

Report on Closed-End Fund Net Asset Value

NAV Changes between June 25th and June 30th 2010

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

NAV on June 25, 2010	\$	5.560
NAV on June 30, 2010		5.826
Increase or (Decrease)	\$	0.266
Due to:		
- Portfolio Performance, net ¹	\$	(0.010)
- Distributions		-
- Redemptions ²		0.137
- Fx on Portfolio		0.140
- Fx on Hedge		-
	\$	0.266

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

²accretive impact of 345,695 units redeemed at the monthly redemption price

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