

Report on Closed-End Fund Net Asset Value

NAV Changes between June 30th and July 2nd 2010

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

NAV on June 30, 2010	\$	5.826
NAV on July 2, 2010		5.830
Increase or (Decrease)	\$	0.004
Due to:		
- Portfolio Performance, net ¹	\$	(0.006)
- Distributions		-
- Fx on Portfolio		0.010
- Fx on Hedge		-
	\$	0.004

*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