



AXS Chesapeake Strategy Fund

(Class A: ECHAX)

(Class C: ECHCX)

(Class I: EQCHX)

SEMI-ANNUAL REPORT

March 31, 2020

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund, if you hold your shares directly with the Fund, or from your financial intermediary, such as a broker-dealer or bank, if you hold your shares through a financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you hold your shares directly with the Fund, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting the Fund at (833) 297-2587 or, if you hold your shares through a financial intermediary, contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. If you hold your shares directly with the Fund, you can inform the Fund that you wish to continue receiving paper copies of your shareholder reports at (833) 297-2587 or, if you hold your shares through a financial intermediary, contacting your financial intermediary. Your election to receive reports in paper will apply to all of the Investment Managers Series Trust II's Funds you hold directly or through your financial intermediary, as applicable.

AXS Chesapeake Strategy 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 AXS Chesapeake Strategy Fund. This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

AXS Chesapeake Strategy Fund
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of March 31, 2020 (Unaudited)

Principal Amount		Value
U.S. TREASURY NOTES — 82.6%		
United States Treasury Note		
\$ 9,600,000	1.500%, 4/15/2020 ¹	\$ 9,605,251
15,200,000	2.000%, 7/31/2020 ¹	15,302,722
7,000,000	1.625%, 11/30/2020	7,072,597
5,000,000	2.250%, 2/15/2021	5,095,410
TOTAL U.S. TREASURY NOTES		37,075,980
(Cost \$36,708,630)		
SHORT-TERM INVESTMENTS — 15.4%		
Number of Shares		
6,909,880	Fidelity Investments Money Market Government Portfolio - Institutional Class, 0.30% ²	6,909,880
TOTAL SHORT-TERM INVESTMENTS		6,909,880
(Cost \$6,909,880)		
TOTAL INVESTMENTS — 98.0%		43,985,860
(Cost \$43,618,510)		
Other Assets in Excess of Liabilities — 2.0%		906,902
TOTAL NET ASSETS — 100.0%		\$ 44,892,762

¹All or a portion of this investment is a holding of Equinox Chesapeake Strategy Fund Limited.

²The rate is the annualized seven-day yield at period end.

AXS Chesapeake Strategy Fund
CONSOLIDATED SCHEDULE OF INVESTMENTS - Continued
As of March 31, 2020 (Unaudited)

FUTURES CONTRACTS

Long Contracts	Expiration Date	Number of Contracts	Notional Value	Value at March 31, 2020	Unrealized Appreciation (Depreciation)
Commodity Futures					
CBOT Wheat ¹	May 2020	40	\$ 1,086,000	\$ 1,137,500	\$ 51,500
CMX Gold ¹	June 2020	8	1,303,760	1,277,280	(26,480)
LME Lead ¹	May 2020	40	1,830,000	1,743,000	(87,000)
LME Primary Aluminum ¹	May 2020	17	702,065	643,556	(58,509)
LME Primary Nickel ¹	May 2020	6	460,620	412,722	(47,898)
LME Zinc ¹	May 2020	10	474,658	475,625	967
Currency Futures					
South African Rand	June 2020	8	12,944,000	13,025,484	81,484
Swedish Krona	June 2020	12	11,916,000	11,912,840	(3,160)
Equity Futures					
Wal-Mart Stores, Inc.	June 2020	31	364,630	354,144	(10,486)
Interest Rate Futures					
CBOT 10-Year U.S. Treasury Note	June 2020	65	8,551,563	9,014,688	463,125
ICF Long Gilt	June 2020	8	1,067,360	1,094,885	27,525
Total Long Contracts			40,700,656	41,091,724	391,068
Short Contracts					
Commodity Futures					
CBOT Corn ¹	May 2020	(80)	(1,524,463)	(1,363,000)	161,463
CBOT Soybean Oil ¹	May 2020	(50)	(866,610)	(810,300)	56,310
CME Lean Hogs ¹	June 2020	(12)	(360,600)	(289,560)	71,040
CME Live Cattle ¹	June 2020	(18)	(720,720)	(662,940)	57,780
CMX Copper ¹	May 2020	(10)	(615,625)	(557,000)	58,625
ICE Canola ¹	July 2020	(108)	(1,026,648)	(1,030,332)	(3,684)
LME Lead ¹	May 2020	(40)	(1,802,000)	(1,743,000)	59,000
LME Primary Aluminum ¹	May 2020	(45)	(1,943,156)	(1,703,531)	239,625
LME Primary Nickel ¹	May 2020	(6)	(440,280)	(412,722)	27,558
LME Zinc ¹	May 2020	(28)	(1,484,725)	(1,331,750)	152,975
NYMEX NY Harbor ULSD ¹	May 2020	(20)	(862,583)	(841,260)	21,323
Currency Futures					
Brazil Real	May 2020	(74)	(1,455,950)	(1,423,760)	32,190
Canadian Dollar	June 2020	(26)	(1,936,324)	(1,847,170)	89,154
CME Australian Dollar	June 2020	(13)	(862,030)	(798,590)	63,440
CME Mexican Peso	June 2020	(13)	(280,930)	(272,415)	8,515
Indian Rupee	April 2020	(40)	(2,660,850)	(2,634,999)	25,851
Russian Ruble	June 2020	(20)	(688,500)	(630,750)	57,750
Equity Futures					
Oracle Corp.	June 2020	(14)	(68,644)	(68,376)	268
Verizon Communications, Inc.	June 2020	(22)	(122,596)	(120,219)	2,377
Index Futures					
ICF FTSE 100 Index	June 2020	(10)	(540,700)	(569,082)	(28,382)
Total Short Contracts			(20,263,934)	(19,110,756)	1,153,178
TOTAL FUTURES CONTRACTS			\$ 20,436,722	\$ 21,980,968	\$ 1,544,246

¹ This investment is a holding of Equinox Chesapeake Strategy Fund Limited.

