, distribution fees incurred are disclosed on the Statement of Operations.

Note 9 – Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. 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, the Fund expects the risk of loss to be remote.

Note 10 – Fair Value Measurements and Disclosure

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund’s investments. These inputs are summarized into three broad Levels as described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has 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 on 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

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

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 an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of September 30, 2017, in valuing the Fund's assets carried at fair value:

	Level 1	Level 2**	Level 3**	Total
Assets				
Investments				
Common Stocks*	\$ 18,179,351	\$ -	\$ -	\$ 18,179,351
Exchange-Traded Funds	9,143,406	-	-	9,143,406
Short-Term Investments	3,036,423	-	-	3,036,423
Total Assets	<u>\$ 30,359,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,359,180</u>

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

**The Fund did not hold any Level 2 or Level 3 securities at period end.

Transfers between Levels 1, 2, or 3 are recognized at the end of the reporting period. There were no transfers between levels at period end.

Note 11 – Derivatives and Hedging Disclosures

Derivatives and Hedging requires enhanced disclosures about the Fund's derivative and hedging activities, including how such activities are accounted for and their effects on the Fund's financial position, performance and cash flows. The Fund did not hold any securities requiring disclosure.

Note 12 - Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures

Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures require an entity to modify accounting for repurchase-to-maturity transactions and repurchase financing arrangements, as well as modify required disclosures for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions that are accounted for as secured borrowings. Management has evaluated the impact on the financial statement disclosures and determined that there is no effect.

Note 13 – Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)

Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) removes the requirement to categorize within the fair value hierarchy investments measured using the net asset value per share ("NAV") practical expedient, as well as removes certain disclosure requirements for investments that qualify,

Regal Total Return Fund
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2017 (Unaudited)

but do not utilize, the NAV practical expedient. Management has evaluated the impact on the financial statement disclosures and determined that there is no effect.

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, "final rules") intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management is currently evaluating the impact that the adoption of the amendments to Regulation S-X will have on the financial statements and related disclosures.

Note 14 – Events Subsequent to the Fiscal Period End

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund's related events and transactions that occurred through the date of issuance of the Fund's financial statements. There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

Regal Total Return Fund

SUPPLEMENTAL INFORMATION (Unaudited)

Board Consideration of Investment Advisory Agreement

At an in-person meeting held on July 20, 2017, the Board of Trustees (the “*Board*”) of Investment Managers Series Trust II (the “*Trust*”), including the trustees who are not “interested persons” of the Trust (the “*Independent Trustees*”) as defined in the Investment Company Act of 1940, as amended (the “*1940 Act*”), reviewed and unanimously approved the renewal of the Investment Advisory Agreement (the “*Advisory Agreement*”) between the Trust and Regal Investment Advisors, LLC (the “*Investment Advisor*”) with respect to the Regal Total Return Fund series of the Trust (the “*Fund*”) for an additional one-year term from when it otherwise would expire. In approving renewal of the Advisory Agreement, the Board, including the Independent Trustees, determined that such renewal was in the best interests of the Fund and its shareholders.

Background

In advance of the meeting, the Board received information about the Fund and the Advisory Agreement from the Investment Advisor and from Mutual Fund Administration, LLC and UMB Fund Services, Inc., the Trust’s co-administrators, certain portions of which are discussed below. The materials, among other things, included information about the Investment Advisor’s organization and financial condition; information regarding the background and experience of relevant personnel providing services to the Fund; reports comparing the performance of the Fund with returns of the Morningstar Moderate Target Risk Index and a group of comparable funds selected by Morningstar, Inc. (the “*Peer Group*”) from its Allocation—50% to 70% Equity fund universe (the “*Fund Universe*”) for the one-year period ended April 30, 2017; and reports comparing the investment advisory fee and total expenses of the Fund with those of the Peer Group and Fund Universe. The Board also received a memorandum from the independent legal counsel to the Trust and the Independent Trustees discussing the legal standards under the 1940 Act and other applicable law for their consideration of the proposed renewal of the Advisory Agreement. In addition, the Board considered information reviewed by the Board during the year at other Board and Board committee meetings. No representatives of the Investment Advisor were present during the Board’s consideration of the Advisory Agreement.

In approving renewal of the Advisory Agreement, the Board and the Independent Trustees considered a variety of factors, including those discussed below. In their deliberations, the Board and the Independent Trustees did not identify any particular factor that was controlling, and each Trustee may have attributed different weights to the various factors.

Nature, Extent and Quality of Services

With respect to the performance results of the Fund, the meeting materials indicated that the total return of the Fund for the one-year period was below the Peer Group and Fund Universe median returns, and the Morningstar Moderate Target Risk Index return, by 3.97%, 4.73%, and 4.89%, respectively. The Trustees considered Morningstar’s observation that over the past year the Fund maintained a larger cash position than the Fund Universe average, as well as the Investment Advisor’s belief that the larger cash position contributed to the Fund’s underperformance given the strong equity markets over the period. The Trustees also noted the Investment Advisor’s expectation that the Fund would underperform its peers in strong equity markets. The Trustees also considered that one year is a short period for evaluating the Fund’s performance, and that performance over longer periods would be more meaningful.

The Board also considered the overall quality of services provided by the Investment Advisor to the Fund. In doing so, the Board considered the Investment Advisor’s specific responsibilities in day-to-day management and oversight of the Fund, as well as the qualifications, experience, and responsibilities of the personnel involved in the activities of the Fund. The Board also considered the overall quality of the Investment Advisor’s organization and operations, and the Investment Advisor’s compliance structure. The Board and the Independent Trustees concluded that based on the various factors they had reviewed, the nature, overall quality, and extent of the management and oversight services provided by the Investment Advisor to the Fund were satisfactory.

