

Report on Closed-End Fund Net Asset Value

NAV Changes between July 30th and Aug 6th 2010

(FHM) First Trust/Highland Capital Floating Rate Income Fund II

NAV on July 30, 2010	\$	5.685
NAV on August 6, 2010		5.696
Increase or (Decrease)	\$	0.011
Due to:		
- Portfolio Performance, net ¹	\$	0.023
- Distributions		-
- Fx on Portfolio		(0.012)
- Fx on Hedge		-
	\$	0.011

*The weekly NAV for the fund has been calculated by the Custodian.
The components of the change in NAV are estimates prepared by the Manager and are provided for information purposes only to show the approximate impact of each component.*

¹net of fund expenses