

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II  
Form N-CSR  
August 02, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES

Investment Company Act file number 811-21539  
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First Trust Senior Floating Rate Income Fund II  
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(Exact name of registrant as specified in charter)

120 East Liberty Drive, Suite 400  
Wheaton, IL 60187  
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(Address of principal executive offices) (Zip code)

W. Scott Jardine, Esq.

First Trust Portfolios L.P.  
120 East Liberty Drive, Suite 400  
Wheaton, IL 60187  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 630-765-8000  
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Date of fiscal year end: May 31  
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Date of reporting period: May 31, 2016  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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## ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

ANNUAL  
REPORT  
FOR THE YEAR ENDED  
MAY 31, 2016

FIRST TRUST  
SENIOR FLOATING RATE  
INCOME FUND II  
(FCT)

FIRST TRUST

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MAY 31, 2016

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### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. ("First Trust" or the "Advisor") and its representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as "anticipate," "estimate," "intend," "expect," "believe," "plan," "may," "should," "would" or other words that convey uncertainty of future events or outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of First Trust Senior Floating Rate Income Fund II (the "Fund") to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information

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included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and its representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

### PERFORMANCE AND RISK DISCLOSURE

There is no assurance that the Fund will achieve its investment objectives. The Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in the Fund. See "Risk Considerations" in the Additional Information section of this report for a discussion of certain other risks of investing in the Fund.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and common share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on the Fund's webpage at <http://www.ftportfolios.com>.

### HOW TO READ THIS REPORT

This report contains information that may help you evaluate your investment in the Fund. It includes details about the Fund and presents data and analysis that provide insight into the Fund's performance and investment approach.

By reading the portfolio commentary by the portfolio management team of the Fund, you may obtain an understanding of how the market environment affected the Fund's performance. The statistical information that follows may help you understand the Fund's performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of the Advisor are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in the Fund are spelled out in the prospectus, the statement of additional information, this report and other Fund regulatory filings.

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SHAREHOLDER LETTER

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
ANNUAL LETTER FROM THE CHAIRMAN AND CEO  
MAY 31, 2016

Dear Shareholders:

Thank you for your investment in First Trust Senior Floating Rate Income Fund (the "Fund").

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First Trust Advisors L.P. ("First Trust") is pleased to provide you with the annual report which contains detailed information about your investment for the twelve months ended May 31, 2016, including a market overview and a performance analysis for the period. We encourage you to read this report and discuss it with your financial advisor.

While markets were up and down during 2015, we believe there are three important things to remember. First, the U.S. economy grew, despite the massive decline in oil prices. Second, the tapering that began in 2014 by the Federal Reserve (the "Fed") did not stop growth in the U.S. economy. Finally, the long-anticipated rate hike by the Fed in December had little effect on the money supply, and the stock market was not shocked by the hike. Early in 2016, many investors were concerned that the volatility we saw in the market in 2015 would continue, and it did. From December 31, 2015 through February 11, 2016, the S&P 500(R) Index declined by 10.27%. Since then, the market has made a steady comeback, and as of May 31, 2016, the S&P 500(R) Index was up 15.43%.

First Trust believes that having a long-term investment horizon and being invested in quality products can help you reach your goals, regardless of how the market behaves. We have always maintained perspective about the markets and believe investors should as well. We will continue to strive to provide quality investment opportunities each and every day, which has been one of the hallmarks of our firm since its inception 25 years ago.

Thank you for giving First Trust the opportunity to be a part of your investment plan. We value our relationship with you and will continue to focus on helping investors like you reach your financial goals.

Sincerely,

/s/ James A. Bowen

James A. Bowen  
Chairman of the Board of Trustees  
Chief Executive Officer of First Trust Advisors L.P.

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
"AT A GLANCE"  
AS OF MAY 31, 2016 (UNAUDITED)

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### FUND STATISTICS

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Symbol on New York Stock Exchange	FCT
Common Share Price	\$13.05
Common Share Net Asset Value ("NAV")	\$14.03
Premium (Discount) to NAV	(6.99)%
Net Assets Applicable to Common Shares	\$374,685,368
Current Monthly Distribution per Common Share (1)	\$0.0700
Current Annualized Distribution per Common Share	\$0.8400
Current Distribution Rate on Closing Common Share Price (2)	6.44%
Current Distribution Rate on NAV (2)	5.99%

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COMMON SHARE PRICE & NAV (WEEKLY CLOSING PRICE)		
	Common Share Price	NAV
5/15	\$13.77	\$14.71
	13.63	14.62
	13.53	14.59
	13.46	14.59
6/15	13.33	14.59
	13.17	14.50
	13.21	14.51
	13.21	14.56
7/15	13.15	14.54
	13.30	14.51
	13.08	14.42
	13.26	14.40
8/15	13.10	14.38
	13.15	14.38
	13.00	14.33
	12.88	14.38
9/15	12.97	14.35
	12.98	14.30
	12.50	14.05
	12.73	14.08
10/15	12.74	14.07
	12.72	14.08
	12.52	14.08
	12.47	13.99
11/15	12.23	13.90
	12.34	13.80
	12.32	13.78
	12.22	13.75
12/15	12.06	13.63
	12.28	13.54
	12.20	13.53
	12.16	13.52
1/16	12.35	13.55
	12.11	13.51
	11.80	13.46
	12.01	13.40
2/16	12.00	13.42
	12.12	13.37
	11.87	13.22
	12.10	13.23
3/16	11.98	13.29
	12.27	13.42
	12.45	13.60
	12.87	13.68
4/16	12.72	13.71
	12.76	13.68
	12.55	13.74
	12.69	13.82
5/16	12.81	13.95
	12.83	13.99
	12.66	13.90
	12.75	13.92
5/16	13.15	13.96
	13.05	14.05

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 PERFORMANCE  
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	Average Annual Total Return			
	1 Year Ended 5/31/2016	5 Years Ended 5/31/2016	10 Years Ended 5/31/2016	Incept to
FUND PERFORMANCE (3)				
NAV	2.36%	5.70%	3.72%	
Market Value	1.56%	4.07%	3.74%	
INDEX PERFORMANCE				
S&P/LSTA Leveraged Loan Index	0.49%	3.71%	4.49%	

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CREDIT QUALITY (S&P RATINGS) (4)	SENIOR FLOATING-RATE LOAN INTERESTS AND CORPORATE BONDS AND NOTES
	BBB
BBB-	2.5
BB+	3.2
BB	9.5
BB-	19.2
B+	19.2
B	27.4
B-	6.8
CCC+	2.4
CCC	3.3
CCC-	0.1
CC	0.4
D	0.2
NR	0.5
Privately rated securities(5)	1.4
Total	100.0%

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TOP 10 ISSUERS	% OF TOTAL INVESTMENTS
Portillo's Holdings LLC	2.9%
New HB Acquisition LLC	2.5
Caesars Growth Partners LLC	2.4
Albertsons LLC	2.3
BJ's Wholesale Club, Inc.	2.3
BMC Software Finance, Inc.	2.2
Amaya Holdings B.V.	2.2
Dell, Inc.	2.1
Asurion LLC	2.0
Univision Communications, Inc.	1.9
Total	22.8%

