

## First Trust Senior Floating Rate Income Fund II (FCT)

**Investment Objective/Strategy** - First Trust Senior Floating Rate Income Fund II (the "Fund") is a diversified, closed-end management investment company. The primary investment objective of the Fund is to seek a high level of current income. As a secondary objective, the Fund attempts to preserve capital. The Fund pursues its objectives by investing primarily in a portfolio of senior secured floating-rate corporate loans ("Senior Loans"). Under normal market conditions, at least 80% of the Fund's Managed Assets are generally invested in lower grade debt instruments. "Managed Assets" means the total asset value of the Fund minus the sum of its liabilities, other than the principal amount of borrowings. There can be no assurance that the Fund will achieve its investment objectives. Investing in Senior Loans involves credit risk and, during periods of generally declining credit quality, it may be particularly difficult for the Fund to achieve its secondary investment objective.

There can be no assurance that the Fund's investment objectives will be achieved. The Fund may not be appropriate for all investors.

Fund Overview	
Ticker	FCT
Fund Type	Loan Participation
Investment Advisor	First Trust Advisors L.P.
Investor Servicing Agent	BNY Mellon Investment Servicing (US) Inc.
CUSIP	33733U108
Fiscal Year-End	05/31
Exchange	NYSE
Inception	5/25/2004
Inception Price	\$20.00
Inception NAV	\$19.10
Contact Fund	1.800.988.5891
Website	www.ftportfolios.com

Current Fund Data (as of 12/14/2018)	
Closing NAV <sup>1</sup>	\$13.42
Closing Share Price <sup>2</sup>	\$11.52
Discount to Net Asset Value (NAV)	14.16%
Total Managed Assets	\$508,181,693
Common Shares Outstanding	26,696,982
Dividend Frequency	Monthly
Dividend Per Share Amt <sup>3</sup>	\$0.0600
Distribution Rate <sup>4</sup>	6.25%
Daily Volume	446,705
Average 30-Day Daily Volume	158,825
Closing Share Price 52-Week High/Low	\$13.35 / \$11.52
Closing NAV 52-Week High/Low	\$14.16 / \$13.42
Leverage <sup>5</sup>	29.52%

Average Annual Returns (as of 11/30/2018) <sup>6</sup>		
Period	Share Price	NAV
3 Years	4.58%	6.13%
5 Years	1.98%	4.52%
10 Years	12.02%	10.95%
Inception to Date	2.88%	4.26%

Cumulative Total Returns (as of 11/30/2018) <sup>6</sup>		
Period	Share Price	NAV
3 Months	-5.70%	-0.92%
1 Year	-2.87%	3.27%
3 Years	14.39%	19.55%
5 Years	10.33%	24.75%
10 Years	211.27%	182.69%
Year to Date	-3.27%	2.76%
Inception to Date	51.06%	83.29%

S&P Ratings (as of 10/31/2018) <sup>7</sup>	
S&P Rating	Percent
BBB+	0.07%
BBB-	6.49%
BB+	4.97%
BB	9.39%
BB-	17.73%
B+	23.86%
B	22.68%
B-	12.01%
CCC+	0.44%
CCC	1.73%
D	0.42%
NR	0.03%
NR (Privately rated securities)	0.18%

The ratings are by Standard & Poor's except where otherwise indicated. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations except for those debt obligations that are only privately rated. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. "NR" indicates no rating. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

## First Trust Senior Floating Rate Income Fund II (FCT)

### Industry Breakdown (as of 10/31/2018)<sup>7</sup>

Industry	Percent
Health Care Providers & Services	14.76%
Hotels, Restaurants & Leisure	14.08%
Software	10.07%
Pharmaceuticals	8.57%
Diversified Financial Services	5.74%
Life Sciences Tools & Services	5.57%
Media	3.20%
Containers & Packaging	2.96%
Professional Services	2.95%
Insurance	2.61%
Food & Staples Retailing	2.60%
Technology Hardware, Storage, & Peripherals	2.43%
Health Care Equipment & Supplies	2.14%
Commercial Services & Supplies	1.86%
Auto Components	1.82%
Building Products	1.74%
Food Products	1.67%
Capital Markets	1.64%
Chemicals	1.45%
Diversified Telecommunication Services	1.45%
Diversified Consumer Services	1.12%
Electric Utilities	1.12%
Industrial Conglomerates	1.09%
Health Care Technology	1.06%
Aerospace & Defense	0.96%
Household Products	0.92%
Specialty Retail	0.73%
Entertainment	0.69%
Household Durables	0.67%
Oil, Gas & Consumable Fuels	0.66%
Semiconductors & Semiconductor Equipment	0.52%
Independent Power and Renewable Electricity Producers	0.37%
Construction & Engineering	0.29%
Machinery	0.27%
Personal Products	0.11%
Trading Companies & Distributors	0.06%
Energy Equipment & Services	0.05%

### Portfolio Characteristics (as of 10/31/2018)<sup>7</sup>

Weighted Average Maturity	5.20 Years
Weighted Average Price	\$99.03
Percent of Assets with LIBOR Floors	46.89%
Please note: Weighted average maturity excludes defaulted assets.	

