

WESBANCO INC  
Form SC 13G  
February 02, 2007

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No.   )\***

WESBANCO INC

---

(Name of Issuer)

Common Stock

---

(Title of Class of Securities)

950810101

---

(CUSIP Number)

December 31, 2006

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 950810101

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Dimensional Fund Advisors LP (Tax ID: 22-2370029)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware Limited Partnership

5. Sole Voting Power

Number of

Shares

Beneficially 1627814 \*\*see Note 1\*\*

6. Shared Voting Power

Owned by

Each

Reporting

0

Person

7. Sole Dispositive Power

With

1627814 \*\*see Note 1\*\*

8. Shared Dispositive Power

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0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1627814 \*\*see Note 1\*\*

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

N/A

11. Percent of Class Represented by Amount in Row (9)

7.56%

12. Type of Reporting Person (See Instructions)

IA

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Item 1.

- (a) Name of Issuer

WESBANCO INC

- (b) Address of Issuer's Principal Executive Offices

1 Bank Plz, Wheeling, WV 26003-3565, United States

Item 2.

- (a) Name of Person Filing

Dimensional Fund Advisors LP

- (b) Address of Principal Business Office or, if none, Residence

1299 Ocean Avenue, Santa Monica, CA 90401

- (c) Citizenship

Delaware Limited Partnership

- (d) Title of Class of Securities

Common Stock

- (e) CUSIP Number

950810101

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

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Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

1627814 \*\*see Note 1\*\*

(b) Percent of class:

7.56%

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(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote:

1627814 \*\*see Note 1\*\*

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

1627814 \*\*see Note 1\*\*

(iv) Shared power to dispose or to direct the disposition of:

0

\*\* Note 1 \*\* Dimensional Fund Advisors LP (formerly, Dimensional Fund Advisors Inc.) ( Dimensional ), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the Funds. In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the securities of the Issuer described in this schedule that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. In addition, the filing of this Schedule 13G shall not be construed as an admission that the reporting person or any of its affiliates is the beneficial owner of any securities covered by this Schedule 13G for any other purposes than Section 13(d) of the Securities Exchange Act of 1934.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

The Funds described in Note 1 above have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities held in their respective accounts. To the knowledge of Dimensional, the interest of any one such Fund does not exceed 5% of the class of securities. Dimensional disclaims beneficial ownership of all such securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

N/A

Item 8. Identification and Classification of Members of the Group

N/A

Item 9. Notice of Dissolution of Group

N/A

Item 10. Certification

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By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.



SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DIMENSIONAL FUND ADVISORS LP

February 1, 2006

Date

By: Dimensional Holdings Inc., General Partner

/s/ Christopher Crossan

Signature

Global Chief Compliance Officer

Title

,043,125	5,900,000	Plains Exploration & Production Co. ....	6.50%	11/15/20	6,608,000	3,499,000
		Regency Energy Partners L.P./Regency Energy Finance Corp. (a)...	9.38%	06/01/16	3,688,821	3,248,000
		Investment Co. (f).....	9.75%	02/15/20	3,467,240	4,750,000
		Swift Energy Co. ....	8.88%	01/15/20	5,189,375	3,425,000
		Targa Resources Partners L.P./Targa Resources Partners Finance Corp. (a).....	7.88%	10/15/18	3,784,625	68,702,443
		FINANCIAL SERVICES - 7.0%	1,665,000	CIT Group, Inc. (a).....	5.00%	05/15/17
		1,823,175	10,000,000	CIT Group, Inc. ....	4.25%	08/15/17
		10,637,500	10,500,000	GE Capital Trust IV (EUR) (c) (d).....	4.63%	09/15/66
		14,018,032	410,000	General Electric Capital Corp. (EUR) (c) (d).....	5.50%	09/15/67
		567,876	7,500,000	Icahn Enterprises L.P./Icahn Enterprises Finance Corp. (a).....	8.00%	01/15/18
		8,081,250	8,000,000	SLM Corp. (a).....	8.00%	03/25/20
		9,278,248	5,000,000	Springleaf Finance Corp. (a).....	6.90%	12/15/17
		5,228,125	700,000	Textron Financial Corp. (d) (f).....	6.00%	02/15/67
		647,500	50,281,706	HEALTHCARE - 2.6%	665,000	Alere, Inc. ....
		699,497	5,074,000	Alere, Inc. (f).....	7.25%	07/01/18
		5,492,605	2,500,000	Davita Healthcare Partners, Inc. ....	5.75%	08/15/22
		2,675,000		See Notes to Financial Statements Page 7		FIRST TRUST HIGH INCOME LONG/SHORT FUND PORTFOLIO OF INVESTMENTS - (CONTINUED) APRIL 30, 2013 (UNAUDITED) PRINCIPAL STATED STATED VALUE DESCRIPTION COUPON MATURITY VALUE
						CORPORATE BONDS AND NOTES - (Continued) HEALTHCARE - (Continued) \$ 5,600,000 HCA Holdings, Inc. ....
		3,363,000	3,150,000	Kinetic Concepts, Inc./KCI USA, Inc. ....	7.75%	05/15/21
		18,781,727		INSURANCE - 7.9%	2,450,000	American International Group, Inc. (EUR) (c) (d).....
		3,831,502	1,800,000	American International Group, Inc. (EUR) (c) (d).....	4.88%	03/15/67
		2,259,097	3,050,000	American International Group, Inc. (GBP) (c) (d).....	8.63%	05/22/38
		5,827,402	10,950,000	American International Group, Inc. (GBP) (c) (d).....	5.75%	03/15/67
		16,596,710	5,000,000	CHUBB Corp. (d) (a).....	6.38%	03/29/67
		5,587,500	11,000,000	Glen Meadow Pass Through Trust (f) (d).....	6.51%	02/12/67
		10,683,750	6,500,000	Liberty Mutual Group, Inc. (f) (d).....	7.00%	03/15/37
		6,743,750	3,500,000	Lincoln National Corp. (d) (a).....	7.00%	05/17/66
		3,613,750	1,800,000	Lincoln National Corp. (d) (a).....	6.05%	04/20/67
		1,831,500	56,974,961	MEDIA - 1.8%	3,895,000	CCO