AXS Chesapeake Strategy Fund
CONSOLIDATED SUMMARY OF INVESTMENTS
As of March 31, 2020 (Unaudited)

Security Type	Net Assets
U.S. Treasury Notes	82.6%
Short-Term Investments	15.4%
Total Investments	98.0%
Other Assets in Excess of Liabilities	2.0%
Total Net Assets	100.0%

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
As of March 31, 2020 (Unaudited)

Assets:	
Investments, at value (cost \$43,618,510)	\$ 43,985,860
Foreign currency, at value (cost \$1,481,228)	1,488,530
Cash deposited with brokers for open futures contracts	1,254,709
Unrealized appreciation on open futures contracts	1,809,845
Receivables:	
Fund shares sold	155,572
Interest	164,433
Prepaid expenses	64,889
Total assets	<u>48,923,838</u>
Liabilities:	
Foreign currency due to custodian, at value (proceeds \$1,999,544)	1,993,345
Payables:	
Fund shares redeemed	112,828
Unrealized depreciation on open futures contracts	265,599
Variation margin	1,546,209
Advisory fees	79,687
Distribution fees (Note 6)	1,614
Fund administration and accounting fees	16,510
Auditing fees	9,887
Trustees' deferred compensation (Note 3)	1,264
Custody fees	1,821
Trustees' fees and expenses	1,103
Shareholder reporting fees	476
Legal fees	456
Chief Compliance Officer fees	184
Accrued other expenses	93
Total liabilities	<u>4,031,076</u>
Net Assets	<u>\$ 44,892,762</u>
Components of Net Assets:	
Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized)	\$ 75,441,321
Total accumulated deficit	<u>(30,548,559)</u>
Net Assets	<u>\$ 44,892,762</u>

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES - Continued
As of March 31, 2020 (Unaudited)

Maximum Offering Price per Share:

Class A Shares:

Net assets applicable to shares outstanding	\$ 4,564,920
Shares of beneficial interest issued and outstanding	478,994
Redemption price per share ¹	<u>\$ 9.53</u>
Maximum sales charge (5.75% of offering price)	<u>0.58</u>
Maximum offering price to public	<u><u>\$ 10.11</u></u>

Class C Shares:

Net assets applicable to shares outstanding	\$ 342,867
Shares of beneficial interest issued and outstanding	36,665
Offering and redemption price per share ²	<u>\$ 9.35</u>

Class I Shares:

Net assets applicable to shares outstanding	\$ 39,984,975
Shares of beneficial interest issued and outstanding	4,165,187
Offering and redemption price per share	<u>\$ 9.60</u>

¹ No sales charge applies on investments of \$1 million or more, but a Contingent Deferred Sales Charge ("CDSC") of 1.00% will be imposed on certain redemptions of such shares within 12 months of the date of purchase.

² A CDSC of 1.00% may be charged on on any shares sold within 12 months of the date of purchase.

AXS Chesapeake Strategy Fund
CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended March 31, 2020 (Unaudited)

Investment Income:	
Interest	\$ 827,789
Total investment income	<u>827,789</u>
Expenses:	
Advisory fees	627,342
Distribution fees - Class A (Note 6)	6,213
Distribution fees - Class C (Note 6)	2,338
Fund administration and accounting fees	40,085
Interest expense	32,349
Registration fees	27,319
Legal fees	22,881
Shareholder reporting fees	16,495
Sub-transfer agent fees and expenses	13,882
Reorganizational costs	13,297
Auditing fees	9,867
Chief Compliance Officer fees	7,829
Trustees' fees and expenses	6,634
Miscellaneous	5,888
Transfer agent fees and expenses	4,045
Custody fees	2,908
Insurance fees	2,655
Total expenses	<u>842,027</u>
Advisory fees waived	(13,925)
Fees paid indirectly (Note 3)	<u>(756)</u>
Net expenses	<u>827,346</u>
Net investment income	<u>443</u>
Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	144,121
Futures contracts	(10,755,387)
Futures commission	(190,233)
Foreign currency transactions	(383)
Net realized loss	<u>(10,801,882)</u>
Net change in unrealized appreciation/depreciation on:	
Investments	(2,811)
Futures contracts	307,436
Foreign currency translations	31,952
Net change in unrealized appreciation/depreciation	<u>336,577</u>
Net increase from payments by affiliates (Note 3)	<u>457</u>
Net realized and unrealized loss	<u>(10,464,848)</u>
Net Decrease in Net Assets from Operations	<u>\$ (10,464,405)</u>

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended March 31, 2020 (Unaudited)	For the Year Ended September 30, 2019
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$ 443	\$ 544,308
Net realized loss on investments, futures contracts and foreign currency transactions	(10,801,882)	(14,843,609)
Net change in unrealized appreciation/depreciation on investments, futures contracts and foreign currency translations	336,577	(4,251,982)
Net increase from payments by affiliates (Note 3)	457	-
Net decrease in net assets resulting from operations	<u>(10,464,405)</u>	<u>(18,551,283)</u>
Distributions to Shareholders:		
Distributions:		
Class A	(170,310)	(47,608)
Class C	(12,386)	(3,479)
Class I	(2,963,494)	(1,647,251)
Total distributions to shareholders	<u>(3,146,190)</u>	<u>(1,698,338)</u>
Capital Transactions:		
Net proceeds from shares sold:		
Class A	1,443,781	2,275,722
Class C	15,000	67,270
Class I	12,076,943	65,429,277
Reinvestment of distributions:		
Class A	162,508	45,919
Class C	10,898	3,205
Class I	2,777,102	1,504,780
Cost of shares redeemed:		
Class A	(1,290,260)	(2,458,605)
Class C	(205,891)	(315,569)
Class I	(52,231,528)	(116,164,021)
Net decrease in net assets from capital transactions	<u>(37,241,447)</u>	<u>(49,612,022)</u>
Total decrease in net assets	<u>(50,852,042)</u>	<u>(69,861,643)</u>
Net Assets:		
Beginning of period	95,744,804	165,606,447
End of period	<u>\$ 44,892,762</u>	<u>\$ 95,744,804</u>
Capital Share Transactions:		
Shares sold:		
Class A	137,635	204,164
Class C	1,402	6,099
Class I	1,143,232	5,714,068
Shares reinvested:		
Class A	15,824	4,137
Class C	1,079	294
Class I	268,579	134,716
Shares redeemed:		
Class A	(122,871)	(222,347)
Class C	(19,764)	(28,383)
Class I	(5,182,784)	(10,475,001)
Net decrease in capital share transactions	<u>(3,757,668)</u>	<u>(4,662,253)</u>

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED FINANCIAL HIGHLIGHTS
Class A

Per share operating performance.
For a capital share outstanding throughout each period.

