

Report on Closed-End Fund Net Asset Value

NAV Changes between Jan 15th and Jan 22nd 2010

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

NAV on January 15, 2010	\$ 5.341
NAV on January 22, 2010	5.508
Increase or (Decrease)	\$ 0.167
Due to:	
- Portfolio Performance, net ¹	\$ 0.033
- Distributions	-
- Fx on Portfolio	0.134
- Fx on Hedge	-
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	\$ 0.167

*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