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Holdings LLC/CCO Holdings Capital Corp. ....	5.75%	01/15/24	4,065,406	3,931,000	Clear Channel Communications, Inc. (a).....
5.50%	12/15/16	2,908,940	1,800,000	Clear Channel Communications, Inc. (a).....	
9.00%	03/01/21	1,768,500	456,000	Clear Channel Worldwide Holdings, Inc. ....	
7.63%	03/15/20	489,060	3,193,000	Clear Channel Worldwide Holdings, Inc. ....	
7.63%	03/15/20	3,456,423	12,688,329	SERVICES - 17.1% 4,432,448 American Airlines Pass Through Trust 2001-01 (g).....	
6.98%	05/23/21	4,432,448	1,095,000	Ashtead Capital, Inc. (f).....	
6.50%	07/15/22	1,212,712	1,426,000	Avis Budget Car Rental LLC/Avis Budget Finance, Inc. (a).....	
8.25%	01/15/19	1,591,772	4,915,000	Avis Budget Car Rental LLC/Avis Budget Finance, Inc. (f).....	
5.50%	04/01/23	5,093,169	6,500,000	Beazer Homes USA, Inc. (a).....	
8.13%	06/15/16	7,231,250	757,000	Caesars Entertainment Operating Co., Inc. (f).....	
9.00%	02/15/20	749,430	10,397,000	Caesars Operating Escrow LLC/Caesars Escrow Corp. (f).....	
9.00%	02/15/20	10,293,030	992,000	Caesars Operating Escrow LLC/Caesars Escrow Corp. (f).....	
9.00%	02/15/20	982,080	5,228,240	Continental Airlines 2003-ERJ1 Pass Through Trust .....	
7.88%	07/02/18	5,568,075	2,485,662	Continental Airlines 2005-ERJ1 Pass Through Trust .....	
9.80%	04/01/21	2,821,226	1,649,381	Delta Air Lines 2009-1 Series B Pass Through Trust .....	
9.75%	12/17/16	1,830,813	8,000,000	Hertz (The) Corp. ....	
7.50%	10/15/18	8,890,000	5,250,000	Iron Mountain, Inc. (a).....	
8.38%	08/15/21	5,893,125	3,500,000	Isle of Capri Casinos, Inc. (a).....	
7.75%	03/15/19	3,867,500	4,160,000	K Hovnanian Enterprises, Inc. (f).....	
7.25%	10/15/20	4,669,600	9,175,000	MGM Resorts International (f).....	
6.75%	10/01/20	10,092,500	3,500,000	Mohegan Tribal Gaming Authority (f).....	
10.50%	12/15/16	3,500,000	3,074,652	Northwest Airlines 2001-1 Class B Pass Through Trust .....	
7.69%	04/01/17	3,228,385	4,127,000	Pinnacle Entertainment, Inc. ....	
7.75%	04/01/22	4,539,700	1,780,000	Pulte Group, Inc. (a).....	
7.63%	10/15/17	2,104,850	4,570,000	Pulte Group, Inc. (a).....	
7.88%	06/15/32	5,101,262	3,319,000	Shea Homes L.P./Shea Homes Funding Corp. ....	
8.63%	05/15/19	3,787,809	Page 8 See Notes to Financial Statements FIRST TRUST HIGH INCOME LONG/SHORT FUND PORTFOLIO OF INVESTMENTS - (CONTINUED) APRIL 30, 2013 (UNAUDITED) PRINCIPAL STATED STATED VALUE DESCRIPTION COUPON MATURITY VALUE -----		
----- CORPORATE BONDS AND NOTES - (Continued) SERVICES - (Continued) \$ 5,500,000 Standard Pacific Corp. (a).....					
8.38%	05/15/18	\$ 6,572,500	2,950,267	UAL 2009-2B Pass Through Trust (f).....	
12.00%	01/15/16	3,333,802	375,000	United Rentals North America, Inc. ....	
7.38%	05/15/20	426,563	7,062,000	United Rentals North America, Inc. (a).....	
8.38%	09/15/20	8,015,370	367,000	United Rentals North America, Inc. ....	
7.63%	04/15/22	422,968	6,712,290	US Airways 2000-3C Pass Through Trust .....	
8.39%	03/01/22	6,829,755	123,081,694	TECHNOLOGY & ELECTRONICS - 5.8% 5,500,000 Alcatel-Lucent USA, Inc. (a).....	
6.45%	03/15/29	4,317,500	5,675,000	CommScope, Inc. (f).....	
8.25%	01/15/19	6,228,312	9,050,000	First Data Corp. (f).....	
8.88%	08/15/20	10,362,250	3,525,000	First Data Corp. (f).....	
10.63%	06/15/21	3,643,969	8,834,000	Freescall Semiconductor, Inc. (f).....	
10.13%	03/15/18	9,827,825	6,460,000	Sungard Data Systems, Inc. (f).....	
6.63%	11/01/19	6,904,125	41,283,981	TELECOMMUNICATIONS - 5.0% 2,500,000 Frontier Communications Corp. (a).....	
9.00%	08/15/31	2,618,750	2,411,000	Hughes Satellite Systems Corp. (a).....	
7.63%	06/15/21	2,778,678	3,500,000	MetroPCS Wireless, Inc. (a).....	
7.88%	09/01/18	3,871,875	10,000,000	Sprint Capital Corp. (a).....	
8.75%	03/15/32	11,875,000	2,600,000	Sprint Nextel Corp. ....	
9.13%	03/01/17	3,074,500	6,000,000	Sprint Nextel Corp. (a).....	
9.25%	04/15/22	7,530,000	2,428,000	Viasat, Inc. ....	
6.88%	06/15/20	2,658,660	1,500,000	Windstream Corp. ....	
6.38%	08/01/23	1,560,000	35,967,463	UTILITY - 2.6% 6,736,000 Calpine Corp. (f).....	
7.88%	07/31/20	7,662,200	3,350,000	Energy Future Intermediate Holding Co., LLC/Energy Future Intermediate Holding Finance, Inc. (a).....	
10.00%	12/01/20	3,852,500	5,000,000	NRG Energy, Inc. (a).....	
8.25%	09/01/20	5,712,500	2,150,000	Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance, Inc. (f).....	
11.50%	10/01/20	1,703,875	18,931,075	TOTAL CORPORATE BONDS AND NOTES .....	
			595,660,445	(Cost \$547,135,281)	

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----- See Notes to Financial Statements Page 9 FIRST TRUST HIGH INCOME LONG/SHORT FUND  
PORTFOLIO OF INVESTMENTS - (CONTINUED) APRIL 30, 2013 (UNAUDITED) PRINCIPAL VALUE  
(LOCAL STATED STATED VALUE CURRENCY) DESCRIPTION COUPON MATURITY (US DOLLARS)