	For the Six Months Ended March 31, 2020 (Unaudited)	For the Year Ended September 30,				For the Period August 21, 2015* through September 30, 2015
		2019	2018	2017	2016	
Net asset value, beginning of period	\$ 11.26	\$ 12.54	\$ 11.77	\$ 11.90	\$ 11.88	\$ 12.35
Income from Investment Operations:						
Net investment income (loss) ¹	(0.01)	0.03	(0.11)	(0.10)	(0.11)	(0.02)
Net realized and unrealized gain (loss)	(1.35)	(1.21)	0.88	(0.03)	0.13	(0.45)
Total from investment operations	(1.36)	(1.18)	0.77	(0.13)	0.02	(0.47)
Less Distributions:						
From net investment income	(0.37)	(0.05)	-	-	-	-
From net realized gain	-	(0.05)	-	-	-	-
Total distributions	(0.37)	(0.10)	-	-	-	-
Net increase from payments by affiliates (Note 3)	- ⁷	-	-	-	-	-
Net asset value, end of period	\$ 9.53	\$ 11.26	\$ 12.54	\$ 11.77	\$ 11.90	\$ 11.88
Total return²	(12.31)% ³	(9.40)%	6.54%	(1.09)%	0.17%	(3.81)% ³
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 4,565	\$ 5,048	\$ 5,799	\$ 1,181	\$ 3,678	\$ 129
Ratio of expenses to average net assets (including interest expense):						
Before fees waived/recovered ⁴	2.24% ⁵	2.24%	2.04%	1.86%	1.43%	1.73% ⁵
After fees waived/recovered ⁴	2.20% ⁵	2.10%	2.10%	1.42%	1.36%	1.57% ⁵
Ratio of net investment income (loss) to average net assets:						
Before fees waived/recovered	(0.26)% ⁵	0.11% ⁶	(0.84)% ⁶	(1.32)% ⁶	(1.03)% ⁶	(1.57)% ^{5,6}
After fees waived/recovered	(0.22)% ⁵	0.25%	(0.90)%	(0.88)%	(0.96)%	(1.41)% ⁵
Portfolio turnover rate	0% ³	36%	13%	0%	0%	0% ³

* Commencement of operations.

¹ Based on average shares outstanding for the period.

² Total returns would have been higher/lower had expenses not been recovered/waived and absorbed by the Advisor. Returns shown include Rule 12b-1 fees of up to 0.25% and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns shown do not include payment of sales load of 5.75% of offering price which will not apply on sales of \$1 million or more. If the sales charge was included total returns would be lower.

³ Not annualized.

⁴ If interest expense had been excluded, the expense ratios would have been lowered by 0.10% for the six month ending March 31, 2020, and 0%, 0%, 0%, 0.01% and 0.22% for the periods ended September 30, respectively.

⁵ Annualized.

⁶ Unaudited.

⁷ Amount represents less than \$0.01 per share.

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED FINANCIAL HIGHLIGHTS
Class C

Per share operating performance.

For a capital share outstanding throughout each period.

	For the	For the Year Ended September 30,				For the Period
	Six Months Ended March 31, 2020 (Unaudited)	2019	2018	2017	2016	August 21, 2015* through September 30, 2015
Net asset value, beginning of period	\$ 10.98	\$ 12.26	\$ 11.59	\$ 11.81	\$ 11.87	\$ 12.35
Income from Investment Operations:						
Net investment loss ¹	(0.05)	(0.05)	(0.20)	(0.19)	(0.20)	(0.03)
Net realized and unrealized gain (loss)	(1.32)	(1.18)	0.87	(0.03)	0.14	(0.45)
Total from investment operations	(1.37)	(1.23)	0.67	(0.22)	(0.06)	(0.48)
Less Distributions:						
From net investment income	(0.26)	-	-	-	-	-
From net realized gain	-	(0.05)	-	-	-	-
Total distributions	(0.26)	(0.05)	-	-	-	-
Net increase from payments by affiliates (Note 3)	- ⁷	-	-	-	-	-
Net asset value, end of period	\$ 9.35	\$ 10.98	\$ 12.26	\$ 11.59	\$ 11.81	\$ 11.87
Total return²	(12.66)% ³	(10.04)%	5.78%	(1.86)%	(0.51)%	(3.89)% ³
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 343	\$ 592	\$ 931	\$ 514	\$ 359	\$ 2
Ratio of expenses to average net assets:						
Before fees waived/recovered ⁴	2.99% ⁵	2.99%	2.81%	2.90%	2.16%	2.35% ⁵
After fees waived/recovered ⁴	2.95% ⁵	2.85%	2.85%	2.24%	2.11%	2.32% ⁵
Ratio of net investment loss to average net assets:						
Before fees waived/recovered	(1.01)% ⁵	(0.63)% ⁶	(1.61)% ⁶	(2.34)% ⁶	(1.75)% ⁶	(2.19)% ^{5,6}
After fees waived/recovered	(0.97)% ⁵	(0.49)%	(1.65)%	(1.68)%	(1.70)%	(2.16)% ⁵
Portfolio turnover rate	0% ³	36%	13%	0%	0%	0% ³

* Commencement of operations.

¹ Based on average shares outstanding for the period.

² Total returns would have been higher/lower had expenses not been recovered/waived and absorbed by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

³ Not annualized.

⁴ If interest expense had been excluded, the expense ratios would have been lowered by 0.10% for the six month ending March 31, 2020, and 0%, 0%, 0%, 0.01% and 0.22% for the periods ended September 30, respectively.

⁵ Annualized.

⁶ Unaudited.

⁷ Amount represents less than \$0.01 per share.

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
CONSOLIDATED FINANCIAL HIGHLIGHTS
Class I

Per share operating performance.

For a capital share outstanding throughout each period.

	For the Six Months Ended March 31, 2020 (Unaudited)	For the Year Ended September 30,				For the Period August 19, 2015* through September 30, 2015
		2019	2018	2017	2016	
Net asset value, beginning of period	\$ 11.35	\$ 12.65	\$ 11.83	\$ 11.93	\$ 11.88	\$ 13.14
Income from Investment Operations:						
Net investment income (loss) ¹	- ²	0.05	(0.08)	(0.08)	(0.09)	(0.13)
Net realized and unrealized gain (loss)	(1.35)	(1.22)	0.90	(0.02)	0.14	1.20 ³
Total from investment operations	(1.35)	(1.17)	0.82	(0.10)	0.05	1.07 ⁴
Capital contribution by swap counterparty	-	-	-	-	-	0.11 ⁴
Less Distributions:						
From net investment income	(0.40)	(0.08)	-	-	-	(2.41)
From net realized gain	-	(0.05)	-	-	-	(0.03)
Total distributions	(0.40)	(0.13)	-	-	-	(2.44)
Net increase from payments by affiliates (Note 3)	- ²	-	-	-	-	-
Net asset value, end of period	\$ 9.60	\$ 11.35	\$ 12.65	\$ 11.83	\$ 11.93	\$ 11.88
Total return⁵	(12.25)% ⁶	(9.23)%	6.93%	(0.84)%	0.42%	9.76% ⁶
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 39,985	\$ 90,105	\$ 158,876	\$ 51,427	\$ 58,438	\$ 27,418
Ratio of expenses to average net assets:						
Before fees waived/recovered ⁷	1.99% ⁸	1.98%	1.81%	1.87%	1.18%	1.42% ⁸
After fees waived/recovered ⁷	1.95% ⁸	1.85%	1.85%	1.24%	1.11%	1.15% ⁸
Ratio of net investment income (loss) to average net assets:						
Before fees waived/recovered	(0.01)% ⁸	0.36% ⁹	(0.56)% ⁹	(1.31)% ⁹	(0.81)% ⁹	(1.32)% ^{8,9}
After fees waived/recovered	0.03% ⁸	0.49%	(0.60)%	(0.68)%	(0.74)%	(1.05)% ⁸
Portfolio turnover rate	0% ⁶	36%	13%	0%	0%	0% ⁶

* Commencement of operations.