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ASSET CLASSIFICATION	% OF TOTAL INVESTMENTS
Hotels, Restaurants & Leisure	13.9%
Health Care Providers & Services	11.3
Software	6.3
Media	5.9
Life Sciences Tools & Services	5.6
Pharmaceuticals	4.8
Food & Staples Retailing	4.6
Insurance	3.9
Diversified Telecommunication Services	3.9
Specialty Retail	3.8
Food Products	3.6
Professional Services	2.9
Health Care Equipment & Supplies	2.9
Semiconductors & Semiconductor Equipment	2.7
Diversified Consumer Services	2.4
Technology Hardware, Storage & Peripherals	2.0
Capital Markets	1.8
Diversified Financial Services	1.7
Real Estate Management & Development	1.7
Commercial Services & Supplies	1.7
Aerospace & Defense	1.6
Containers & Packaging	1.4
Road & Rail	1.3
Beverages	1.1
Building Products	1.0
Consumer Finance	0.9
Chemicals	0.7
Auto Components	0.6
Real Estate Investment Trusts (REITs)	0.6
Electronic Equipment & Instruments	0.5
Health Care Technology	0.5
Diversified Business Services	0.4
Oil, Gas & Consumable Fuels	0.4
Electric Utilities	0.4
Independent Power and Renewable Electricity Producers	0.4
Machinery	0.2
Household Products	0.2
Distributors	0.2
IT Services	0.1
Construction Materials	0.1
Total	100.0%

- (1) Most recent distribution paid or declared through May 31, 2016. Subject to change in the future.
- (2) Distribution rates are calculated by annualizing the most recent distribution paid or declared through the report date and then dividing by Common Share Price or NAV, as applicable, as of May 31, 2016. Subject to change in the future.

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- (3) Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. From inception to October 12, 2010, Four Corners Capital Management, LLC served as the Fund's sub-advisor. Effective October 12, 2010, the Leveraged Finance Team of First Trust Advisors L.P. assumed the day-to-day responsibility for management of the Fund's portfolio. Total returns do not reflect sales load and are not annualized for periods of less than one year. Past performance is not indicative of future results.
- (4) 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.
- (5) Represents Senior Loans privately rated upon issuance. The rating agency does not provide ongoing surveillance on the rating.

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### PORTFOLIO COMMENTARY

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
ANNUAL REPORT  
MAY 31, 2016

#### INVESTMENT MANAGER

First Trust Advisors L.P. ("First Trust") was established in 1991 and is located in Wheaton, Illinois. First Trust is a registered investment advisor which offers customized portfolio management using its structured, quantitative approach to security selection. As of May 31, 2016, First Trust managed or supervised \$97.35 billion in assets. The First Trust Leveraged Finance Team began managing the First Trust Senior Floating Rate Income Fund II on October 12, 2010. The First Trust Leveraged Finance Team is comprised of twelve experienced investment professionals specializing in below-investment grade securities. The team is comprised of portfolio management, research, trading and operations. As of May 31, 2016, the First Trust Leveraged Finance Team managed or supervised approximately \$2.20 billion in senior secured bank loans and high-yield bonds. These assets are managed across various strategies, including a closed-end fund, an open-end fund, four exchange-traded funds, one UCITS fund and a series of unit investment trusts on behalf of retail and institutional clients.

#### PORTFOLIO MANAGEMENT TEAM

WILLIAM HOUSEY, CFA



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SENIOR VICE PRESIDENT, SENIOR PORTFOLIO MANAGER

SCOTT D. FRIES, CFA  
SENIOR VICE PRESIDENT, PORTFOLIO MANAGER

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II

The primary investment objective of First Trust Senior Floating Rate Income Fund II ("FCT" or 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 primarily investing in a portfolio of floating-rate loan interests ("senior loans"). There can be no assurance that the Fund's investment objectives will be achieved. The Fund may not be appropriate for all investors.

### MARKET RECAP

The last 12 months proved to be challenging for the senior loan market, which began with nine straight months of negative returns, followed by three strong months of positive returns to finish the trailing twelve months in modestly positive territory. The last 12 months' total return for the S&P/LSTA Leveraged Loan Index ("senior loan index") was 0.49%. This compares to -0.88% for the BofA Merrill Lynch U.S. High Yield Constrained Index ("high-yield bond index") and 1.72% for the S&P 500(R) Index over the same time period. The negative returns experienced during the first nine months of the last 12 month period were driven in part by what we believed to be a decoupling of market prices from fundamentals. We observed that any hint of negative news for a given company or industry in the non-investment grade markets (i.e. senior loans and high-yield bonds) would lead to significant market price volatility. This price action was warranted in some specific instances, but generally speaking, was in excess of what we would have expected. Moreover, the inconsistent rhetoric from the U.S. Federal Reserve (the "Fed") in the latter half of 2015 and the eventual start to a new rate hike cycle contributed to overall instability in the broader financial markets.

The start of 2016 proved to be quite eventful in the capital markets, as equity market volatility early in the first quarter instilled fear in investors that the U.S. economy might be slowing and led some to speculate that the U.S. economy might be heading into a recession. On February 11, 2016, the low-point for financial markets during 2016, the high-yield bond index was off 5.14% and the senior loan index was off 1.36% year-to-date, according to Bloomberg. This compared to the S&P 500(R) Index which was down 10.27% for the same period. However, as the equity markets bottomed and reversed course, the credit markets also rebounded and by the end of May 2016, the high-yield bond index and senior loan index total returns from the trough on February 11th were 14.01% and 5.93%, respectively. For comparison, the S&P 500(R) Index rallied 15.43% during that same time period. Despite the increased volatility the high-yield index and senior loan index total return for the 2016 year-to-date period through May 31, 2016 were 8.15% and 4.49%, respectively. The S&P 500(R) Index total return was 3.57% for the same time period.

### SENIOR LOAN MARKET

The senior loan index returned 0.49% for the twelve-month period ending May 31, 2016. From a credit quality perspective the returns were mixed. Lower quality CCC rated issues returned -2.97% in the period, underperforming the returns of higher quality B rated issues at 0.51% and BB rated issues at 2.59%. The average bid price of loans in the market began the period at \$97.39 and, after bottoming at \$89.44 at the end of February, loan prices ended the period at \$93.41. The discounted spread to a 3-year life for the senior loan index began the period at 499 basis points above LIBOR ("L+499"), widened to L+775 at the end of February and ended the period at L+573.(1)

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- (1) The discounted spread to an assumed three-year maturity is the yield above the London Interbank Offered Rate (LIBOR or LIBOR floor) and the current loan price over a three-year period.

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PORTFOLIO COMMENTARY (CONTINUED)

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
ANNUAL REPORT  
MAY 31, 2016

CREDIT QUALITY/DEFAULT RATES

Default rates continue to remain below the long term average for senior loans. The default rate over the last 12 months in the senior loan index was 1.96%. The long-term average default rate dating back to January 1999 is 3.13%. We believe the default rate remains below the long-term average because overall corporate fundamentals remain healthy, as evidenced by the fact that senior loan issuers, that file their financial results publicly, have grown cash flows for 27 straight quarters through March 31, 2016. Despite the strength of cash flow growth, the lack of near-term debt maturities, and favorable access to capital markets, we believe the default rate for both senior loans and high-yield bonds will drift higher in 2016 but the majority of defaults will be in sectors that are exposed to volatile commodity prices and not systemic to the overall market.

PERFORMANCE ANALYSIS

The Fund outperformed the senior loan index on a net asset value (NAV) basis for the trailing twelve-month period. The Fund generated a NAV return of 2.36% and a market price return of 1.56% while the senior loan index generated a total return of 0.49%. The Fund's discount to NAV ended the period 60 basis points wider than one year ago. At the start of the period, the Fund's market price was at a 6.39% discount to NAV and widened to a 6.99% discount to NAV by the end of the period.