----- FOREIGN	
CORPORATE BONDS AND NOTES - 28.7% AUTOMOTIVE - 0.6% 4,120,000 Schaeffler Finance B.V. (EUR)	
(f).....	4.75% 05/15/21 \$ 4,192,100 ----- BANKING - 8.7% 6,500,000 ABN AMRO Bank N.V. (EUR) (d).....
(d).....	4.31% (e) 8,152,286 2,975,000 Ageas Hybrid Financing S.A. (EUR)
(d).....	5.13% (e) 3,723,011 2,200,000 Barclays Bank PLC (GBP) ..... 10.00%
05/21/21 4,687,251 2,000,000 Belfius Funding N.V. (GBP) .....	1.21% 02/09/17 2,554,183
8,264,000 Canada Square Operations PLC (GBP) (d).....	7.50% (e) 12,836,884 5,325,000 HBOS Capital Funding L.P. (GBP) (d).....
6.46% (e) 8,002,762 3,300,000 IKB Deutsche Industriebank AG (EUR)	(h).....
1.11% 05/28/13 4,374,185 175,000 IKB Deutsche Industriebank AG (EUR) .....	4.50% 07/09/13 230,812 4,350,000 Industrial Senior Trust (USD) (f).....
5.50% 11/01/22 4,371,750	2,100,000 Mizuho Capital Investment, Ltd. (USD) (a) (d) (f).....
14.95% (e) 2,394,000 3,000,000 National Westminster Bank PLC (GBP) (d).....	5.98% (e) 3,658,139 3,000,000 Royal Bank of Scotland N.V. (EUR) (h).....
4.70% 06/10/19 3,994,311 2,250,000 UT2 Funding PLC (EUR) .....	5.32% 06/30/16 3,606,436 ----- 62,586,010 ----- BASIC INDUSTRY - 6.0% 3,868,000 Aperam (USD)
(f).....	7.38% 04/01/16 3,926,020 2,648,000 Arcelormittal (USD)
(a).....	6.75% 02/25/22 2,909,392 3,592,000 Arcelormittal (USD) (a).....
7.50% 10/15/39 3,790,189 185,000 Arcelormittal (USD) .....	7.25% 03/01/41 189,756
3,451,000 Boart Longyear Management Pty., Ltd. (USD) (f).....	7.00% 04/01/21 3,537,275 3,135,000 FMG Resources Pty, Ltd. (USD) (f).....
7.00% 11/01/15 3,299,588 1,000,000 INEOS Finance PLC (EUR)	.....
9.25% 05/15/15 1,379,506 4,000,000 INEOS Group Holdings PLC (EUR)	.....
7.88% 02/15/16 5,366,573 6,300,000 Novelis, Inc. (USD) (a).....	8.75%
12/15/20 7,182,000 4,200,000 Stora Enso Oyj (USD) (f).....	7.25% 04/15/36 4,032,000
6,785,000 Vedanta Resources PLC (USD) (f).....	8.25% 06/07/21 7,425,334 ----- 43,037,633
----- CAPITAL GOODS - 1.0% 3,000,000 Ardagh Packaging Finance (EUR) .....	9.25%
10/15/20 4,405,199 2,775,000 Bombardier, Inc. (USD) (f).....	6.13% 01/15/23 3,014,344
7,419,543 ----- CONSUMER NON-CYCLICAL - 2.2% 6,000,000 JBS Finance II Ltd. (USD)	(f).....
8.25% 01/29/18 6,540,000 5,900,000 Minerva Luxembourg S.A. (USD)	(f).....
7.75% 01/31/23 6,314,180 3,000,000 Virgolino de Oliveira Finance Ltd. (USD) (f).....	11.75% 02/09/22 3,105,000 ----- 15,959,180 ----- ENERGY - 3.1% 7,840,000 CHC Helicopter S.A. (USD) (a).....
9.25% 10/15/20 8,398,600 3,750,000 Georgian Oil and Gas Corp. (USD)	(f).....
6.88% 05/16/17 3,993,750	Page 10 See Notes to Financial Statements FIRST TRUST HIGH INCOME LONG/SHORT FUND PORTFOLIO OF INVESTMENTS - (CONTINUED) APRIL 30, 2013 (UNAUDITED) PRINCIPAL VALUE (LOCAL STATED STATED VALUE CURRENCY) DESCRIPTION COUPON MATURITY (US DOLLARS)
----- FOREIGN CORPORATE BONDS AND NOTES - (Continued) ENERGY - (Continued)	
5,600,000 OGX Petroleo e Gas Participacoes S.A. (USD) (f).....	8.50% 06/01/18 \$ 3,542,000 3,855,000
Petroleos de Venezuela S.A. (USD) .....	12.75% 02/17/22 4,307,962 1,700,000 Precision Drilling Corp. (USD) .....
6.63% 11/15/20 1,840,250 ----- 22,082,562 ----- FINANCIAL SERVICES - 1.0% 7,450,000 Banque PSA Finance S.A. (USD) (f).....	5.75% 04/04/21 7,384,321
----- INSURANCE - 2.3% 1,650,000 Aviva PLC (EUR) (d).....	6.88% 05/22/38
2,434,702 3,500,000 CNP Assurances (EUR) (d).....	5.25% (e) 3,618,321 5,000,000 ING Groep N.V. (GBP) (d).....
5.14% (e) 7,067,743 3,500,000 Oil Insurance Ltd. (USD)	(f).....
3.27% (e) 3,210,207 ----- 16,330,973 ----- SERVICES - 2.5% 4,600,000	Desarrolladora Homex Sab de CV (USD) (f).....
9.75% 03/25/20 2,829,000 1,800,000 Empresas ICA Sab de CV (USD) (f).....	8.38% 07/24/17 1,759,500 5,250,000 Hapag-Lloyd AG (USD)
(f).....	9.75% 10/15/17 5,565,000 5,755,000 Royal Caribbean Cruises Ltd. (USD)
(a).....	7.50% 10/15/27 6,589,475 3,250,000 Urbi Desarrollos Urbanos Sab de CV (USD) (f).....
9.75% 02/03/22 1,023,750 ----- 17,766,725 ----- TELECOMMUNICATIONS - 1.3% 2,628,000 En	

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Germany Holdings B.V. (EUR) .....	10.75%	11/15/15	3,184,070	3,522,000	Intelsat Luxembourg S.A.
(USD) (a).....	11.25%	02/04/17	3,755,332	1,495,000	Intelsat Luxembourg S.A. (USD)
(f).....	7.75%	06/01/21	1,580,963	1,055,000	Intelsat Luxembourg S.A. (USD) (f).....
8.13% 06/01/23	1,127,531	-----	9,647,896	-----	TOTAL FOREIGN CORPORATE BONDS AND
NOTES.....	206,406,943	(Cost \$200,015,375)	-----	-----	PRINCIPAL RATINGS (i)
STATED VALUE DESCRIPTION	MOODY'S S&P RATE (j)	MATURITY (k)	VALUE	-----	
-----	-----	-----	-----	-----	SENIOR FLOATING-RATE
LOAN INTERESTS - 2.8% AUTOMOTIVE - 1.2%	\$ 7,136,237	Allison Transmission, Inc.....	Ba3	BB-	3.21%
08/07/17	7,207,600	1,743,750 Navistar, Inc. Term Loan B .....	NR B+	5.75%	08/17/17
8,982,964	-----	ENERGY - 0.8%	5,910,044	Meg Energy Term Loan .....	Ba1
5,970,976	-----	REAL ESTATE - 0.1%	396,666	Realogy Synthetic Letter of Credit .....	B1
10/10/16	401,252	-----	See Notes to Financial Statements Page 11	FIRST TRUST HIGH INCOME	
LONG/SHORT FUND PORTFOLIO OF INVESTMENTS - (CONTINUED)	APRIL 30, 2013 (UNAUDITED)				
PRINCIPAL RATINGS (i)	STATED VALUE DESCRIPTION	MOODY'S S&P RATE (j)	MATURITY (k)	VALUE	
-----	-----	-----	-----	-----	SENIOR
FLOATING-RATE LOAN INTERESTS - (Continued)	SERVICES - 0.7%	\$ 4,791,667	US Airways Term Loan		
.....	B2 B+	2.70%	03/23/14	\$ 4,791,044	-----
INTERESTS .....	20,146,236	(Cost \$19,832,669)	-----	-----	TOTAL SENIOR FLOATING-RATE LOAN
STATED VALUE DESCRIPTION	COUPON	MATURITY	VALUE	-----	
-----	-----	-----	-----	-----	ASSET-BACKED SECURITIES -
1.8% Ace Securities Corp. 3,270,586 Series 2007-HE2, Class A2A (h).....	0.32%	12/25/36	1,700,389		
Carrington Mortgage Loan Trust 2,289,009 Series 2006-NC4, Class A5 (h).....	0.26%	10/25/36			
1,913,755 HSI Asset Securitization Corp. Trust 1,764,557 Series 2007-NC1, Class A1 (h).....	0.30%				
04/25/37	1,569,241	Keycorp Student Loan Trust 2,593,930 Series 2000-A, Class A2 (h).....	0.61%		
05/25/29	2,401,520	Morgan Stanley ABS Capital I 942,154 Series 2006-HE6, Class A2B (h).....	0.30%		
09/25/36	657,125	Securitized Asset Backed Receivables LLC Trust 9,846,120 Series 2006-FR4, Class A2A			
(h).....	0.28%	08/25/36	4,217,758	Soundview Home Equity Loan Trust 1,079,714 Series 2006-EQ2,	
Class A2 (h).....	0.31%	01/25/37	708,704	-----	TOTAL ASSET-BACKED SECURITIES
.....	13,168,492	(Cost \$15,481,785)	-----	-----	MORTGAGE-BACKED
SECURITIES - 1.0% COLLATERALIZED MORTGAGE OBLIGATIONS - 1.0%	Morgan Stanley Mortgage Loan				
Trust 1,585,162 Series 2007-6XS, Class 2A1S (h).....	0.31%	02/25/47	1,463,502	Specialty Underwriting	
& Residential Finance 2,011,519 Series 2006-BC4, Class A2B (h).....	0.31%	09/25/37	1,752,437	Wells	
Fargo Mortgage Backed Securities Trust 3,775,219 Series 2006-AR7, Class 2A4 (h).....	2.62%				
05/25/36	3,531,881	-----	-----	-----	TOTAL MORTGAGE-BACKED SECURITIES
6,747,820	(Cost \$6,317,803)	-----	-----	-----	SHARES DESCRIPTION VALUE
-----	-----	-----	-----	-----	COMMON STOCKS - 1.8%
AUTOMOTIVE - 1.3%	448,000	Ford Motor Co.....	6,142,080	98,768	
General Motors Co. (l).....	3,046,005	-----	9,188,085	-----	
BANKING - 0.5%	75,700	Citigroup, Inc.....	3,532,162	-----	TOTAL
COMMON STOCKS .....	12,720,247	(Cost \$14,700,177)	-----	-----	Page 12
See Notes to Financial Statements	FIRST TRUST HIGH INCOME LONG/SHORT FUND PORTFOLIO OF				
INVESTMENTS - (CONTINUED)	APRIL 30, 2013 (UNAUDITED)	SHARES DESCRIPTION	VALUE	-----	
-----	-----	-----	-----	-----	WARRANTS - 0.4%
AUTOMOTIVE - 0.4%	77,608	General Motors Co. (l).....	\$ 1,663,915	77,608	
General Motors Co. (l).....	1,093,497	-----	-----	-----	TOTAL WARRANTS
.....	2,757,412	(Cost \$4,065,974)	-----	-----	SHORT-TERM
INVESTMENTS - 1.4%	10,010,197	Dreyfus Government Cash Management .....			
10,010,197	-----	TOTAL SHORT-TERM INVESTMENTS .....	10,010,197		
(Cost \$10,010,197)	-----	TOTAL INVESTMENTS - 120.8%			
(Cost \$817,559,261) (m)	-----	PRINCIPAL STATED	STATED VALUE DESCRIPTION	COUPON	
MATURITY VALUE	-----	-----	-----	-----	