¹ Based on average shares outstanding for the period.

² Amount represents less than \$0.01 per share.

³ Realized and unrealized gains per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the statement of operations due to the timing of share transactions for the period.

⁴ On February 19, 2015, the Fund received notification from DeutscheBank, the Swap Counterparty, that the management and incentive fees within the swap were calculated incorrectly from December 13, 2013 through February 18, 2015 which caused the Fund to be undervalued. This resulted in a NAV error which compounded over the period to a maximum amount of \$0.45 per share. DeutscheBank adjusted the value of the swap by \$20,490 on February 19, 2015 and a receivable was put on the books of the Fund to account for losses due to shareholder activity during the period. On March 6, 2015, the Fund's transfer agent reprocessed redemption activity. The losses due to subscription activity and the reprocessed redemption activity amounted to \$219,330, all of which was reimbursed by DeutscheBank.

⁵ Total returns would have been higher/lower had expenses not been recovered/waived and absorbed by the Advisor. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

⁶ Not annualized.

⁷ If interest expense had been excluded, the expense ratios would have been lowered by 0.10% for the six month ending March 31, 2020, and 0%, 0%, 0%, 0.01% and 0.22% for the periods ended September 30, respectively.

⁸ Annualized.

⁹ Unaudited.

See accompanying Notes to Consolidated Financial Statements.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 (Unaudited)

Note 1 – Organization

AXS Chesapeake Strategy Fund (“Chesapeake Strategy”) (the “Fund”) is 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 investment objective is to achieve long-term capital appreciation.

The tax-free reorganization was accomplished on November 8, 2019, but the Fund commenced investment operations on November 11, 2019 with Class A, Class C, and Class I shares. Prior to that date, the Fund acquired the assets and assumed the liabilities of the Equinox Chesapeake Strategy Fund (the “Predecessor Fund”), a series of Equinox Funds Trust, which offered three class of shares, Class A, Class C, and Class I shares. On November 6, 2019, beneficial owners of the Predecessor Fund approved a proposed Agreement and Plan of Reorganization that provided for the reorganization into the AXS Chesapeake Strategy Fund. The Plan of Reorganization was approved by the Trust’s Board on June 14, 2019 and by the Equinox Funds Trust Board on July 1, 2019.

The reorganization was accomplished by the following tax-free exchange in which each shareholder of the Predecessor Fund received the same aggregate share net asset value in the corresponding classes as noted below:

	<u>Shares Issued</u>	<u>Net Assets</u>
Class A	455,380	\$ 4,835,786
Class C	52,298	\$ 541,044
Class I	7,369,196	\$ 78,929,398

The net unrealized depreciation of investments transferred was \$2,540,824 as of the date of the acquisition.

The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, subject to the approval of the Trustees. Income, expenses (other than expenses attributable to a specific class) and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative net assets. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights to that distribution plan.

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”.

(a) Consolidation of Subsidiary

The Fund may invest up to 25% of its total assets in the subsidiary, a wholly-owned and controlled subsidiary formed under the laws of the Cayman Islands (the “Subsidiary”). The Consolidated Schedule of Investments, Statement of Assets and Liabilities, Statement of Operations, Statements of Changes in Net Assets and Financial Highlights of the Fund include the accounts of the Subsidiary. All inter-company accounts and transactions have been eliminated in the consolidation for the Fund. The Subsidiary is advised by Chesapeake Investment Management LLC (“Chesapeake” or the “Sub-Advisor”) and acts as an investment vehicle in order to effect certain investments consistent with the Fund’s investment objectives and policies specified in the Fund’s prospectus and statement of additional information. The Subsidiary will generally invest in derivatives, including swaps, and other investments intended to serve as margin or collateral for swap positions. The inception date of the Subsidiary was April 19, 2012. As of March 31, 2020, net assets of the Fund were \$44,892,762 of which \$2,328,876, or approximately 5.2%, represented the Fund’s ownership of the shares of the Subsidiary.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Note 2 – Accounting Policies

The following is a summary of the 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”). Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company. 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) Foreign Currency Translation

The Fund’s records are maintained in U.S. dollars. The value of securities, currencies and other assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon foreign exchange rates prevailing at the end of the reporting period. The currencies are translated into U.S. dollars by using the exchange rates quoted at the close of the London Stock Exchange prior to when the Fund’s NAV is next determined. Purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions.

The Fund does not isolate that portion of its net realized and unrealized gains and losses on investments resulting from changes in foreign exchange rates from the impact arising from changes in market prices. Such fluctuations are included with net realized and unrealized gain or loss from investments and foreign currency.

Net realized foreign currency transaction gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the differences between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translation gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates.

(c) Futures Contracts

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund purchases and sells futures contracts to pursue its investment objective, to hedge against market risk, and to reduce return volatility. Initial margin deposits required upon entering into futures contracts are satisfied by the

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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segregation of specific securities or cash as collateral for the account of the broker (the Portfolio's agent in acquiring the futures position). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by "marking to market" on a daily basis to reflect the market value of the contracts at the end of each day's trading. Variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. When the contracts are closed, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund's basis in the contract. If a Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. The Fund segregates liquid securities having a value at least equal to the amount of the current obligation under any open futures contract. Risks may exceed amounts recognized in the Consolidated Statement of Assets and Liabilities. With futures, there is minimal counterparty credit risk to a Fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default.

(d) Forward Foreign Currency Contracts

A Fund may enter into forward currency exchange contracts in order to hedge against foreign currency exchange rate risks. A forward involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. The market value of the contract fluctuates with changes in currency exchange rates. The contract is marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. As foreign securities are sold, a portion of the contract is generally closed and the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Realized gains and losses from contract transactions are included as a component of net realized gains/(losses) from forward foreign currency contracts in the consolidated statement of operations.

(e) 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 Consolidated 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. Income and expenses of the Fund are allocated on a pro rata basis to each class of shares, except for distribution and service fees which are unique to each class of shares. Expenses incurred by the Trust with respect to more than one fund are allocated in proportion to the net assets of the fund except where allocation of direct expenses to the fund or an alternative allocation method can be more appropriately made.

(f) Federal Income Tax

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 their net investment income and any net realized gains to their 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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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 recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Consolidated 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, and 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 March 31, 2020, and during the prior three open tax years, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examinations 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.