Contributing to the Fund's outperformance relative to the senior loan index over the period was the Fund's use of leverage and issuer selection. The use of leverage contributed positively as the total return of senior loans exceeded the borrowing cost of leverage. Leverage at the end of May 2016 was approximately 26.8% of managed assets.

From an income perspective, the monthly announced distribution rate began the period at \$0.072 per share and ended at \$0.070 per share. The driver behind the distribution rate decline was the portfolio managers' decision to reduce overall leverage in the Fund in reaction to the increased credit market volatility prevalent at the end of the fourth quarter of 2015 and into the first half of the first quarter of 2016. As the markets became more volatile, the Fund's portfolio managers believed it was prudent to reduce leverage by approximately 2.00%. At the \$0.070 per share monthly distribution rate, the annualized distribution rate at the end of May 2016 was 5.99% at NAV and 6.44% at market price.

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### MARKET AND FUND OUTLOOK

Credit markets appear well positioned for the intermediate term. We believe the combination of strong technical tailwinds created by global central bank policy, attractive valuations within the credit markets, a below-average default rate environment, modest but healthy economic growth and sound corporate fundamentals provide a firm backdrop for returns in the periods ahead. However, we believe that the volatility that we have experienced since the second half of 2015 may continue to persist throughout 2016. We believe that this volatility has and should lead to some compelling valuations and opportunities in the U.S. high-yield bond and senior bank loan markets. With that said, we believe credit selection will be paramount to driving strong returns over the remainder of the economic cycle. In the early years of the economic recovery, returns came relatively easily. We believe returns can still be healthy for this portion of the cycle, however, they will be harder to come by, accompanied by greater volatility in the markets.

Based on current valuations (average price of \$93.41 and spread of L+573(1)), we believe senior loans, given their senior secured position in the capital structure, floating interest rate, high income and limited commodity exposure (energy, metals and mining only comprise 3.84% of the senior loan benchmark on a market value basis), are well positioned to deliver attractive risk adjusted returns. Retail investors have continued to reduce exposure to senior loans in the wake of declining Treasury yields and continued dovish Fed rhetoric. We believe that with further increases in the Federal Funds rate on the horizon, even if they occur at a modest pace, investors in senior loans are likely to benefit. We believe there remains a substantial asymmetry in the risk vs. reward equation for long-duration fixed-income securities (those with the most rate sensitivity). As a result, even modestly increasing interest rates can present challenges for traditional fixed-income investors.

In summary, we believe that both the high-yield bond and senior loan markets currently offer compelling opportunities, and specifically within actively managed strategies where return opportunities can be realized and risk can be appropriately managed. In a market where equity volatility is high, investors may benefit from moving up the corporate capital structure into high-yield bonds and senior loans to take advantage of the attractive valuations and lower volatility.

As we evaluate new investment opportunities, decisions will continue to be rooted in our rigorous bottom-up credit analysis and focus on the opportunities that we believe offer the best risk and reward balance. Despite the many distractions that ebb and flow every quarter, we remain firmly focused on finding value in the high-yield bond and senior loan markets.

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(1) The discounted spread to an assumed three-year maturity is the yield above the London Interbank Offered Rate (LIBOR or LIBOR floor) and the current loan price over a three-year period.

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PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS - 130.9%			
AEROSPACE & DEFENSE - 2.2%			
\$ 400,000	B/E Aerospace, Inc., Term Loan.....	3.75%	
1,843,084	DynCorp International, Inc., Term Loan.....	6.25%	
3,833,206	Transdigm, Inc., Term Loan C.....	3.75%	
786,000	Transdigm, Inc., Tranche D Term Loan.....	3.75%	
1,474,545	Wencor Group LLC (Jazz Acquisition, Inc.), Term Loan (First Lien).....	4.50%	
ALTERNATIVE CARRIERS - 1.5%			
1,000,000	Level 3 Financing, Inc., Tranche B 2020 Term Loan.....	4.00%	
4,476,697	Level 3 Financing, Inc., Tranche B-II 2022 Term Loan.....	3.50%	
APPAREL RETAIL - 0.4%			
1,543,821	Neiman Marcus Group, Inc., The, Other Term Loan.....	4.25%	
250,000	Samsonite International S.A., Term Loan B.....	4.00%	
APPLICATION SOFTWARE - 3.4%			
2,977,500	Epicor Software Corp., Term B Loan.....	4.75%	
3,813,003	Infor (US), Inc., Tranche B-5 Term Loan.....	3.75%	
2,729,872	Informatica Corp. (Italic Merger Sub., Inc.), Dollar Term Loan..	4.25%	
2,286,538	Mitchell International, Inc., Initial Term Loan.....	4.50%	
1,360,256	Triple Point Technologies, Inc., Term Loan.....	5.25%	
ASSET MANAGEMENT & CUSTODY BANKS - 2.4%			
776,609	American Beacon Advisors, Inc., Term Loan B.....	5.50%	
1,316,250	Guggenheim Partners Investment Management Holdings LLC, Initial Term Loan.....	4.25%	
1,434,808	Hamilton Lane Advisors LLC, Initial Term Loan.....	4.25%	
929,816	Mondrian Investment Partners Ltd. (MIPL Group Ltd.), Term Loan B.....	4.00%	
4,625,000	Victory Capital Holdings (VCH Holdings LLC), Initial Term Loan.....	7.00%	
AUTO PARTS & EQUIPMENT - 0.6%			
884,250	Cooper Standard Holdings (CS Intermediate Holdco 2 LLC), Term Loan.....	4.00%	
1,264,626	Tower Automotive Holdings USA LLC, Initial Term Loan (2014).....	4.00%	
AUTOMOTIVE RETAIL - 0.6%			
2,072,093	KAR Auction Services, Inc., Tranche B-3 Term Loan.....	4.25%	

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	BROADCASTING - 4.5%	
2,798,370	Cumulus Media Holdings, Inc., Term Loan.....	4.25%
443,333	Gray Television, Inc., Term Loan C.....	4.25%
1,993,063	Media General, Inc., Term Loan B.....	4.00%
1,050,751	Mission Broadcasting, Inc. (Nexstar Broadcasting Group, Inc.), Term B-2 Loan.....	3.75%
1,191,569	Nexstar Broadcasting Group, Inc. (Mission Broadcasting, Inc.), Term Loan B-2.....	3.75%

See Notes to Financial Statements

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
 MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
BROADCASTING (CONTINUED)			
\$ 749,628	Tribune Media Co., Term B Loan.....	3.75%	
2,636,842	Univision Communications, Inc., 2013 Incremental Term Loan.....	4.00%	
6,929,958	Univision Communications, Inc., Replacement First-Lien Term Loan.....	4.00%	
BUILDING PRODUCTS - 1.3%			
421,071	Hillman Group, Inc., The, Initial Term Loan.....	4.50%	
4,610,160	Quikrete Holdings, Inc., Initial Loan (First Lien).....	4.00%	
CABLE & SATELLITE - 0.8%			
498,750	Cequel Communications LLC (Altice US Finance I Corp.), Initial Term Loan.....	4.25%	
2,500,000	CSC Holdings, Inc. (Neptune Finco Corp.), Initial Term Loan.....	5.00%	
CASINOS & GAMING - 7.8%			
721,875	Amaya Holdings B.V., 2nd Lien TL.....	8.00%	
10,722,335	Amaya Holdings B.V., Initial Term B Loan (First Lien).....	5.00%	
7,997,188	Caesars Growth Partners LLC, Term B Loan (First Lien).....	6.25%	
2,316,388	CityCenter Holdings LLC, Term B Loan.....	4.25%	
384,615	MGM Growth Properties Operating Partnership LP, Term B Loan.....	4.00%	
1,735,653	ROC Finance LLC, Funded Term B Loan.....	5.00%	
6,300,000	Station Casinos, Inc., Term Loan B.....	3.75%	