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U.S. GOVERNMENT BONDS SOLD SHORT - (23.7%) \$(20,500,000) United States Treasury Note  
 ..... 0.25% 03/31/14 (20,524,026) (119,200,000) United States Treasury Note  
 ..... 0.88% 02/28/17 (121,099,810) (27,500,000) United States Treasury Note  
 ..... 2.00% 02/15/22 (28,668,750) ----- TOTAL U.S. GOVERNMENT BONDS SOLD  
 SHORT ..... (170,292,586) (Proceeds \$167,794,344) ----- NET OTHER ASSETS  
 AND LIABILITIES - 2.9% ..... 20,971,469 ----- NET ASSETS - 100.0%  
 ..... \$ 718,296,675 ===== (a) This security or a portion of this  
 security is segregated as collateral for investments sold short. (b) The Fund previously held non-transferable trust units  
 that were originally issued to facilitate distribution of General Motors common stock and warrants pursuant to the  
 General Motors Bankruptcy Plan of Reorganization. The non-transferable trust units existed only for the purpose of  
 receiving residual cash, if any, from the General Motors Bankruptcy. These units were received in exchange for the  
 previously owned General Motors 8.375% Corporate Notes that were scheduled to mature on July 15, 2033. On June  
 12, 2012, the holders of these units received new transferable General Motors Unsecured Claim (GUC) Trust Units,  
 which were created to hold and administer the common stock and warrants of General Motors Company to be  
 contributed to the GUC Trust under the General Motors Bankruptcy Plan of Reorganization. (c) Security issued by a  
 U.S. incorporated entity, that has its principal value denominated in the listed foreign currency. (d) Fixed-to-floating  
 rate security. The interest rate shown reflects the fixed rate in effect at April 30, 2013. At a predetermined date, the  
 fixed rate will change to a floating rate. (e) Perpetual maturity. (f) This security, sold within the terms of a private  
 placement memorandum, is exempt from registration upon resale under Rule 144A of the Securities Act of 1933, as  
 amended 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  
 MacKay Shields LLC, the Fund's sub-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 April 30, 2013, securities noted as such amounted to \$219,426,367, or 30.55% of net  
 assets. (g) The issuer is in default. Income is not being accrued. (h) Floating rate security. The interest rate shown  
 reflects the rate in effect at April 30, 2013. (i) Ratings below Baa3 by Moody's Investors Service, Inc. or BBB- by  
 Standard & Poor's Ratings Group are considered to be below investment grade. See Notes to Financial Statements  
 Page 13 FIRST TRUST HIGH INCOME LONG/SHORT FUND PORTFOLIO OF INVESTMENTS -  
 (CONTINUED) APRIL 30, 2013 (UNAUDITED) (j) 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 April 30, 2013. (k) 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. (l) Non-income producing security. (m) Aggregate cost for  
 financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of April 30,  
 2013, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost  
 was \$64,633,745 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax  
 cost over value was \$14,575,214. Currency Abbreviations: EUR Euro GBP British Pound Sterling USD United States  
 Dollar ----- VALUATION INPUTS A summary of the inputs used to value the Fund's  
 investments as of April 30, 2013 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial  
 Statements): ASSETS TABLE LEVEL 2 LEVEL 3 TOTAL LEVEL 1 SIGNIFICANT SIGNIFICANT VALUE AT  
 QUOTED OBSERVABLE UNOBSERVABLE 4/30/2013 PRICES INPUTS INPUTS -----  
 ----- Corporate Bonds and Notes\*..... \$ 595,660,445 \$ -- \$ 595,660,445 \$ -- Foreign  
 Corporate Bonds and Notes\*..... 206,406,943 -- 206,406,943 -- Senior Floating-Rate Loan Interests\*.....  
 20,146,236 -- 20,146,236 -- Asset-Backed Securities..... 13,168,492 -- 13,168,492 -- Mortgage-Backed  
 Securities..... 6,747,820 -- 6,747,820 -- Common Stocks\* ..... 12,720,247 12,720,247 -- --  
 Warrants\* ..... 2,757,412 2,757,412 -- -- Short-Term Investments..... 10,010,197  
 10,010,197 -- -- ----- Total Investments..... 867,617,792  
 25,487,856 842,129,936 -- ----- Other Financial Instruments: Forward

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Foreign Currency Contracts\*\* ..... 1,100,118 -- 1,100,118 -- -----  
 Total \$ 868,717,910 \$ 25,487,856 \$ 843,230,054 \$ -- =====

===== LIABILITIES TABLE LEVEL 2 LEVEL 3 TOTAL LEVEL 1  
 SIGNIFICANT SIGNIFICANT VALUE AT QUOTED OBSERVABLE UNOBSERVABLE 4/30/2013 PRICES  
 INPUTS INPUTS ----- U.S. Government Bonds Sold Short..... \$  
 (170,292,586) \$ -- \$ (170,292,586) \$ -- Forward Foreign Currency Contracts\*\* ..... (2,808,926) -- (2,808,926) --  
 ----- Total \$ (173,101,512) \$ -- \$ (173,101,512) \$ --