(g) Distributions to Shareholders

Dividends from net investment income, if any, are declared and paid at least annually. Distributable net realized capital gains, if any, are declared and distributed 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.

(h) Illiquid Securities

Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Liquidity Risk Management Program (“LRMP”) that requires, among other things, that the Fund limits its illiquid investments that are assets to no more than 15% of net assets. An illiquid investment is any security which may not reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Advisor, at any time, determines that the value of illiquid securities held by the Fund exceeds 15% of its net asset value, the Advisor will take such steps as it considers appropriate to reduce them as soon as reasonably practicable in accordance with the Fund’s written LRMP.

Note 3 – Investment Advisory and Other Agreements

The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement (the “Agreement”) with AXS Investments LLC (the “Advisor”). The Advisor has engaged Chesapeake Capital Corporation (“Chesapeake” or the “Sub-Advisor”) to manage the Fund’s overall investment program, including management of the assets of the Fund’s Subsidiary, and pays the Sub-Advisor from its advisory fees.

Under the terms of the Agreement, the Fund pays twice a month investment advisory fee to the Advisor at the annual rate of 1.50% of the Fund’s average daily net assets. The investment management fees included a management fee paid to the Advisor by the Fund’s Subsidiary at the annual rate of 1.50% of the Subsidiary’s average daily net assets. The Advisor has contractually agreed, for so long as the Fund invests in the Subsidiary, to waive the management fee it receives from the Fund in an amount equal to the management fee paid to the advisor by the Subsidiary. This undertaking may not be terminated by the Advisor as long as the investment advisory agreement between the Subsidiary and the advisor is in place unless the Advisor obtains the prior

AXS Chesapeake Strategy Fund
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approval of the Fund’s Board of Trustees. Prior to the close of business on November 8, 2021 (the Reorganization Date), investment advisory services were provided to the Predecessor Fund by Equinox Institutional Asset Management, LP (the “Previous Advisor”), which received investment management fees for its services pursuant to the terms of the investment advisory agreement for the Predecessor Fund. The investment advisory fees, which were computed daily and paid monthly, were payable at the annual rate of 1.50% of the Predecessor Fund’s average daily net assets.

The Advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that the 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 Form N-1A, expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation expenses) do not exceed 2.10%, 2.85% and 1.85% of the Fund’s average daily net assets for Class A, Class C, and Class I shares, respectively. This agreement is in effect until November 9, 2021, and it may be terminated before that date only by the Trust’s Board of Trustees. Prior to the close of business on November 8, 2019 (the Reorganization Date), the annual Fund operating expense limitation was 2.10%, 2.85% and 1.85% of the Predecessor Fund’s average daily net assets for Class A, Class C, and Class I shares, respectively.

Effective November 9, 2019, the Advisor may recover from the Fund’s fees and/or expenses previously waived and/or absorbed if the Fund’s expense ratio, including the recovered expenses, falls below the expense limit at which it was 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 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. The Advisor may recapture all or a portion of this amount no later than September 30 of the year below:

2023	\$	4,240
Total	\$	<u>4,240</u>

Equinox is permitted to seek reimbursement, subject to certain limitations, of fees waived or payments made by Equinox to the Predecessor Fund prior to the Predecessor Fund’s reorganization on November 8, 2019, for a period ending three years after the date of the waiver of 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. Reimbursements of fees waived or payments made will be made on a “first in, first out” basis so that the oldest fees waived or payments are satisfied first. Any reimbursement of fees waived or payments made by Equinox to the Predecessor fund prior to the reorganization must be approved by the Trust’s Board of Trustees. The Previous Advisor may recapture all or a portion of this amount no later than September 30 of the years stated below:

2020	\$	291,568
2022		148,881
2023		9,685
Total	\$	<u>450,134</u>

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The Advisor reimbursed the Fund \$457 for losses from a trade error during this fiscal period. This amount is reported on the Fund's Consolidated Statement of Operations and Statements of Changes under the caption "Net increase from payments by affiliates." This reimbursement had no impact to the total return.

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. Prior to the close of business on November 8, 2019 (the reorganization date), Gemini Fund Services, LLC ("GFS"), an affiliate of Northern Lights Distributors, LLC ("NLD"), served as the Predecessor Fund's administrator, fund accountant, and transfer agent and U.S. Bank N.A. served as the Predecessor Fund's Custodian. The Fund's allocated fees incurred for fund accounting, fund administration, transfer agency and custody services for the six months ended March 31, 2020, are reported on the Consolidated Statement of Operations.

IMST Distributors, LLC serves as the Fund's distributor (the "Distributor"). The Distributor does not receive compensation from the Fund for its distribution services; the Advisor pays the Distributor a fee for its distribution-related services. Prior to the close of business on November 8, 2019 (the reorganization date), NLD served as the Predecessor Fund's distributor.

The Fund has a fee arrangement with its custodian, UMB Bank, n.a., which provides for custody fees to be reduced by earning credits based on cash balances left on deposit with the custodian. For the six months ended March 31, 2020, the total fees reduced by earning credits were \$756. Such amount is shown as a reduction of expenses, "Fees paid indirectly", on the Consolidated Statement of Operations.

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 March 31, 2020, the Fund's allocated fees incurred to Trustees who are not affiliated with the Fund's co-administrators are reported on the Consolidated Statement of Operations.

The Fund's Board of Trustees has adopted a Deferred Compensation Plan (the "Plan") for the Independent Trustees that enables Trustees to elect to receive payment in cash or the option to select various fund(s) in the Trust in which their deferred accounts shall be deemed to be invested. If a trustee elects to defer payment, the Plan provides for the creation of a deferred payment account. The Fund's liability for these amounts is adjusted for market value changes in the invested fund and remains a liability to the Fund until distributed in accordance with the Plan. The Trustees' Deferred compensation liability under the Plan constitutes a general unsecured obligation of the Fund and is disclosed in the Consolidated Statement of Assets and Liabilities. Contributions made under the plan and the change in unrealized appreciation/depreciation and income are included in the Trustees' fees and expenses in the Consolidated Statement of Operations.