Regal Total Return Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

Advisory Fee and Expense Ratio

With respect to the advisory fee paid by the Fund, the meeting materials indicated that the annual investment advisory fee (gross of fee waivers) was higher than the Peer Group and Fund Universe medians by 0.075% and 0.40%, respectively. The Trustees considered that the Investment Advisor's investment process includes: (i) a "dividend plus" strategy; (ii) a U.S. all-cap equity strategy; (iii) an international all-cap equity strategy; (iv) a tactical commodity/currency ETF strategy; and (v) a tactical fixed income strategy, and they considered the Investment Advisor's belief that such diverse and complex strategies, combined with the Fund's focus on risk mitigation and volatility reduction, generally require more work than funds in the Peer Group. The Trustees noted that the Fund's advisory fee was lower than the fee charged by the Investment Advisor to other clients to manage separate accounts using the same strategies as the Fund.

The meeting materials indicated that the annual total expenses paid by the Fund (net of fee waivers) for the Fund's most recent fiscal year were higher than the Peer Group median and Fund Universe median by 0.07% and 0.10%, respectively. The Trustees considered that the annual total expenses of the Fund were likely above those of its peer funds as a result of the Fund's higher investment advisory fee. The Trustees also noted that the average net assets of the Fund were significantly smaller than the average net assets of the funds in the Peer Group and Fund Universe.

The Board and the Independent Trustees concluded that based on the factors they had reviewed, the compensation payable to the Investment Advisor under the Advisory Agreement was fair and reasonable in light of the nature and quality of the services the Investment Advisor provides to the Fund.

Profitability and Economies of Scale

The Board also considered information prepared by the Investment Advisor relating to its costs and profits with respect to the Fund for the year ended April 30, 2017, noting that the Investment Advisor had waived almost its entire advisory fee and did not realize a profit with respect to the Fund. The Board also considered the benefits received by the Investment Advisor as a result of the Investment Advisor's relationship with the Fund (other than the receipt of its investment advisory fee), including any research received from broker-dealers providing execution services to the Fund, the beneficial effects from the review by the Trust's Chief Compliance Officer of the Investment Advisor's compliance program, and the intangible benefits of the Investment Advisor's association with the Fund generally and any favorable publicity arising in connection with the Fund's performance. The Board also noted that although there were no advisory fee breakpoints, the asset level of the Fund was not currently likely to lead to significant economies of scale, and that any such economies would be considered in the future as the assets of the Fund grow.

Conclusion

Based on these and other factors, the Board and the Independent Trustees concluded that renewal of the Advisory Agreement was in the best interests of the Fund and its shareholders and, accordingly, approved renewal of the Advisory Agreement.

Regal Total Return Fund

EXPENSE EXAMPLE

For the Six Months Ended September 30, 2017 (Unaudited)

Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, and (2) ongoing costs, including management fees; distribution and service (12b-1) fees; and other Fund expenses. The examples below are 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.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2017 to September 30, 2017.

Actual Expenses

The information in the row titled “Actual Performance” of the table below provides actual account values and actual expenses. You may use the information in these columns, 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 appropriate row under the column titled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information in the row titled “Hypothetical (5% annual return before expenses)” of the table below provides hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratios 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 and other funds. To do so, compare these 5% hypothetical examples 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 sales charges (load) or contingent deferred sales charges. Therefore, the information in the row titled “Hypothetical (5% annual return before expenses)” 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 transactional costs were included, your costs would have been higher.

Regal Total Return Fund	Beginning Account Value	Ending Account Value	Expenses Paid During Period*
	4/1/17	9/30/17	4/1/17 – 9/30/17
Actual Performance	\$ 1,000.00	\$ 1,039.60	\$ 7.92
Hypothetical (5% annual return before expenses)	\$ 1,000.00	\$ 1,017.31	\$ 7.83

* Expenses are equal to the Fund’s annualized expense ratio of 1.55% multiplied by the average account value over the period, multiplied by 183/365 (to reflect the six month period). The expense ratio reflects an expense waiver. Assumes all dividends and distributions were reinvested.

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Regal Total Return Fund

A series of Investment Managers Series Trust II

Investment Advisor

Regal Investment Advisors, LLC
2687 44th St SE
Kentwood, Michigan 49512

Custodian

UMB Bank, n.a.
928 Grand Boulevard, 5th Floor
Kansas City, Missouri 64106

Fund Co-Administrator

Mutual Fund Administration, LLC
2220 E. Route 66, Suite 226
Glendora, California 91740

Fund Co-Administrator, Transfer Agent and Fund Accountant

UMB Fund Services, Inc.
235 W. Galena Street
Milwaukee, Wisconsin 53212

Distributor

IMST Distributors, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101
www.foreside.com

FUND INFORMATION

	<u>TICKER</u>	<u>CUSIP</u>
Regal Total Return Fund – Class A	RTRTX	46141T 307

Privacy Principles of the Regal Total Return Fund for Shareholders

The Fund is committed to maintaining the privacy of its shareholders and to safeguarding its non-public personal information. The following information is provided to help you understand what personal information the Fund collects, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Fund does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Fund. The Fund does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

This report is sent to shareholders of the Regal Total Return Fund for their information. It is not a Prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

Proxy Voting Policies and Procedures

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (844) 66REGAL (73425) or on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Proxy Voting Record

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling the Fund at (844) 66REGAL (73425) or by accessing the Fund's Form N-PX on the SEC's website at www.sec.gov.

Form N-Q Disclosure

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. The Fund's Form N-Q is available on the SEC website at www.sec.gov or by calling the Fund at (844) 66REGAL (73425). The Fund's Form N-Q may also be viewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (844) 66REGAL (73425).

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