

Report on Closed-End Fund Net Asset Value

NAV Changes between July 9th and July 16th 2010

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

NAV on July 9, 2010	\$	5.638
NAV on July 16, 2010		5.762
Increase or (Decrease)	\$	0.124
Due to:		
- Portfolio Performance, net ¹	\$	0.007
- Distributions		-
- Fx on Portfolio		0.117
- Fx on Hedge		-
	\$	0.124

*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