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	COAL & CONSUMABLE FUELS - 0.3%		
2,667,808	Arch Coal, Inc., Term Loan (d) (e).....		7.50%
	COMMERCIAL PRINTING - 0.3%		
1,233,333	Southern Graphic, Inc., Term Loan.....		4.25%
	COMPUTER HARDWARE - 2.8%		
10,388,321	Dell, Inc., Term B-2 Loan.....		4.00%
	CONSTRUCTION MATERIALS - 0.2%		
645,125	Summit Materials, Inc., Restatement Effective Date Term Loans...		4.00%
	CONSUMER FINANCE - 1.3%		
2,527,065	Altisource Solutions S.A.R.L., Term B Loan.....		4.50%
3,064,626	Walter Investment Management Corp., Tranche B Term Loan.....		4.75%
	DATA PROCESSING & OUTSOURCED SERVICES - 0.2%		
874,120	Sungard Availability Services Capital, Inc., Term Loan B.....		6.00%
	DISTRIBUTORS - 0.2%		
839,995	HD Supply, Inc., Term Loan.....		3.75%
	DIVERSIFIED CHEMICALS - 0.1%		
395,998	Ineos US Finance LLC, 2022 Dollar Term Loan.....		4.25%
	DIVERSIFIED SUPPORT SERVICES - 0.5%		
1,905,214	SMG Holdings, Inc., Term Loan.....		4.50%-6.00%
	EDUCATION SERVICES - 0.1%		
247,500	Bright Horizons Family Solutions, Inc., Term B-1 Loan.....		4.25%

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See Notes to Financial Statements

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
 MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
	ELECTRIC UTILITIES - 0.5%		
\$ 4,241,410	TXU (Texas Competitive Electric Holdings Co. LLC), 2014 Term Loan (Non-Extending) (d) (e).....		4.92%
2,250,000	TXU (Texas Competitive Electric Holdings Co. LLC), 2017 Term Loan (Extending) (d) (e).....		4.92%

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ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.6%		
498,750	Linxens LLC (Lully Finance LLC), Initial Term B-1 Loan (First Lien).....	5.00%
1,910,568	Zebra Technologies Corp., Initial Term Loan.....	4.75%
ENVIRONMENTAL & FACILITIES SERVICES - 1.0%		
492,524	PSSI (Packers Holdings LLC), Term Loan.....	5.00%
1,676,975	ServiceMaster Co., Initial Term Loan.....	4.25%
1,564,000	WTG Holdings III Corp. (EWT Holdings III Corp.), Term Loan (First Lien).....	4.75%
FOOD RETAIL - 3.2%		
11,856,240	Albertsons LLC, Term B-4 Loan.....	5.50%
HEALTH CARE EQUIPMENT - 2.8%		
1,351,829	Alere, Inc., Term B Loan.....	4.25%
3,275,250	DJO Finance LLC (ReAble Therapeutics Finance LLC), Initial Term Loan.....	4.25%
6,001,504	Kinetic Concepts, Inc., Dollar Term E-1 Loan.....	4.50%
HEALTH CARE FACILITIES - 5.5%		
1,246,875	Acadia Healthcare Co., Inc., Tranche B-2 Term Loan.....	4.50%
1,089,655	Acadia Healthcare Company, Inc., Term Loan B1.....	3.75%
4,389,599	CHS/Community Health Systems, Inc., Incremental 2021 Term H Loan.....	4.00%
1,364,688	Concentra, Inc. (MJ Acquisition Corp.), Term Loan B.....	4.00%-5.50%
3,394,975	Kindred Healthcare, Inc., New Term Loan.....	4.25%
2,717,709	National Veterinary Associates (NVA Holdings, Inc.), Term Loan (First Lien).....	4.75%
6,584,862	Select Medical Corp., Term Loan F.....	6.00%
HEALTH CARE SERVICES - 8.5%		
2,769,696	21st Century Oncology, Inc., Tranche B Term Loan.....	6.50%
3,473,750	Air Medical Group Holdings, Inc., Initial Term Loan.....	4.25%
3,963,351	CareCore National LLC, Term Loan.....	5.50%
1,400,000	CHG Healthcare Services, Inc, Term Loan.....	4.75%
3,217,500	Curo Health Services Holdings, Inc., Term B Loan (First Lien)...	6.50%
4,123,080	Envision Healthcare Corp. (Emergency Medical Services Corp.), Initial Term Loan.....	4.25%
249,375	Envision Healthcare Corp. (Emergency Medical Services Corp.), Tranche B-2 Term Loan.....	4.50%
4,682,453	Healogics, Inc. (CDRH Parent, Inc.), Initial Term Loan (First Lien).....	5.25%

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PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
HEALTH CARE SERVICES (CONTINUED)			
\$ 1,486,212	Surgery Centers Holdings, Inc., Initial Term Loan (First Lien) ..	5.25%	
990,000	Surgical Care Affiliates LLC, Initial Term Loan.....	4.25%	
2,161,823	Team Health, Inc., Term Loan B.....	3.75%	
4,301,719	U.S. Renal Care, Inc., Term Loan B.....	5.25%	
HEALTH CARE SUPPLIES - 0.6%			
1,978,704	BSN Medical Luxembourg Holding S.A.R.L., Facility B1B.....	4.00%	
451,113	ConvaTec, Inc., TLB.....	4.25%	
HEALTH CARE TECHNOLOGY - 0.6%			
2,416,406	Connolly Holdings, Inc. (Cotiviti Corp.), Term Loan B.....	4.50%	
HOMEFURNISHING RETAIL - 0.6%			
2,125,511	Serta Simmons Holdings LLC, Term Loan B.....	4.25%	
HOTELS, RESORTS & CRUISE LINES - 1.9%			
5,000,000	Hilton Worldwide Finance LLC, Initial Term Loan.....	3.50%	
1,975,000	Norwegian Cruise Lines (NCL Corp.), Term B Loan.....	4.00%	
HOUSEHOLD PRODUCTS - 0.2%			
841,914	Spectrum Brands, Inc., USD Term Loan.....	3.50%	
HYPERMARKETS & SUPER CENTERS - 3.1%			
2,488,092	BJ's Wholesale Club, Inc., 2013 (November) Replacement Loan (Second Lien).....	8.50%	
9,202,002	BJ's Wholesale Club, Inc., New 2013 (November) Replacement Loan (First Lien).....	4.50%	
INDEPENDENT POWER PRODUCERS & ENERGY TRADERS - 0.5%			
1,985,000	Calpine Corp., Term Loan.....	3.50%	
INDUSTRIAL MACHINERY - 0.3%			
1,185,000	Douglas Dynamics LLC, Term Loan B.....	5.25%	
INSURANCE BROKERS - 4.7%			
3,417,591	Amwins Group LLC, Term Loan.....	4.75%	
3,883,296	Confie Seguros Holding II Co., Term B Loan (First Lien).....	5.75%	
2,541,140	HUB International Ltd., Initial Term Loan (New).....	4.00%	
396,000	Hyperion Finance S.A.R.L., Initial Term Loan.....	5.50%	
2,631,403	National Financial Partners Corp., 2014 Specified Refinancing Term Loan.....	4.50%	
4,790,053	USI, Inc. (Compass Investors, Inc.), Initial Term Loan.....	4.25%	