===== \* See the Portfolio of  
 Investments for industry breakout. \*\* See the Schedule of Forward Foreign Currency Contracts for contract and  
 currency detail. Page 14 See Notes to Financial Statements FIRST TRUST HIGH INCOME LONG/SHORT FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED) APRIL 30, 2013 (UNAUDITED) The following table presents  
 the activity of 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 OCTOBER 31, 2012 Corporate Bonds and Notes \$  
 2,100 Net Realized Gain (Loss) -- Net Change in Unrealized Appreciation/Depreciation -- Purchases -- Sales --  
 Corporate Bonds and Notes (2,100) Transfers In -- Transfers Out -- ENDING BALANCE AT APRIL 30, 2013  
 Corporate Bonds and Notes -- ----- Total Level 3 holdings \$ -- ===== 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. There were  
 no transfers between levels at April 30, 2013. There was no net change in unrealized appreciation (depreciation) from  
 Level 3 investments held as of April 30, 2013. See Notes to Financial Statements Page 15 FIRST TRUST HIGH  
 INCOME LONG/SHORT FUND SCHEDULE OF FORWARD FOREIGN CURRENCY CONTRACTS APRIL 30,  
 2013 (UNAUDITED) FORWARD FOREIGN CURRENCY CONTRACTS -----  
 PURCHASE SALE UNREALIZED SETTLEMENT AMOUNT AMOUNT VALUE AS OF VALUE AS OF  
 APPRECIATION/ DATE COUNTERPARTY PURCHASED (a) SOLD (a) APRIL 30, 2013 APRIL 30, 2013  
 (DEPRECIATION) ----- 05/23/13 JPM  
 EUR 58,209,000 USD 75,793,936 \$ 76,669,982 \$ 75,793,936 \$ 876,046 05/23/13 JPM GBP 39,313,000 USD  
 60,832,936 61,057,008 60,832,936 224,072 06/27/13 JPM USD 77,643,388 EUR 59,617,000 77,643,388 78,543,502  
 (900,114) 05/23/13 JPM USD 75,795,110 EUR 58,209,000 75,795,110 76,669,981 (874,871) 05/23/13 JPM USD  
 60,251,104 GBP 39,313,000 60,251,104 61,057,008 (805,904) 06/27/13 JPM USD 61,570,963 GBP 39,799,000  
 61,570,963 61,799,000 (228,037) ----- Net Unrealized Appreciation  
 (Depreciation)..... \$ (1,708,808) ===== (a) Please see Portfolio of Investments  
 for currency descriptions. Counterparty Abbreviations: JPM JPMorgan Chase Page 16 See Notes to Financial  
 Statements FIRST TRUST HIGH INCOME LONG/SHORT FUND STATEMENT OF ASSETS AND LIABILITIES  
 APRIL 30, 2013 (UNAUDITED) ASSETS: Investments, at value (Cost  
 \$817,559,261)..... \$ 867,617,792  
 Cash..... 136,556 Foreign currency (Cost  
 \$3,644,416)..... 3,683,895 Unrealized appreciation on forward foreign currency  
 contracts..... 1,100,118 Prepaid expenses.....  
 36,529 Receivables: Interest..... 15,401,584 Investment securities  
 sold..... 8,378,308 ----- Total  
 Assets..... 896,354,782 ----- LIABILITIES: Investments sold  
 short, at value (proceeds \$167,794,344)..... 170,292,586 Unrealized depreciation on forward  
 foreign currency contracts..... 2,808,926 Payables: Investment securities  
 purchased..... 3,896,075 Investment advisory  
 fees..... 584,457 Interest on investments sold  
 short..... 294,014 Custodian fees.....  
 59,844 Administrative fees..... 51,903 Audit and tax  
 fees..... 32,781 Legal  
 fees..... 19,588 Printing  
 fees..... 9,037 Transfer agent  
 fees..... 6,010 Financial reporting  
 fees..... 771 Other

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liabilities.....	2,115	-----	Total
Liabilities.....	178,058,107	-----	NET
ASSETS.....	\$ 718,296,675	=====	NET ASSETS
CONSIST OF: Paid-in capital.....	\$ 687,366,834		Par
value.....	360,561		Accumulated net investment income
(loss).....	2,643,613		Accumulated net realized gain (loss) on investments, forward
foreign currency contracts, foreign currency transactions, investments sold short, futures and swap contracts.....			(17,998,843) Net unrealized appreciation (depreciation) on investments, forward foreign currency contracts, foreign
currency translation and investment sold short.....	45,924,510	-----	NET
ASSETS.....	\$ 718,296,675	=====	NET ASSET
VALUE, per Common Share (par value \$0.01 per Common Share).....	\$ 19.92	=====	
Number of Common Shares outstanding (unlimited number of Common Shares has been authorized).....	36,056,159		
===== See Notes to Financial Statements Page 17 FIRST TRUST HIGH INCOME LONG/SHORT			
FUND STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED APRIL 30, 2013 (UNAUDITED)			
INVESTMENT INCOME: Interest.....	\$ 30,442,604		
Dividends.....	46,314		
Other.....	131,773	-----	Total investment
income.....	30,620,691	-----	EXPENSES: Investment advisory
fees.....	3,485,678		Interest expense on investments sold
short.....	1,594,112		Short sale
fees.....	361,833		Administrative
fees.....	292,854		Printing
fees.....	63,399		Custodian
fees.....	50,629		Audit and tax
fees.....	29,445		Legal
fees.....	27,466		Trustees' fees and
expenses.....	17,692		Transfer agent
fees.....	14,692		Financial reporting
fees.....	4,625		
Other.....	29,236	-----	Total
expenses.....	5,971,661	-----	NET INVESTMENT INCOME
(LOSS).....	24,649,030	-----	NET REALIZED AND UNREALIZED
GAIN (LOSS): Net realized gain (loss) on: Investments.....			
(2,552,400) Forward foreign currency contracts.....	2,320,692		Foreign currency
transactions.....	(20,683)	-----	Net realized gain
(loss).....	(252,391)	-----	Net change in unrealized appreciation
(depreciation) on: Investments.....	34,631,592		Forward foreign
currency contracts.....	(1,136,929)		Foreign currency
translation.....	27,107		Short
positions.....	(700,535)	-----	Net change in unrealized
appreciation (depreciation).....	32,821,235	-----	NET REALIZED AND
UNREALIZED GAIN (LOSS).....	32,568,844	-----	NET INCREASE
(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 57,217,874		
===== Page 18 See Notes to Financial Statements FIRST TRUST HIGH INCOME LONG/SHORT			
FUND STATEMENTS OF CHANGES IN NET ASSETS SIX MONTHS ENDED YEAR 4/30/2013 ENDED			
(UNAUDITED) 10/31/2012 ----- OPERATIONS: Net investment income			
(loss).....	\$ 24,649,030		\$ 50,915,230 Net realized gain
(loss).....	(252,391)		(18,647,026) Net change in unrealized appreciation
(depreciation).....	32,821,235		69,794,203 ----- Net increase (decrease) in net assets
resulting from operations.....	57,217,874		102,062,407 ----- DISTRIBUTIONS TO
SHAREHOLDERS FROM: Net investment income.....	(25,635,929)		(51,996,786)

