



## Tax Information 2010 Distribution

### First Trust/Highland Capital Floating Rate Income Fund II (TSX: FHM.UN)

Unitholders will receive a T3 Supplementary slip directly from their broker or intermediary, not from the Transfer Agent, CDS or FT (NSI) Management Inc.

Please consult your tax adviser or accountant about your First Trust/Highland Capital Floating Rate Income Fund II units.

The below table outlines the allocation of the 2010 cash distribution for each unit:

			Allocation
Record Date	Payment Date	Distribution	Return of Capital
20-Dec-2010	29-Dec-2010	4.000000	100.00%
	<b>TOTAL</b>	<b>4.000000</b>	<b>100.00%</b>

The return of capital component of the distribution is a non taxable amount and will reduce the Adjusted Cost Base of the Units.

For further information, please contact our Inside Wholesalers at 416-865-8065 or 1-877-622-5552, or e-mail us at [info@firsttrust.ca](mailto:info@firsttrust.ca).

[www.firsttrust.ca](http://www.firsttrust.ca)