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INTEGRATED TELECOMMUNICATION SERVICES - 3.4%		
2,925,000	Cincinnati Bell, Inc., Tranche B Term Loan.....	4.00%
1,930,489	Hawaiian Telcom Communications, Inc., Term Loan.....	5.25%
4,886,154	Numericable U.S. LLC (Altice France S.A.), USD TLB-6.....	4.75%
3,147,600	Numericable U.S. LLC (Altice France S.A.), USD TLB-7 Loan.....	5.00%
LEISURE FACILITIES - 1.9%		
3,799,887	ClubCorp Club Operations, Inc., Term Loan B.....	4.25%
1,297,885	Life Time Fitness, Inc., Closing Date Term Loan.....	4.25%

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
 MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
LEISURE FACILITIES (CONTINUED)			
\$ 1,920,925	Planet Fitness Holdings LLC, Term Loan.....	4.50%	
LIFE SCIENCES TOOLS & SERVICES - 7.1%			
5,340,074	Immucor, Inc., Term B-2 Loan.....	5.00%	
529,164	InVentiv Health, Inc., Term B-3 Loan.....	7.75%	
7,626,842	InVentiv Health, Inc., Term B-4 Loan.....	7.75%	
539,488	Millennium Laboratories LLC (New Millennium Holdco.), Closing Date Term Loan (f).....	7.50%	
7,547,349	Ortho-Clinical Diagnostics, Inc. (Crimson Merger Sub, Inc.), Initial Term Loan.....	4.75%	
3,576,014	Pharmaceutical Product Development, Inc., Initial Term Loan.....	4.25%	
2,189,000	Sterigenics International (STHI Intermediate Holding Corp.), Initial Term Loan.....	4.25%	
MANAGED HEALTH CARE - 0.4%			
1,440,000	MultiPlan, Inc. (MPH Acquisition Holdings LLC), Term Loan.....	5.00%	
METAL & GLASS CONTAINERS - 0.8%			
612,742	Anchor Glass Container Corp., Term B Loan.....	4.75%	
372,000	Ardagh Holdings USA, Inc. (Ardagh Packaging Finance S.A.), New Term Loan.....	4.00%	
2,122,389	Berlin Packaging LLC, Initial Term Loan (First Lien).....	4.50%	

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	MOVIES & ENTERTAINMENT - 2.1%	
281,917	AMC Entertainment, Inc., Term Loan B.....	4.00%
1,185,000	Creative Artists Agency LLC (CAA Holdings LLC), Incremental Term Loan.....	5.50%
4,350,283	Formula One (Delta 2 Lux S.A.R.L.), Facility B3 (USD).....	4.75%
1,958,549	WME IMG Worldwide, Inc., Term Loan (First Lien).....	5.25%
	OIL & GAS EXPLORATION & PRODUCTION - 0.2%	
1,000,000	American Energy Marcellus Holdings LLC, Initial Loan (First Lien).....	5.25%
1,888,889	American Energy Marcellus Holdings LLC, Initial Loan (Second Lien).....	8.50%
	OIL & GAS STORAGE & TRANSPORTATION - 0.1%	
1,000,000	Fieldwood Energy LLC, Closing Date Loan (Second Lien).....	8.38%
	OTHER DIVERSIFIED FINANCIAL SERVICES - 2.0%	
4,683,538	First Data Corp., 2021 New Dollar Term Loan.....	4.44%
2,780,000	iPayment, Inc., Term Loan.....	6.75%
	PACKAGED FOODS & MEATS - 4.9%	
682,784	B&G Foods, Inc., Tranche B Term Loan.....	3.75%
4,022,728	Ferrara Candy Co. (Candy Intermediate Holdings, Inc.), Initial Term Loan.....	7.50%

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
PACKAGED FOODS & MEATS (CONTINUED)			
\$ 9,476,190	New HB Acquisition LLC, Term B Loan (First Lien).....	4.50%	
3,348,315	New HB Acquisition LLC, Term B Loan (Second Lien).....	8.50%	
847,875	Pinnacle Foods Finance LLC, Tranche I Term Loan.....	3.75%	
	PAPER PACKAGING - 1.0%		

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3,898,686	Reynolds Group Holdings, Inc., Incremental U.S. Term Loan.....	4.50%
	PHARMACEUTICALS - 6.4%	
1,682,692	Akorn, Inc., Loan.....	5.25%
812,500	AMAG Pharmaceuticals, Inc., Initial Term Loan.....	4.75%
3,600,616	Amneal Pharmaceuticals LLC, Term Loan B.....	4.50%
2,292,506	Catalent Pharma Solutions, Inc., Dollar Term Loan.....	4.25%
4,056,500	Concordia Healthcare Corp., Initial Dollar Term Loan.....	5.25%
2,394,000	Endo Pharmaceuticals Holdings, Inc., 2015 Incremental Term B Loan.....	3.75%
3,512,114	Horizon Pharma, Inc., Term Loan B.....	4.50%
1,375,500	Patheon, Inc. (JLL/Delta Dutch Newco B.V.), Initial Dollar Term Loan.....	4.25%
506,053	Valeant Pharmaceuticals International, Inc., Series C-2 Tranche B Term Loan.....	4.75%
2,881,111	Valeant Pharmaceuticals International, Inc., Series F-1 Tranche B Term Loan.....	5.00%
1,029,481	Valeant Pharmaceuticals International, Inc., Term Loan BD.....	4.50%
	PROPERTY & CASUALTY INSURANCE - 1.0%	
194,886	Cunningham Lindsey U.S., Inc., Initial Loan (Second Lien) (g)...	9.25%
2,809,495	Cunningham Lindsey U.S., Inc., Initial Term Loan (First Lien)...	5.00%
1,200,000	Sedgwick Claims Management Services, Inc., Initial Loan (Second Lien).....	6.75%
	REAL ESTATE SERVICES - 2.3%	
8,634,753	DTZ Worldwide LTD., 2015-1 Additional Term Loan.....	4.25%
	RESEARCH & CONSULTING SERVICES - 4.0%	
3,073,356	Acosta, Inc., Term Loan B.....	4.25%
5,829,567	Advantage Sales & Marketing, Inc., Initial Term Loan (First Lien).....	4.25%
1,770,695	Information Resources, Inc., Term Loan.....	4.75%
4,346,168	TransUnion LLC, 2015 Term B-2 Loan.....	3.50%
	RESTAURANTS - 6.0%	
1,428,538	Burger King Corp. (1011778 B.C. ULC), Term B-2 Loan.....	3.75%
3,685,028	Focus Brands, Inc., Refinancing Term Loan (First Lien).....	4.25%
1,450,000	Focus Brands, Inc., Term Loan (Second Lien).....	10.25%
8,341,454	Portillo's Holdings LLC, Second Lien Term Loan.....	8.00%
6,994,082	Portillo's Holdings LLC, Term B Loan (First Lien).....	4.75%
1,266,429	Red Lobster Management LLC, Initial Term Loan (First Lien).....	6.25%