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Net realized gain..... -- (5,765,181) ----- Total distributions to  
shareholders..... (25,635,929) (57,761,967) ----- Total increase (decrease)  
in net assets..... 31,581,945 44,300,440 ----- NET ASSETS: Beginning of  
period..... 686,714,730 642,414,290 ----- End of  
period..... \$ 718,296,675 \$ 686,714,730 =====  
===== Accumulated net investment income (loss) at end of period..... \$ 2,643,613 \$  
3,630,512 ===== See Notes to Financial Statements Page 19 FIRST TRUST HIGH  
INCOME LONG/SHORT FUND STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED APRIL 30,  
2013 (UNAUDITED) CASH FLOWS FROM OPERATING ACTIVITIES: Net increase (decrease) in net assets  
resulting from operations..... \$ 57,217,874 Adjustments to reconcile net increase (decrease) in net assets  
resulting from operations to net cash provided by operating activities: Purchases of  
investments..... (246,831,812) Sales, maturities and paydowns of  
investments..... 246,747,558 Net amortization/accretion of premiums/discounts on  
investments..... (704,042) Net realized gain/loss on investments..... 2,552,400 Net change in  
unrealized appreciation/depreciation on forward foreign currency contracts.....  
1,136,929 Net change in unrealized appreciation/depreciation on investments sold  
short..... 700,535 Net change in unrealized appreciation/depreciation on  
investments..... (34,631,592) CHANGES IN ASSETS AND LIABILITIES: Decrease in interest  
receivable..... 1,375,223 Decrease in dividends receivable..... 22,400  
Decrease in currency receivable..... 1,570,401 Increase in prepaid  
expenses..... (12,327) Decrease in interest payable on investments sold short.....  
(5,703) Increase in investment advisory fees payable..... 5,037 Decrease in audit and tax fees  
payable..... (25,055) Decrease in legal fees payable..... (26,085)  
Decrease in printing fees payable..... (47,272) Increase in administrative fees  
payable..... 5,892 Increase in custodian fees payable..... 34,642 Increase in  
transfer agent fees payable..... 2,189 Decrease in Trustees' fees and expenses  
payable..... (4,057) Decrease in other liabilities..... (8,717) ----- CASH  
PROVIDED BY OPERATING ACTIVITIES..... \$ 29,074,418 ----- CASH FLOWS  
FROM FINANCING ACTIVITIES: Distributions to Common Shareholders from net investment income.....  
(25,635,929) ----- CASH USED BY FINANCING ACTIVITIES..... (25,635,929)  
----- Increase in cash (a)..... 3,438,489 Cash at beginning of  
period..... 381,962 ----- CASH AT END OF  
PERIOD..... \$ 3,820,451 ===== SUPPLEMENTAL DISCLOSURE  
OF CASH FLOW INFORMATION: Cash paid during the period for interest and fees..... \$ 1,599,815  
===== (a) Includes net change in unrealized appreciation (depreciation) on foreign currency of \$27,107.  
Page 20 See Notes to Financial Statements FIRST TRUST HIGH INCOME LONG/SHORT FUND FINANCIAL  
HIGHLIGHTS FOR A COMMON SHARE OUTSTANDING THROUGHOUT THE PERIOD SIX MONTHS  
ENDED YEAR YEAR YEAR 4/30/2013 ENDED ENDED ENDED (UNAUDITED) 10/31/2012 10/31/2011  
10/31/2010 (a) ----- Net asset value, beginning of period ..... \$ 19.05 \$  
17.82 \$ 19.57 \$ 19.10 (b) ----- INCOME FROM INVESTMENT OPERATIONS: Net  
investment income (loss) ..... 0.68 1.41 1.48 0.08 Net realized and unrealized gain (loss) ..... 0.90 1.42  
(1.72) 0.42 ----- Total from investment operations ..... 1.58 2.83 (0.24) 0.50  
----- Common Shares offering costs charged to paid in capital..... -- --  
(0.03) ----- DISTRIBUTIONS PAID TO SHAREHOLDERS FROM: Net investment  
income ..... (0.71) (1.44) (1.47) -- Net realized gain ..... -- (0.16) --  
----- Total from distributions to Common Shareholders ..... (0.71) (1.60) (1.47) --  
----- Capital charge resulting from issuance of Common Shares related to over  
allotment..... -- (0.04) -- ----- Net asset value, end of period ..... \$ 19.92 \$  
19.05 \$ 17.82 \$ 19.57 ===== Market value, end of period  
..... \$ 19.10 \$ 18.78 \$ 16.63 \$ 20.01 ===== TOTAL  
RETURN BASED ON NET ASSET VALUE (c)..... 8.63% 17.09% (1.27)% 2.46% =====



===== TOTAL RETURN BASED ON MARKET VALUE (c)..... 5.65% 23.69% (9.89)%  
0.05% ===== RATIOS TO AVERAGE NET

ASSETS/SUPPLEMENTAL DATA: Net assets, end of period (in 000's) ..... \$ 718,297 \$ 686,715 \$ 642,414 \$  
662,604 Ratio of total expenses to average net assets .. 1.71% (d) 1.88% 2.09% 1.46% (d) Ratio of total expenses to  
average net assets excluding interest expense ..... 1.26% (d) 1.32% 1.29% 1.33% (d) Ratio of net investment  
income (loss) to average net assets ..... 7.07% (d) 7.83% 7.78% 4.98% (d) Portfolio turnover rate

..... 15% 24% 18% 0% (a) Initial seed date was August 20, 2010. The Fund commenced operations on  
September 27, 2010. (b) Beginning NAV is net of sales load of \$0.90 per share from the initial offering. (c) 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 less than one year. Past performance is not indicative of future results. (d) Annualized. See  
Notes to Financial Statements Page 21 ----- NOTES TO

FINANCIAL STATEMENTS ----- FIRST TRUST

HIGH INCOME LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) 1. FUND DESCRIPTION First

Trust High Income Long/Short Fund (the "Fund") is a diversified, closed-end management investment company  
organized as a Massachusetts business trust on June 18, 2010, and is registered with the Securities and Exchange  
Commission ("SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund trades  
under the ticker symbol FSD on the New York Stock Exchange ("NYSE"). The Fund's primary investment objective  
is to provide current income. The Fund's secondary objective is capital appreciation. The Fund seeks to achieve its  
investment objectives by investing, under normal market conditions, a majority of its assets in a diversified portfolio  
of U.S. and foreign (including emerging markets) high-yield corporate fixed-income securities of varying maturities  
that are rated below-investment grade at the time of purchase. For purposes of this strategy, "corporate fixed-income  
securities" include corporate bonds, debentures, notes, commercial paper and other similar types of corporate debt  
instruments, including instruments issued by corporations with direct or indirect government ownership, as well as  
asset-backed securities, preferred shares, senior floating-rate loan participations, commitments and assignments  
("Senior Loans")(1), payment-in-kind securities, zero-coupon bonds, bank certificates of deposit, fixed time deposits,  
bankers' acceptances and derivative instruments that provide the same or similar economic impact as a physical  
investment in the above securities. Below-investment grade fixed-income securities are commonly referred to as  
"high-yield" or "junk" bonds and are considered speculative with respect to the issuer's capacity to pay interest and  
repay principal. As part of its investment strategy, the Fund intends to maintain both long and short positions in  
securities under normal market conditions. The Fund will take long positions in securities that MacKay Shields LLC  
("MacKay" or the "Sub-Advisor") believes offer the potential for attractive returns and that it considers in the  
aggregate to have the potential to outperform the Fund's benchmark, the Bank of America Merrill Lynch U.S. High  
Yield Master II Constrained Index (the "Index"). The Fund will take short positions in securities that the Sub-Advisor  
believes in the aggregate will underperform the Index. The Fund's long positions, either directly or through  
derivatives, may total up to 130% of the Fund's Managed Assets. The Fund's short positions, either directly or through  
derivatives, may total up to 30% of the Fund's Managed Assets. "Managed Assets" means the average daily gross  
asset value of the Fund (which includes the principal amount of any borrowings), minus the sum of the Fund's  
liabilities. There can be no assurance that the Fund will achieve its investment objectives. The Fund may not be  
appropriate for all investors.