### Top 10 Issuers (as of 10/31/2018)<sup>7</sup>

Holding	Percent
Bausch Health Companies Inc. (Valeant)	4.03%
Portillo's Holdings, LLC	3.06%
Multiplan Inc (MPH)	2.99%
Stars Group Holdings B.V. (Amaya)	2.62%
Reynolds Group Holdings Inc.	2.54%
Dell International LLC	2.44%
AlixPartners, LLP	2.40%
Caesars Resort Collection, LLC	2.30%
DJO Finance LLC (ReAble Therapeutics Finance, LLC)	2.02%
Parexel International Corp.	1.87%

### Footnotes

- 1 The NAV represents the fund's net assets (assets less liabilities) divided by the fund's common shares outstanding.
- 2 Fund shares are purchased and sold on an exchange at their share price rather than net asset value (NAV), which may cause the shares to trade at a price greater than NAV (premium) or less than NAV (discount).
- 3 Most recent distribution paid or declared to today's date. Subject to change in the future. There is no guarantee that the fund will declare dividends.
- 4 Distribution rates are calculated by annualizing the most recent distribution paid or declared through today's date and then dividing by the most recent market price. The distribution consists of the sum of net investment income, net realized short-term capital gains, net realized long-term capital gains, and return of capital. Distribution rates may vary. Any distribution adjustment will not be reflected until after the declaration date for the next distribution. See the fund's 19a-1 Notices, if any, located under the "News & Literature" section of the website for estimates of distribution sources. Final determination of the source and tax status of all distributions paid in the current year will be made after year-end.
- 5 Leverage is a technique where a closed-end fund's manager borrows assets at one rate and invests the proceeds from the borrowed assets at another rate, seeking to increase yield and total return. Use of leverage can result in additional risk and cost, and can magnify the effect of any losses.
- 6 Total return is the combination of reinvested dividend income and reinvested capital gains distributions, at prices obtained by the Dividend Reinvestment Plan, if any, and changes in the NAV and Share Price. The NAV total return takes into account the fund's total annual expenses and does not reflect sales load. Past performance is not indicative of future results.
- 7 Market value information used in calculating the percentages is based upon trade date plus one recording of transactions, which can differ from regulatory financial reports (Forms N-CSR and N-Q) that are based on trade date recording of security transactions. Holdings are subject to change.

## First Trust Senior Floating Rate Income Fund II (FCT)

### Risk Considerations

*Investment return and market value of an investment in the fund will fluctuate. Shares, when sold, may be worth more or less than their original cost.*

*The Senior Loans in which the fund invests are generally considered to be "high-yield securities". High yield securities are subject to greater market fluctuations and risk of loss than securities with higher ratings. Lower-quality debt tends to be less liquid than higher-quality debt.*

*The fund's portfolio is also subject to credit risk, interest rate risk, and prepayment risk. Interest rate risk is the risk that fixed-income securities will decline in value because of changes in market interest rates. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Credit risk may be heightened for the fund because it invests in below investment grade securities. Prepayment risk is the risk that, upon a prepayment, the actual outstanding debt on which the fund derives interest income will be reduced. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.*

*Use of leverage can result in additional risk and cost, and can magnify the effect of any losses.*

*A second lien loan may have a claim on the same collateral pool as the first lien or it may be secured by a separate set of assets. Second lien loans are typically secured by a second priority security interest or lien on specified collateral securing the Borrower's obligation under the interest and present a greater degree of investment risk. These loans are also subject to the risk that Borrower cash flow and property securing the loan may be insufficient to meet scheduled payments after giving effect to those loans with a higher priority. These loans also have greater price volatility than those loans with a higher priority and may be less liquid. However, second lien loans often pay interest at higher rates than first lien loans reflecting such additional risks.*

*The risks of investing in the fund are spelled out in the prospectus, shareholder report and other regulatory filings.*

*The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.*

*Not FDIC Insured • Not Bank Guaranteed • May Lose Value*