Dziura Compliance Consulting, LLC provides Chief Compliance Officer ("CCO") services to the Trust. Prior to the close of business on November 8, 2019 (the reorganization date), Cipperman Compliance Services, LLC served as the CCO to the Equinox Funds Trust. The Fund's allocated fees incurred for CCO services for the six months ended March 31, 2020, are reported on the Consolidated Statement of Operations.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Note 4 – Federal Income Taxes

At March 31, 2020, gross unrealized appreciation (depreciation) of investments, based on cost for federal income tax purposes were as follows:

Cost of investments	\$	43,618,510
Gross unrealized appreciation		385,271
Gross unrealized depreciation		(17,921)
Net unrealized appreciation on investments	\$	<u>367,350</u>

As of September 30, 2019, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$	2,940,265
Undistributed long-term capital gains		-
Post October loss and late year loss		-
Capital loss carry forward		(10,103,193)
Other book/tax differences		(10,485,235)
Unrealized appreciation on investments		710,200
Total accumulated earnings/(deficits)	\$	<u>(16,937,963)</u>

The tax character of the distributions paid during the fiscal years ended September 30, 2019, and September 30, 2018 were as follows:

	2019	2018
Distributions paid from:		
Ordinary income	\$ 1,698,338	\$ -
Net long-term capital gains	-	-
Total distributions paid	<u>\$ 1,698,338</u>	<u>\$ -</u>

Note 5 – Investment Transactions

For the six months ended March 31, 2020, cost of purchases and proceeds from sales of portfolio securities, other than short-term investments and short-term U.S. Government securities, were \$0 and \$29,525,439, respectively.

Note 6 – 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 Class A shares and Class C shares, the Plan provides for the payment of distribution fees at the annual rate of up to 0.25% and 1.00% of average daily net assets, respectively. Class I shares do not pay any distribution fees.

Prior to the close of business on November 8, 2019 (the reorganization date), the Predecessor Fund adopted a distribution plan pursuant to Rule 12b-1 with respect to Class A shares and Class C shares. Pursuant to the Plan, the Predecessor Fund paid NLD at the annual rate of up to 0.25% of average daily net assets attributable to Class A shares and annual rate of up to 1.00% of average daily net assets attributable to Class C shares. Class I shares did not pay any distribution fees.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Note 7 – Shareholder Service Plan

The Fund has adopted a Shareholder Servicing Plan to pay a fee at an annual rate of up to 0.25% of average daily net assets of Class A shares serviced by shareholder servicing agents who provide administrative and support services to their customers.

For the six months ended March 31, 2020, the Class A shares did not pay any shareholder servicing fees.

Note 8 – 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 9 – 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 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.

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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 March 31, 2020, in valuing the Fund's assets carried at fair value:

	Level 1	Level 2	Level 3*	Total
Assets				
Investments				
U.S. Treasury Notes	\$ -	\$ 37,075,980	\$ -	\$ 37,075,980
Short-Term Investments	6,909,880	-	-	6,909,880
Total Investments	6,909,880	37,075,980	-	43,985,860
Other Financial Instruments**				
Futures Contracts	1,809,845	-	-	1,809,845
Total Assets	\$ 8,719,725	\$ 37,075,980	\$ -	\$ 45,795,705
Liabilities				
Other Financial Instruments**				
Futures Contracts	\$ 265,599	\$ -	\$ -	\$ 265,599
Total Liabilities	\$ 265,599	\$ -	\$ -	\$ 265,599

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

**Other financial instruments are derivative instruments such as futures contracts and forward contracts. Futures contracts and forward contracts are valued at the unrealized appreciation (depreciation) on the instrument.

Note 10 – 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 and performance. The Fund invested in futures contracts during the six months ended March 31, 2020.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
March 31, 2020 (Unaudited)

The effects of these derivative instruments on the Fund's financial position and financial performance as reflected in the Consolidated Statement of Assets and Liabilities and Consolidated Statement of Operations are presented in the tables below. The fair values of derivative instruments, as of March 31, 2020, by risk category are as follows:

Derivatives not designated as hedging instruments	Asset Derivatives		Liability Derivatives	
	Consolidated Statement of Asset and Liabilities Location	Value	Consolidated Statement of Asset and Liabilities Location	Value
Commodity contracts	Unrealized appreciation on open futures contracts	\$ 958,166	Unrealized depreciation on open futures contracts	\$ 223,571
Currency contracts	Unrealized appreciation on open futures contracts	358,384	Unrealized depreciation on open futures contracts	3,160
Equity contracts	Unrealized appreciation on open futures contracts	2,645	Unrealized depreciation on open futures contracts	10,486
Interest rate contracts	Unrealized appreciation on open futures contracts	490,650	Unrealized depreciation on open futures contracts	-
Index contracts	Unrealized appreciation on open futures contracts	-	Unrealized depreciation on open futures contracts	28,382
Total		<u>\$ 1,809,845</u>		<u>\$ 265,599</u>

The effects of derivative instruments on the Consolidated Statement of Operations for the six months ended March 31, 2020 are as follows:

Amount of Realized Gain or (Loss) on Derivatives Recognized in Income	
Derivatives not designated as hedging instruments	Futures Contracts
Commodity contracts	\$ (2,567,402)
Currency contracts	(2,423,097)
Equity contracts	(4,498,116)
Index contracts	(3,866,277)
Interest rate contracts	2,599,505
Total	<u>\$ (10,755,387)</u>

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income	
Derivatives not designated as hedging instruments	Futures Contracts
Commodity contracts	\$ 598,091
Currency contracts	(742,084)
Equity contracts	(401,196)
Index contracts	(28,382)
Interest rate contracts	881,007
Total	\$ 307,436

The quarterly average volumes of derivative instruments as of March 31, 2020, are as follows:

		Long Futures Contracts	Short Futures Contracts	Total
Commodity contracts	Notional Amount	\$ 20,092,263	\$ 19,396,699	\$ 39,488,962
Currency contracts	Notional Amount	81,510,327	50,873,323	132,383,650
Equity contracts	Notional Amount	27,176,160	1,902,033	29,078,193
Index contracts	Notional Amount	170,101,522	765,322	170,866,844
Interest rate contracts	Notional Amount	86,342,024	-	86,342,024

Note 11 - Disclosures about Offsetting Assets and Liabilities

Disclosures about Offsetting Assets and Liabilities requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The guidance requires retrospective application for all comparative periods presented.

A Fund mitigates credit risk with respect to OTC derivative counterparties through credit support annexes included with International Swaps and Derivative Association (“ISDA”) Master Agreements or other Master Netting Agreements which are the standard contracts governing most derivative transactions between the Fund and each of its counterparties. These agreements allow the Fund and each counterparty to offset certain derivative financial instruments’ payables and/or receivables against each other and/or with collateral, which is generally held by the Fund’s custodian. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts specified in the agreement. To the extent amounts due to the Fund from its counterparties are not fully collateralized contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
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The Fund's Consolidated Statement of Assets and Liabilities presents financial instruments on a gross basis, therefore there are no net amounts and no offset amounts within the Consolidated Statement of Assets and Liabilities to present below. Gross amounts of the financial instruments, amounts related to financial instruments/cash collateral not offset in the Consolidated Statement of Assets and Liabilities and net amounts are presented below:

Description/Financial Instrument/Consolidated Statement of Assets and Liabilities Category	Counterparty	Gross Amounts Presented in Consolidated Statement of Assets and Liabilities	Amounts Not Offset in Consolidated Statement of Assets and Liabilities		
			Financial Instruments*	Cash Collateral**	Net Amount
Unrealized depreciation on open futures contracts	Morgan Stanley	\$ 265,599	\$ (265,599)	\$ -	\$ -

*Amounts relate to master netting agreements and collateral agreements (for example, ISDA) which have been determined by the Advisor to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance.

