

Report on Closed-End Fund Net Asset Value

NAV Changes between July 16th and July 23rd 2010

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

NAV on July 16, 2010	\$ 5.762
NAV on July 23, 2010	5.707
<b>Increase or (Decrease)</b>	<b>\$ (0.055)</b>
Due to:	
- Portfolio Performance, net <sup>1</sup>	\$ 0.019
- Distributions	-
- Fx on Portfolio	(0.075)
- Fx on Hedge	-
	<b>\$ (0.055)</b>

*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.*

<sup>1</sup>net of fund expenses