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MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
	RETAIL REITS - 0.8%		
\$ 1,050,000	Capital Automotive LLC, Term Loan (Second Lien).....	6.00%	
1,816,361	Capital Automotive LLC, Tranche B-1 Term Loan Facility.....	4.00%	
	SECURITY & ALARM SERVICES - 0.2%		
178,750	Garda World Security Corp., Term B Delayed Draw Loan.....	4.00%-5.50%	
698,750	Garda World Security Corp., Term Loan B.....	4.00%-5.50%	
	SEMICONDUCTORS - 3.6%		
9,333,333	Avago Technologies Cayman Ltd., Term B-1 Dollar Loan.....	4.25%	
800,000	Micron Technology, Inc., Term Loan.....	6.46%	
890,895	NXP B.V., Tranche B Loan.....	3.75%	
2,550,000	Western Digital Corp., U.S. Term B Loan.....	6.25%	
	SOFT DRINKS - 1.4%		
5,358,133	Keurig Green Mountain, Inc. (Maple Holdings Acquisition Corp.), Term B USD Loan.....	5.25%	
	SPECIALIZED CONSUMER SERVICES - 2.8%		
4,247,164	Asurion LLC, Incremental Tranche B-1 Term Loan.....	5.00%	
4,650,862	Asurion LLC, Incremental Tranche B-4 Term Loan.....	5.00%	
1,058,824	Asurion LLC, Term Loan (Second Lien).....	8.50%	
660,321	Expert Global Solutions, Inc. (NCO Group, Inc.), Term B Advance (First Lien).....	8.50%	
	SPECIALIZED FINANCE - 1.0%		
1,293,500	AlixPartners LLP, Initial Term Loan.....	4.50%	
2,263,894	Duff & Phelps Corp., Initial Term Loan.....	4.75%	
	SPECIALTY CHEMICALS - 0.8%		
979,275	Omnova Solutions, Inc., Term B-1 Loan.....	4.25%	
1,575,160	Platform Specialty Products Corp. (fka: Macdermid, Inc.), Tranche B-2 Term Loan.....	5.50%	
529,333	Trinseo Materials Operating S.C.A., Term Loan B.....	4.25%	
	SPECIALTY STORES - 3.6%		
994,945	Party City Holdings, Inc., Term Loan.....	4.25%	
8,651,077	PetSmart, Inc., Tranche B-1 Loan.....	4.25%	
2,308,460	Toys "R" US-Delaware, Inc., Term B-2 Loan.....	5.25%	
2,016,941	Toys "R" US-Delaware, Inc., Term B4 Loan.....	9.75%	

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	SYSTEMS SOFTWARE - 5.2%	
530,398	Applied Systems, Inc., Initial Term Loan (First Lien).....	4.00%-5.50%
533,266	Applied Systems, Inc., Initial Term Loan (Second Lien).....	7.50%
1,492,500	Blue Coat Systems, Inc., Initial Term Loan.....	4.50%
12,390,684	BMC Software Finance, Inc., Initial US Term Loan.....	5.00%
1,875,000	Compuware Corp., Term Loan B.....	6.25%
4,016,677	Vertafore, Inc., Term Loan 2013.....	4.25%

See Notes to Financial Statements

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
 MAY 31, 2016

PRINCIPAL VALUE	DESCRIPTION	RATE (b)	MA
-----			
SENIOR FLOATING-RATE LOAN INTERESTS (CONTINUED)			
	TRUCKING - 1.8%		
\$ 2,211,429	Hertz Corp., The, Tranche B-1 Term Loan.....	3.75%	
182,330	Kenan Advantage Group, Inc., Delayed Draw Term 1 Loan (h).....	1.50%(i)	
443,560	Kenan Advantage Group, Inc., Term Loan B-2.....	4.00%	
1,362,638	Kenan Advantage Group, Inc., Term Loan B1.....	4.00%	
2,562,642	SIRVA Worldwide, Inc., Loan (g).....	7.50%	
	TOTAL SENIOR FLOATING-RATE LOAN INTERESTS.....		
	(Cost \$505,471,053)		

PRINCIPAL VALUE	DESCRIPTION	STATED COUPON
-----		
CORPORATE BONDS AND NOTES - 4.5%		
	ALTERNATIVE CARRIERS - 0.4%	
2,000,000	Intelsat Luxembourg S.A. (Luxembourg).....	6.75%
	AUTO PARTS & EQUIPMENT - 0.2%	
250,000	American Axle & Manufacturing, Inc.....	6.25%
500,000	MPG Holdco I, Inc.....	7.38%

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	CABLE & SATELLITE - 0.6%	
2,000,000	CCO Holdings LLC/CCO Holdings Capital Corp.....	5.75%
	CASINOS & GAMING - 1.2%	
4,900,000	Caesars Growth Properties Holdings LLC/Caesars Growth Properties Finance, Inc.....	9.38%
	HEALTH CARE EQUIPMENT - 0.4%	
1,800,000	Kinetic Concepts, Inc./KCI USA, Inc.....	12.50%
	HEALTH CARE FACILITIES - 0.8%	
350,000	CHS/Community Health Systems, Inc.....	6.88%
1,000,000	Select Medical Corp.....	6.38%
800,000	Tenet Healthcare Corp.....	6.00%
357,000	Tenet Healthcare Corp.....	8.13%
643,000	Tenet Healthcare Corp.....	6.75%
	LIFE SCIENCES TOOLS & SERVICES - 0.5%	
2,500,000	Crimson Merger Sub, Inc. (j).....	6.63%
	PHARMACEUTICALS - 0.2%	
620,000	Valeant Pharmaceuticals International, Inc. (Canada) (j).....	5.38%
	SECURITY & ALARM SERVICES - 0.2%	
1,000,000	Garda World Security Corp. (Canada) (j).....	7.25%
	TOTAL CORPORATE BONDS AND NOTES.....	
	(Cost \$18,859,082)	

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See Notes to Financial Statements

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)  
 MAY 31, 2016

SHARES	DESCRIPTION
-----	
COMMON STOCKS - 0.0%	
	COMMODITY CHEMICALS - 0.0%
20	LyondellBasell Industries N.V., Class A.....
	LIFE SCIENCES TOOLS & SERVICES - 0.0%
15,800	New Millennium Holdco, Inc. (f) (k) (l).....
	TOTAL COMMON STOCKS.....
	(Cost \$79,000)

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RIGHTS - 0.0%

LIFE SCIENCES TOOLS & SERVICES - 0.0%

1	New Millennium Holdco, Inc., Corporate Claim Trust (f) (g) (k) (m).....
1	New Millennium Holdco, Inc., Lender Claim Trust (f) (g) (k) (m).....

TOTAL RIGHTS.....  
(Cost \$0)

WARRANTS - 0.0%

BROADCASTING - 0.0%

1,449	Cumulus Media, Inc. (g) (k) (m) (n).....
-------	--

(Cost \$0)

TOTAL INVESTMENTS - 135.4%.....  
(Cost \$524,409,135) (o)

OUTSTANDING LOAN - (36.6%).....

NET OTHER ASSETS AND LIABILITIES - 1.2%.....

NET ASSETS - 100.0%.....