** Amounts relate to master netting agreements and collateral agreements which have been determined by the Advisor to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the Consolidated Statement of Assets and Liabilities. Where this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

Note 12 – Control Ownership

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a Fund creates presumption of control of the Fund, under Section 2(a) 9 of the Act. As of March 31, 2020, the omnibus shareholder account with ownership in excess of 25% is as follows:

Omnibus Shareholder Account	% of Outstanding Shares
National Financial Services, LLC	49.3%

The Trust has no knowledge as to whether all or any portion of the shares owned of record are also owned beneficially.

Note 12 – New Accounting Pronouncement

In August 2018, the SEC adopted regulations that eliminated or amended disclosure requirements that were redundant or outdated in light of changes in SEC requirements, GAAP, International Financial Reporting Standards, or changes in technology or the business environment. These regulations were effective November 5, 2018, and the Fund is complying with them effective with these financial statements.

AXS Chesapeake Strategy Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
March 31, 2020 (Unaudited)

Note 13 – 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.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. This coronavirus has resulted in closing international borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general public concern and uncertainty. The impact of this outbreak has negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund, including political, social and economic risks. Any such impact could adversely affect the Fund's performance, the performance of the securities in which the Fund invests and may lead to losses on your investment in the Fund. The ultimate impact of COVID-19 on the financial performance of the Fund's investments is not reasonably estimable at this time.

There were no other events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

AXS Chesapeake Strategy Fund SUPPLEMENTAL INFORMATION (Unaudited)

Board Consideration of Investment Advisory and Sub-Advisory Agreements

At an in-person meeting held on July 18, 2019, 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 investment advisory agreement (the “Advisory Agreement”) between the Trust and AXS Investments LLC (the “Investment Advisor”) and the sub-advisory agreement (the “Sub-Advisory Agreement”) between the Investment Advisor and Chesapeake Capital Corporation (the “Sub-Advisor”) with respect to the AXS Chesapeake Strategy Fund series of the Trust (the “Fund”), each for an initial two-year term. The Advisory Agreement and the Sub-Advisory Agreement are collectively referred to below as the “Fund Advisory Agreements.” In approving each Fund Advisory Agreement, the Board, including the Independent Trustees, determined that such approval 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 Fund Advisory Agreements from the Investment Advisor, the Sub-Advisor, and 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 organization and financial condition of the Investment Advisor and the Sub-Advisor; information regarding the background, experience, and compensation structure of relevant personnel who would be providing services to the Fund; information about the Investment Advisor’s and the Sub-Advisor’s compliance policies and procedures, disaster recovery and contingency planning, and policies with respect to portfolio execution and trading; information regarding the estimated profitability of the Investment Advisor’s overall relationship with the Fund; information regarding the performance of the Equinox Chesapeake Strategy Fund (the “Predecessor Fund”), which would be reorganizing into the Fund, for the one-, three-, and five-year periods ended April 30, 2019; and a report prepared by Broadridge Financial Solutions, Inc. (“Broadridge”) comparing the proposed advisory fee and estimated total expenses of the Fund with those of a group of comparable funds selected by Broadridge (the “Peer Group”) from Morningstar, Inc.’s Managed Futures fund universe (the “Fund Universe”). The Board also received a memorandum from 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 approval of the Fund Advisory Agreements. No representatives of the Investment Advisor or the Sub-Advisor were present during the Board’s consideration of the Fund Advisory Agreements, and the Independent Trustees were represented by their legal counsel with respect to the matters considered.

In approving the Fund Advisory Agreements, 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.

AXS Investments LLC

Nature, Extent and Quality of Services

The Board considered that as a newly organized investment advisor, AXS did not manage any assets and had no performance history. The Board considered, however, the performance of the Predecessor Fund. The meeting materials indicated that the annualized total returns of the Predecessor Fund were higher than the Barclay BTOP50 Index returns and the Peer Group and Fund Universe median returns, but below the S&P 500 Index returns (by 13.27% and 7.06%, respectively) for the three- and five-year periods ended April 30, 2019. The Predecessor Fund’s total return for the one-year period was below the Peer Group median return (by 5.15%), the Fund Universe median return (by 5.79%), the Barclay BTOP50 Index return (by 8.42%), and the S&P 500 Index return (by 19.55%). The Trustees considered that the Predecessor Fund had received a five-star rating from Morningstar in 2015 and 2017, and a four-star rating in 2016, 2018, and 2019.

AXS Chesapeake Strategy Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

The Board considered the services to be provided by the Investment Advisor and the Sub-Advisor to the Fund. In doing so, the Board considered the Investment Advisor's role as the Fund's investment advisor, noting that the Investment Advisor would provide overall supervision of the general investment management and investment operations of the Fund, and oversee the Sub-Advisor with respect to the Fund's operations, including monitoring the Sub-Advisor's investment and trading activities with respect to the Fund, monitoring the Fund's compliance with its investment policies, and providing general administrative services related to the Investment Advisor's overall supervision of the Fund; and that the Sub-Advisor's responsibilities would include day-to-day portfolio management for the Fund. The Board considered that as a newly organized investment advisor, the Investment Advisor did not manage any assets and had no performance history. The Board considered, however, the qualifications, experience, and responsibilities of the personnel of the Investment Advisor who would be involved in the activities of the Fund. In addition, the Board considered the overall quality of the organization and operations of the Investment Advisor, as well as its compliance structure and compliance procedures.

The Board and the Independent Trustees concluded that based on the various factors they had reviewed, the Investment Advisor would have the capabilities, resources, and personnel necessary to manage the Fund, and that the Investment Advisor would provide the Fund with a reasonable potential for good investment results.

Advisory Fee and Expense Ratio

The Board reviewed information regarding the Fund's proposed advisory fee and estimated total expenses. The meeting materials indicated that the Fund's proposed annual investment advisory fee (gross of fee waivers) was the same as the advisory fee of the Predecessor Fund, but higher than the Peer Group median and Fund Universe median by 0.30% and 0.25%, respectively. The Trustees noted the Investment Advisor's explanation that the Fund's advisory fee was relatively high because of the Fund's greater diversification, investments in more markets and less trend-following style than many of its peers. The Trustees also considered that the Investment Advisor does not manage any other mutual funds, pension funds, or institutional separate accounts using the same objectives and policies as the Fund, and therefore they did not have a good basis for comparing the Fund's advisory fee with those of other similar accounts of the Investment Advisor.

