



**Tax Information 2008 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 following schedule outlines the allocation of the 2008 cash distribution for each unit:

			Allocation
Record Date	Payment Date	Distribution	Return of Capital
31-Dec-2007	15-Jan-2008	0.058300	100.00%
31-Jan-2008	14-Feb-2008	0.058300	100.00%
29-Feb-2008	14-Mar-2008	0.050000	100.00%
30-Mar-2008	14-Apr-2008	0.050000	100.00%
30-Apr-2008	14-May-2008	0.050000	100.00%
30-May-2008	13-Jun-2008	0.041700	100.00%
30-Jun-2008	15-Jul-2008	0.041700	100.00%
31-Jul-2008	15-Aug-2008	0.025000	100.00%
29-Aug-2008	15-Sep-2008	0.025000	100.00%
30-Sep-2008	15-Oct-2008	0.025000	100.00%
31-Oct-2008	14-Nov-2008	0.025000	100.00%
28-Nov-2008	12-Dec-2008	0.025000	100.00%
	TOTAL	0.475000	100.00%
			100.00%

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)