-----

- (a) All or a portion of the securities are available to serve as collateral on the outstanding loan.
- (b) Senior Floating-Rate Loan Interests ("Senior Loans") in which the Fund invests pay interest at rates which are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more United States banks or (iii) the certificate of deposit rate. Certain Senior Loans are subject to a LIBOR floor that establishes a minimum LIBOR rate. The interest rate shown reflects the rate in effect at May 31, 2016. When a range of rates is disclosed, the Fund holds more than one contract within the same tranche at varying rates.
- (c) Senior Loans generally are subject to mandatory and/or optional prepayment. As a result, the actual remaining maturity of Senior Loans may be substantially less than the stated maturities shown.
- (d) This issuer has filed for protection in federal bankruptcy court.
- (e) This issuer is in default but interest is still being accrued by the Fund and paid by the issuer.
- (f) On December 21, 2015, Millennium Health, LLC completed a Bankruptcy Plan of Reorganization. As part of the Bankruptcy Plan of Reorganization, the holders of Millennium Laboratories LLC, Tranche B Term Loan received a portion of a new term loan and a pro rata share of the newly issued common equity shares in New Millennium Holdco, Inc., the new company. Each lender was also issued a beneficial interest in the Corporate Claim Trust entitling it, as holder of such beneficial interest, to receive Corporate Claim Trust Distributions when and if net cash proceeds from the pursuit of Retained Corporate Causes of Action are available to make such a distribution. In addition, each lender was issued a beneficial interest in

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the Lender Claim Trust entitling it, as holder of such beneficial interest, to receive Lender Claim Trust Distributions when and if net cash proceeds from the pursuit of Retained Lender Causes of Action are available to make such a distribution.

- (g) Pursuant to procedures adopted by the Fund's Board of Trustees, this security has been determined to be illiquid by First Trust Advisors L.P. (the "Advisor").
- (h) Delayed Draw Loan (see Note 2C - Unfunded Loan Commitments in the Notes to Financial Statements).
- (i) Represents commitment fee rate on unfunded loan commitment. The commitment fee rate steps up at predetermined time intervals.

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
PORTFOLIO OF INVESTMENTS (CONTINUED)  
MAY 31, 2016

- (j) This security, sold within the terms of a private placement memorandum, is exempt from registration upon resale under Rule 144A under the Securities Act of 1933, as amended (the "1933 Act"), and may be resold in transactions exempt from registration, normally to qualified institutional buyers. Pursuant to procedures adopted by the Fund's Board of Trustees, this security has been determined to be liquid by the Advisor. Although market instability can result in periods of increased overall market illiquidity, liquidity for each security is determined based on security-specific factors and assumptions, which require subjective judgment. At May 31, 2016, securities noted as such amounted to \$3,414,625 or 0.9% of net assets.
- (k) Non-income producing security.
- (l) Security received in a transaction exempt from registration under the 1933 Act. The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. Pursuant to procedures adopted by the Fund's Board of Trustees, this security has been determined to be liquid by the Advisor. Although market instability can result in periods of increased overall market illiquidity, liquidity for the security is determined based on security-specific factors and assumptions, which require subjective judgment. At May 31, 2016, security noted as such amounted to \$72,585 or 0.0% of net assets.
- (m) This security is fair valued by the Pricing Committee of the Advisor in accordance with procedures adopted by the Fund's Board of Trustees, and in accordance with the provisions of the Investment Company Act of 1940, as amended. At May 31, 2016, investments noted as such are valued at \$0 or 0.0% of net assets.
- (n) This security is restricted and cannot be offered for public sale without first being registered under the 1933 Act. Prior to registration, restricted securities may only be resold in transactions exempt from registration (See Note 2D - Restricted Securities in the Notes to Financial Statements).



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(o) Aggregate cost for federal income tax purposes is \$524,729,991. As of May 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$2,079,077 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$19,577,820.

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VALUATION INPUTS

A summary of the inputs used to value the Fund's investments as of May 31, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

INVESTMENTS	TOTAL VALUE AT 5/31/2016	LEVEL 1 QUOTED PRICES	LEVEL 2 SIGNIFICA OBSERVABL INPUTS
-----			
Senior Floating-Rate Loan Interests:			
Property & Casualty Insurance	\$ 3,568,375	\$ --	\$ 3,468,
Trucking	6,619,564	--	4,191,
Other Industry Categories*	480,031,020	--	480,031,
	-----	-----	-----
Total Senior Floating-Rate Loan Interests	490,218,959	--	487,690,
Corporate Bonds and Notes*	16,938,077	--	16,938,
Common Stocks:			
Commodity Chemicals	1,627	1,627	
Life Sciences Tools & Services	72,585	--	72,
	-----	-----	-----
Total Common Stocks	74,212	1,627	72,
Rights*	-- **	--	
Warrants*	-- **	--	
	-----	-----	-----
Total Investments	\$ 507,231,248	\$ 1,627	\$ 504,701,
	=====	=====	=====

\* See the Portfolio of Investments for the industry breakout. Industry categories are only shown separately if they include holdings in two or more levels or have holdings in only Level 3.

\*\* Investment is valued at \$0.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of May 31, 2016, the Fund transferred Senior Floating-Rate Loan Interests valued at \$2,528,145 from Level 2 to Level 3 of the fair value hierarchy. The Senior Floating-Rate Loan Interests that transferred from Level 2 to Level 3 did so primarily as a result of a change in information obtained from an independent third-party pricing service relating to the market activity of individual Senior Floating-Rate Loan Interests and a lack of trading activity in certain Senior Floating-Rate Loan Interests.

Level 3 Senior Floating-Rate Loan Interests that are fair valued by the Advisor's Pricing Committee are footnoted in the Portfolio of Investments. Level 3 Senior Floating-Rate Loan Interests are valued based on either third-party

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pricing service prices obtained from dealer runs and indicative sheets from brokers or are valued using broker quotes. The values are based on unobservable and non-quantitative inputs. The Trust's Board of Trustees has adopted valuation procedures that are utilized by the Advisor's Pricing Committee to oversee the day-to-day valuation of the Fund's investments. The Advisor's Pricing Committee, through the Fund's fund accounting agent, monitors the daily pricing via tolerance checks and stale and unchanged price reviews. The Advisor's Pricing Committee also reviews monthly back testing of pricing service prices by comparing sales prices of the Fund's investments to prior day pricing service prices. Additionally, the Advisor's Pricing Committee reviews periodic information from the Fund's third-party pricing service that compares secondary market trade prices to their daily valuations.

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See Notes to Financial Statements

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 MAY 31, 2016

The following table presents the Fund's investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period presented:

BEGINNING BALANCE AT MAY 31, 2015	
Senior Floating-Rate Loan Interests	\$ 3,412,500
Rights	--
NET REALIZED GAIN (LOSS)	
Senior Floating-Rate Loan Interests	16,072
Rights	--
NET CHANGE IN UNREALIZED APPRECIATION/DEPRECIATION	
Senior Floating-Rate Loan Interests	--
Rights	--
PURCHASES	
Senior Floating-Rate Loan Interests	--
Rights	--
SALES	
Senior Floating-Rate Loan Interests	(3,428,572)
Rights	--
TRANSFERS IN	
Senior Floating-Rate Loan Interests	2,528,145
Rights	-- **
TRANSFERS OUT	
Senior Floating-Rate Loan Interests	--
Rights	--
ENDING BALANCE AT MAY 31, 2016	
Senior Floating-Rate Loan Interests	2,528,145
Rights	-- **
	-----
TOTAL LEVEL 3 HOLDINGS	\$ 2,528,145
	=====

\*\* Investment is valued at \$0.

Net change in unrealized appreciation/depreciation from Level 3 investments held as of May 31, 2016 was \$(251,833) and is included in "Net change in unrealized appreciation (depreciation) on investments" on the Statement of Operations.

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 STATEMENT OF ASSETS AND LIABILITIES  
 MAY 31, 2016

ASSETS:

Investments, at value	
(Cost \$524,409,135).....	
Cash.....	
Receivables:	
Investment securities sold.....	
Interest.....	
Dividends.....	
Prepaid expenses.....	
 Total Assets.....	