2. SIGNIFICANT ACCOUNTING POLICIES The following is a summary of significant  
accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of  
financial statements in accordance with accounting principles generally accepted in the United States of America  
("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts and  
disclosures in the financial statements. Actual results could differ from those estimates. A. PORTFOLIO

VALUATION: The net asset value ("NAV") of the Common Shares of the Fund is determined daily, as of the close of  
regular trading on the NYSE, normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. If the  
NYSE closes early on a valuation day, the NAV is determined as of that time. Domestic debt securities and foreign  
securities are priced using data reflecting the earlier closing of the principal markets for those securities. The NAV per  
Common Share is calculated by dividing the value of all assets of the Fund (including accrued interest and dividends),  
less all liabilities (including accrued expenses, dividends declared but unpaid and any borrowings of the Fund), by the

total number of Common Shares outstanding. The Fund's investments are valued daily in accordance with valuation procedures adopted by the Fund's Board of Trustees and in accordance with provisions of the 1940 Act. The Fund's securities will be valued as follows: Corporate bonds, notes, U.S. government securities, mortgage-backed securities, asset-backed securities and other debt securities are valued on the basis of valuations provided by dealers who make markets in such securities or by an independent pricing service approved by the Fund's Board of Trustees, which may use the following valuation inputs when available: 1) benchmark yields; 2) reported trades; 3) broker/dealer quotes; 4) issuer spreads; 5) benchmark securities; 6) bids and offers; and 7) reference data including market research publications. 1 The terms "security" and "securities" used throughout the Notes to Financial Statements include Senior Loans. Page 22

----- NOTES TO FINANCIAL STATEMENTS - (CONTINUED) ----- FIRST TRUST HIGH INCOME LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) A ready market does not exist for some of these investments. As such, these values may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material. Common stocks and other equity securities listed on any national or foreign exchange (excluding the NASDAQ(R) Stock Market LLC ("NASDAQ") and the London Stock Exchange Alternative Investment Market ("AIM")) are valued at the last price on the exchange on which they are principally traded or, for NASDAQ and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities. Securities traded in an over-the-counter market are valued at their closing bid prices. The Senior Loans held in the Fund are not listed on any securities exchange or board of trade. Senior Loans are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over-the-counter secondary market, although typically no formal market-makers exist. This market, while having grown substantially since its inception, generally has fewer trades and less liquidity than the secondary market for other types of securities. Some Senior Loans have few or no trades, or trade infrequently, and information regarding a specific Senior Loan may not be widely available or may be incomplete. Accordingly, determinations of the market value of Senior Loans may be based on infrequent and dated information. Because there is less reliable, objective data available, elements of judgment may play a greater role in valuation of Senior Loans than for other types of securities. Typically, Senior Loans are valued using information provided by a third party pricing service. The third party pricing service primarily uses over-the-counter pricing from dealer runs and broker quotes from indicative sheets to value the Senior Loans. Forward foreign currency contracts are valued at the current day's interpolated foreign exchange rate, as calculated using the current day's spot rate, and the thirty, sixty, ninety, and one-hundred eighty day forward rates provided by an independent pricing service. Debt securities having a remaining maturity of sixty days or less when purchased are valued at cost adjusted for amortization of premiums and accretion of discounts. In the event that the pricing service or dealer does not provide a valuation, or the valuations received are deemed unreliable, the Fund's Board of Trustees has designated First Trust Advisors L.P. ("First Trust") to use a fair value method to value the Fund's securities. Additionally, if events occur after the close of the principal markets for certain securities (e.g., domestic debt and foreign securities) that could materially affect the Fund's NAV, First Trust may use a fair value method to value the Fund's securities. The use of fair value pricing is governed by valuation procedures adopted by the Fund's Board of Trustees, and in accordance with the provisions of the 1940 Act. As a general principle, the fair value of a security is the amount which the Fund might reasonably expect to receive for the security upon its current sale. In light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security will be the amount which the Fund might be able to receive upon its current sale. Fair valuation of a security is based on the consideration of all available information, including, but not limited to, the following: 1) the fundamental business data relating to the issuer; 2) an evaluation of the forces which influence the market in which these securities are purchased and sold; 3) the type, size and cost of a security; 4) the financial statements of the issuer; 5) the credit quality and cash flow of the issuer, based on the Sub-Advisor's or external analysis; 6) the information as to any transactions in or offers for the security; 7) the price and extent of public trading in similar securities (or equity securities) of the issuer/borrower, or comparable companies; 8) the coupon payments; 9) the quality, value and salability of collateral, if any, securing the security; 10) the business prospects of the issuer, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's management; 11) the prospects for the issuer's industry, and multiples (of earnings and/or cash flows) being paid for similar businesses in that

industry; and 12) other relevant factors. The Fund is subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- o Level 1 - Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- o Level 2 - Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
  - o Quoted prices for similar investments in active markets.
  - o Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
  - o Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
  - o Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- o Level 3 - Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value the Fund's investments as of April 30, 2013, is included with the Fund's Portfolio of Investments.

**B. SECURITIES TRANSACTIONS AND INVESTMENT INCOME:** Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Interest income is recorded daily on the accrual basis. Amortization of premiums and accretion of discounts are recorded using the effective interest method.

**C. UNFUNDED LOAN COMMITMENTS:** The Fund may enter into certain credit agreements, all or a portion of which may be unfunded. The Fund is obligated to fund these loan commitments at the borrower's discretion. The Fund did not have unfunded delayed draw loan commitments as of April 30, 2013.

**D. FORWARD FOREIGN CURRENCY CONTRACTS:** The Fund is subject to foreign currency risk in the normal course of pursuing its investment objectives. Forward foreign currency contracts are agreements to exchange one currency for another at a future date and at a specified price. The Fund uses forward foreign currency contracts to facilitate transactions in foreign securities and to manage the Fund's foreign currency exposure. These contracts are valued daily, and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in "Unrealized appreciation/(depreciation) on forward foreign currency contracts" on the Statement of Assets and Liabilities. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or the cost of) the closing transaction and the Fund's basis in the contract. This realized gain or loss is included in "Net realized gain (loss) on forward foreign currency contracts" on the Statement of Operations. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Due to the risks, the Fund could incur losses in excess of the net unrealized value shown on the Schedule of Forward Foreign Currency Contracts. During the six months ended April 30, 2013, the open and close notional values of forward foreign currency contracts were \$1,063,918,647 and \$(763,505,591), respectively.