The meeting materials indicated that the estimated annual total expenses (net of fee waivers) of the Fund were higher than the Peer Group median and Fund Universe median by 0.16% and 0.21%, respectively. The Trustees considered that the Fund's estimated annual total expenses were likely higher than those of other funds in the Peer Group and Fund Universe because of the Fund's higher advisory fee, and that the Fund's estimated annual total expenses were not in the highest quartile of funds in the Peer Group and Fund Universe.

The Board and the Independent Trustees concluded that the proposed compensation payable to the Investment Advisor under the Advisory Agreement would be fair and reasonable in light of the nature and quality of the services proposed to be provided by the Investment Advisor to the Fund.

Profitability and Economies of Scale

The Board next reviewed the estimated profitability to the Investment Advisor of its relationship with the Fund in the Fund's first year of operations, taking into account the Predecessor Fund's current assets. The Board considered that the Investment Advisor anticipated it would realize a profit with respect to the Fund, and it determined that the profit was reasonable. The Board noted that the potential benefits received by the Investment Advisor as a result of its relationship with the Fund, other than the receipt of its advisory fee, would include the usual types of "fall out" benefits received by advisors to the Trust, including 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 its association with the Fund generally and any favorable publicity arising in connection with the Fund's performance. The Board also noted that although the Advisory Agreement does not provide for any advisory fee breakpoints, the Fund's asset

AXS Chesapeake Strategy Fund

SUPPLEMENTAL INFORMATION (Unaudited) - Continued

level would likely be too low to achieve significant economies of scale after the reorganization and during the Fund's initial startup period, and that any such economies would be considered in the future as the Fund's assets grow.

Chesapeake Capital Corporation

Nature, Extent and Quality of Services

The Board considered the overall quality of services to be provided by the Sub-Advisor to the Fund. In doing so, the Board noted that as the sole sub-advisor to the Fund, the Sub-Advisor would be primarily responsible for the day-to-day management of the Fund and its investment results. The Board also considered the services to be provided by the Sub-Advisor to the Fund, and the qualifications, experience, and responsibilities of the personnel of the Sub-Advisor who would be involved in the activities of the Fund. In addition, the Board considered the overall quality of the organization and operations of the Sub-Advisor, as well as its compliance structure and compliance procedures. Information regarding the performance of the Predecessor Fund is described above.

The Board and the Independent Trustees concluded that based on the various factors they had reviewed, the Sub-Advisor would have the capabilities, resources, and personnel necessary to manage the Fund, and that the Sub-Advisor would provide the Fund with a reasonable potential for good investment results.

Sub-Advisory Fee

The Board reviewed information regarding the annual sub-advisory fee proposed to be charged by the Sub-Advisor with respect to the Fund, and considered the relative levels and types of services to be provided by the Investment Advisor and the Sub-Advisor. The Board noted that the Investment Advisor's services would include supervision and monitoring of the investment and trading activities of the Sub-Advisor, analysis of the Fund's investment operations, and general administrative services related to the Investment Advisor's overall supervision of the Fund, and that the Sub-Advisor's responsibilities would include day-to-day portfolio management for the Fund. The Trustees noted that the Sub-Advisor does not manage any other accounts with the same objectives and policies as the Fund, and therefore they did not have a good basis for comparing the Fund's proposed sub-advisory fee with those of other similar accounts of the Sub-Advisor. The Board also noted that the Investment Advisor would pay the Sub-Advisor's sub-advisory fee from the Investment Advisor's advisory fee.

The Board and the Independent Trustees concluded that the proposed compensation payable to the Sub-Advisor under the Sub-Advisory Agreement would be fair and reasonable in light of the nature and quality of the services proposed to be provided by the Sub-Advisor to the Fund.

Benefits to the Sub-Advisor

The Board also considered that the potential benefits to be received by the Sub-Advisor as a result of its relationship with the Fund, other than the receipt of its sub-advisory fee, would include the usual types of "fall out" benefits received by sub-advisors to the Trust, 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 Sub-Advisor's compliance program, and the intangible benefits of the Sub-Advisor's association with the Fund generally and any favorable publicity arising in connection with the Fund's performance.

Conclusion

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

AXS Chesapeake Strategy Fund
EXPENSE EXAMPLE
For the Six Months Ended March 31, 2020 (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/or 12b-1 fees (Class A shares only) and other Fund expenses. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Funds 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 October 1, 2019 to March 31, 2020.

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 for your share class, 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.

		Beginning Account Value	Ending Account Value	Expenses Paid During Period
		10/1/19	3/31/20	10/1/19 – 3/31/20
Class A*	Actual Performance	\$ 1,000.00	\$ 876.90	\$ 10.33
	Hypothetical (5% annual return before expenses)	1,000.00	1,013.99	11.08
Class C*	Actual Performance	1,000.00	873.40	13.81
	Hypothetical (5% annual return before expenses)	1,000.00	1,010.25	14.82
Class I*	Actual Performance	1,000.00	877.50	9.20
	Hypothetical (5% annual return before expenses)	1,000.00	1,015.20	9.87

* Expenses are equal to the Fund’s annualized expense ratios of 2.20%, 2.95% and 1.95% for Class A shares, Class C and Class I shares, respectively, multiplied by the average account values over the period, multiplied by 183/366 (to reflect the six month period). The expense ratios reflect an expense waiver. Assumes all dividends and distributions were reinvested.

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AXS Chesapeake Strategy Fund
A series of Investment Managers Series Trust II

Investment Advisor

AXS Investments LLC
181 Westchester Avenue, Unit 402
Port Chester, New York 10573

Sub-Advisor

Chesapeake Capital Corporation
1721 Summit Avenue
Richmond, Virginia 23220

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
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FUND INFORMATION

	<u>TICKER</u>	<u>CUSIP</u>
AXS Chesapeake Strategy Fund – Class A	ECHAX	46141T 471
AXS Chesapeake Strategy Fund – Class C	ECHCX	46141T 463
AXS Chesapeake Strategy Fund – Class I	EQCHX	46141T 372

Privacy Principles of the AXS Chesapeake Strategy 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 AXS Chesapeake Strategy 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

The Fund's proxy voting policies and procedures, as well as information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, are available, without charge and upon request by calling (833) 297-2587 or on the SEC's website at www.sec.gov.

Fund Portfolio Holdings

The Fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the Fund's Form N-PORT on the SEC's website at www.sec.gov.

Prior to its use of Form N-PORT, the Fund filed its complete schedule of portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

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 householded 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 (833) 297-2587.

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