LIABILITIES:

Outstanding loan.....	
Payables:	
Investment securities purchased.....	
Investment advisory fees.....	
Unfunded loan commitments.....	
Interest and fees on loan.....	
Audit and tax fees.....	
Administrative fees.....	
Printing fees.....	
Legal fees.....	
Custodian fees.....	
Transfer agent fees.....	
Trustees' fees and expenses.....	
Financial reporting fees.....	
Other liabilities.....	
 Total Liabilities.....	

NET ASSETS.....

NET ASSETS CONSIST OF:

Paid-in capital.....	
Par value.....	
Accumulated net investment income (loss).....	
Accumulated net realized gain (loss) on investments.....	
Net unrealized appreciation (depreciation) on investments.....	

NET ASSETS.....

NET ASSET VALUE, per Common Share (par value \$0.01 per Common Share).....

Number of Common Shares outstanding (unlimited number of Common Shares has been authorized)....

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MAY 31, 2016

INVESTMENT INCOME:

Interest.....	.....
Dividends .....	.....
Other.....	.....
Total investment income.....	.....

EXPENSES:

Investment advisory fees.....	.....
Interest and fees on loan.....	.....
Administrative fees.....	.....
Printing fees.....	.....
Audit and tax fees.....	.....
Legal fees.....	.....
Custodian fees.....	.....
Transfer agent fees.....	.....
Trustees' fees and expenses.....	.....
Financial reporting fees.....	.....
Other.....	.....
Total expenses.....	.....

NET INVESTMENT INCOME (LOSS).....

NET REALIZED AND UNREALIZED GAIN (LOSS):

Net realized gain (loss) on investments.....	.....
Net change in unrealized appreciation (depreciation) on investments.....	.....

NET REALIZED AND UNREALIZED GAIN (LOSS).....

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
STATEMENTS OF CHANGES IN NET ASSETS

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	ENDE
	5/31/2
	-----
OPERATIONS:	
Net investment income (loss).....	\$ 22,2
Net realized gain (loss).....	(5,8
Net change in unrealized appreciation (depreciation).....	(10,9
	-----
Net increase (decrease) in net assets resulting from operations.....	5,4
	-----
DISTRIBUTIONS TO SHAREHOLDERS FROM:	
Net investment income.....	(23,4
	-----
Total distributions to shareholders.....	(23,4
	-----
Total increase (decrease) in net assets.....	(18,0
	-----
NET ASSETS:	
Beginning of period.....	392,6
	-----
End of period.....	\$ 374,6
	=====
Accumulated net investment income (loss) at end of period.....	\$ (2
	=====
CAPITAL TRANSACTIONS WERE AS FOLLOWS:	
Common Shares at end of period.....	26,6
	=====

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See Notes to Financial Statements

FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED MAY 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase (decrease) in net assets resulting from operations .....	\$ 5,479,25
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments.....	(238,464,31
Sales, maturities and paydowns of investments.....	255,760,58
Net amortization/accretion of premiums/discounts on investments.....	(959,85
Net realized gain/loss on investments.....	5,807,93
Net change in unrealized appreciation/depreciation on investments.....	10,999,20
CHANGES IN ASSETS AND LIABILITIES:	
Decrease in interest receivable.....	282,54
Increase in dividends receivable.....	(
Decrease in prepaid expenses.....	7,88
Increase in interest and fees on loan payable.....	90,61
Decrease in investment advisory fees payable.....	(30,60
Increase in audit and tax fees payable.....	3,20
Increase in legal fees payable.....	20,15

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Decrease in printing fees payable.....	(82)
Decrease in administrative fees payable.....	(7,88)
Decrease in custodian fees payable.....	(11,89)
Increase in transfer agent fees payable.....	1,57
Decrease in Trustees' fees and expenses payable.....	(20)
Decrease in other liabilities.....	(55)
-----	
CASH PROVIDED BY OPERATING ACTIVITIES.....	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions to Common Shareholders .....	(23,493,34)
Proceeds from borrowing.....	79,000,00
Repayment of borrowing.....	(101,000,00)
-----	
CASH USED IN FINANCING ACTIVITIES.....	
Decrease in cash.....	
Cash at beginning of period.....	
CASH AT END OF PERIOD.....	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the period for interest and fees.....	

See Notes to Financial Statements

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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
 FINANCIAL HIGHLIGHTS  
 FOR A COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	YEAR ENDED 5/31/2016	YEAR ENDED 5/31/2015	YEAR ENDED 5/31/2014	YEAR ENDED 5/31/2013
	-----	-----	-----	-----
Net asset value, beginning of period.....	\$ 14.71	\$ 14.95	\$ 15.14	\$ 15.14
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income (loss).....	0.83	0.87	0.84	0.84
Net realized and unrealized gain (loss).....	(0.63)	(0.27)	(0.08)	(0.08)
Total from investment operations.....	0.20	0.60	0.76	0.76
DISTRIBUTIONS PAID TO SHAREHOLDERS FROM:				
Net investment income.....	(0.88)	(0.84)	(0.95)	(0.95)
Total distributions to Common Shareholders.....	(0.88)	(0.84)	(0.95)	(0.95)
Premium from shares sold in at Common Share offering.....	--	--	0.00 (a)	0.00
Net asset value, end of period.....	\$ 14.03	\$ 14.71	14.95	\$ 15.14
	=====	=====	=====	=====

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Market value, end of period.....	\$ 13.05	\$ 13.77	14.00	\$
	=====	=====	=====	=====
TOTAL RETURN BASED ON NET ASSET VALUE (b).....	2.36%	4.68%	5.35%	
	=====	=====	=====	=====
TOTAL RETURN BASED ON MARKET VALUE (b).....	1.56%	4.64%	(2.82)%	
	=====	=====	=====	=====

-----  
RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON SHAREHOLDERS:

Ratio of total expenses to average net assets...	1.79%	1.69%	1.80%	
Ratio of total expenses to average net assets excluding interest expense.....	1.27%	1.28%	1.36%	
Ratio of net investment income (loss) to average net assets.....	5.98%	5.96%	5.60%	
Portfolio turnover rate.....	43%	63%	90%	
Net assets, end of period (in 000's).....	\$ 374,685	\$ 392,699	\$ 399,021	\$ 40
Ratio of total expenses to total average Managed Assets (c).....	1.29%	1.18%	1.25%	
Ratio of total expenses to total average Managed Assets excluding interest expense (c).....	0.91%	0.89%	0.96%	
INDEBTEDNESS:				
Total loan outstanding (in 000's).....	\$ 137,000	\$ 159,000	\$ 174,000	\$ 17
Asset coverage per \$1,000 of indebtedness (d)...	\$ 3,735	\$ 3,470	\$ 3,293	\$

(a) Amount is less than \$0.01.

(b) Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in net asset value per share for net asset value returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods of less than one year. Past performance is not indicative of future results.

(c) Managed Assets are calculated by taking the Fund's total asset value, including assets attributable to the principal amount of borrowings, minus the sum of the Fund's liabilities, other than the principal amount of borrowings.

(d) Calculated by taking the Fund's total assets less the Fund's total liabilities, not including the loan outstanding, and dividing by the outstanding loan balance in 000's.

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NOTES TO FINANCIAL STATEMENTS  
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FIRST TRUST SENIOR FLOATING RATE INCOME FUND II (FCT)  
MAY 31, 2016

1. ORGANIZATION

First Trust Senior Floating Rate Income Fund II (the "Fund")