**E. FOREIGN CURRENCY:** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investments and items of income and expense are translated on the respective dates of such transactions. Unrealized gains and losses on assets and liabilities, other than investments in securities, which result from changes in foreign currency exchange rates have been included in "Net change in unrealized appreciation (depreciation) on foreign currency translation" on the Statement of Operations. Unrealized gains and losses on investments in securities which result from changes in foreign exchange rates are included with fluctuations arising from changes in market price and are shown in "Net change in unrealized appreciation (depreciation) on investments" on the Statement of Operations. Net realized foreign currency gains and losses include the effect of changes in exchange rates between trade date and settlement date on investment security transactions, foreign currency transactions and interest and dividends received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in "Net realized gain (loss) on foreign currency transactions" on

the Statement of Operations. Page 24 ----- NOTES TO FINANCIAL STATEMENTS - (CONTINUED) -----

FIRST TRUST HIGH INCOME LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) F. SHORT SALES:

Short sales are utilized for investment and risk management purposes and are transactions in which securities or other instruments (such as options, forwards, futures or other derivative contracts) are sold that are not currently owned in the Fund's portfolio. When a short sale is engaged in, the security sold short must be borrowed and delivered to the counterparty. Short selling allows the Fund to profit from a decline in a market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The Fund will pay a fee or premium to borrow the securities and is obligated to repay the lenders of the securities. Any dividends or interest that accrues on the securities during the period of the loan are due to the lenders. A gain, limited to the price at which the security was sold short, or a loss, unlimited in size, will be recognized upon the termination of the short sale. Any such gain or loss may be offset, completely or in part, by the change in the value of the long portion of the Fund's portfolio. The Fund is subject to the risk it may be unable to reacquire a security to terminate a short position except at a price substantially in excess of the last quoted price. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Fund. G. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:

Level dividend distributions are declared and paid monthly to Common Shareholders after the payment of interest and/or dividends in connection with leverage. The level dividend rate may be modified by the Board of Trustees from time to time. If, for any monthly distribution, net investment company taxable income, if any (which term includes net short-term capital gain), is less than the amount of the distribution, the difference will generally be a tax-free return of capital distributed from the Fund's assets. Distributions of any net long-term capital gains earned by the Fund are distributed at least annually. Distributions will automatically be reinvested into additional Common Shares pursuant to the Fund's Dividend Reinvestment Plan unless cash distributions are elected by the shareholder. Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from U.S.

GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio securities held by the Fund and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some point in the future. The character of distributions for tax reporting purposes will depend on the Fund's investment experience during the remainder of its fiscal year. The tax character of distributions paid during the fiscal year ended October 31, 2012 was as follows: Distributions paid from:

Ordinary income.....	\$ 57,752,609	Capital gain .....	9,358	Return of capital .....	--
-- As of October 31, 2012, the distributable earnings and net assets on a tax basis were as follows: Undistributed ordinary income .....					
Undistributed ordinary income .....	\$ 3,058,633	Undistributed capital gains .....	--		
----- Total undistributed earnings .....	3,058,633	Accumulated capital and other losses .....	(17,746,452)		
Net unrealized appreciation (depreciation) .....	13,675,154	----- Total accumulated earnings (losses) .....	(1,012,665)		
Other .....	--	Paid-in capital .....	687,727,395		
----- Net assets .....	\$686,714,730	=====			

H. INCOME TAXES: The Fund intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal or state income taxes. However, due to the timing and amount of distributions, the Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of the Fund's taxable income exceeds the distributions from such taxable income for the calendar year. Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses arising in taxable years after December 22, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment Page 25

----- NOTES TO FINANCIAL STATEMENTS - (CONTINUED) -----

FIRST TRUST HIGH INCOME LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) net capital losses be used before pre-enactment net capital losses. At October 31, 2012, the Fund had no pre-enactment net capital losses for federal income tax purposes. At October 31, 2012, the Fund had post-enactment net capital losses for federal income tax purposes of \$17,746,452

to be carried forward indefinitely. The Fund is subject to certain limitations under the U.S. tax rules on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership. The Fund is subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ending 2010, 2011 and 2012 remain open to federal and state audit. As of April 30, 2013, management has evaluated the application of these standards to the Fund and has determined that no provision for income tax is required in the Fund's financial statements for uncertain tax positions.

**I. EXPENSES:** The Fund will pay all expenses directly related to its operations.

**3. INVESTMENT ADVISORY FEE, AFFILIATED TRANSACTIONS AND OTHER FEE ARRANGEMENTS** First Trust, the investment advisor to the Fund, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust is responsible for the ongoing monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain administrative services necessary for the management of the Fund. For these investment management services, First Trust is entitled to a monthly fee calculated at an annual rate of 1.00% of the Fund's Managed Assets. First Trust also provides fund reporting services to the Fund for a flat annual fee in the amount of \$9,250. MacKay serves as the Fund's sub-advisor and manages the Fund's portfolio subject to First Trust's supervision. The Sub-Advisor receives a portfolio management fee at an annual rate of 0.50% of Managed Assets that is paid by First Trust from its investment advisory fee. BNY Mellon Investment Servicing (US) Inc. ("BNYM IS") serves as the Fund's administrator, fund accountant and transfer agent in accordance with certain fee arrangements. As administrator and fund accountant, BNYM IS is responsible for providing certain administrative and accounting services to the Fund, including maintaining the Fund's books of account, records of the Fund's securities transactions, and certain other books and records. As transfer agent, BNYM IS is responsible for maintaining shareholder records for the Fund. The Bank of New York Mellon ("BNYM") serves as the Fund's custodian in accordance with certain fee arrangements. As custodian, BNYM is responsible for custody of the Fund's assets. Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates ("Independent Trustees") is paid a fixed annual retainer of \$125,000 per year and an annual per fund fee of \$4,000 for each closed-end fund or other actively managed fund and \$1,000 for each index fund in the First Trust Fund Complex. The fixed annual retainer is allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Additionally, the Lead Independent Trustee is paid \$15,000 annually, the Chairman of the Audit Committee is paid \$10,000 annually, and each of the Chairmen of the Nominating and Governance Committee and the Valuation Committee is paid \$5,000 annually to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and each Committee chairman will serve two-year terms until December 31, 2013, before rotating to serve as chairman of another committee or as Lead Independent Trustee. After December 31, 2013, the Lead Independent Trustee and Committee Chairmen will rotate every three years. The officers and "Interested" Trustee receive no compensation from the funds for acting in such capacities.

**4. PURCHASES AND SALES OF SECURITIES** Cost of purchases and proceeds from sales of investments, excluding short-term investments, for the six months ended April 30, 2013, were \$127,041,167 and \$144,524,060, respectively.

**5. INDEMNIFICATION** The Fund has a variety of indemnification obligations under contracts with its service providers. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Page 26

----- NOTES TO FINANCIAL STATEMENTS -  
 (CONTINUED) ----- FIRST TRUST HIGH INCOME  
 LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED)

**6. RISK CONSIDERATIONS** Risks are inherent in all investing. The following summarizes some, but not all, of the risks that should be considered for the Fund. For additional information about the risks associated with investing in the Fund, please see the Fund's prospectus and statement of additional information, as well as other Fund regulatory filings.

**INVESTMENT AND MARKET RISK:** An investment in the Fund's Common Shares is subject to investment risk, including the possible loss of the entire principal invested. An investment in Common Shares represents an indirect investment in the securities owned by the Fund. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Common Shares at any point in time may be worth less than the original investment, even after taking

into account the reinvestment of Fund dividends and distributions. Security prices can fluctuate for several reasons including the general condition of the securities markets, or when political or economic events affecting the issuers occur. When the Advisor or Sub-Advisor determines that it is temporarily unable to follow the Fund's investment strategy or that it is impractical to do so (such as when a market disruption event has occurred and trading in the securities is extremely limited or absent), the Fund may take temporary defensive positions.

**BELOW-INVESTMENT GRADE SECURITIES RISK:** The Fund invests in below-investment grade securities. The market values for high-yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities. For these reasons, an investment in the Fund is subject to the following specific risks: (a) increased price sensitivity to changing interest rates and to a deteriorating economic environment; (b) greater risk of loss due to default or declining credit quality; (c) adverse issuer specific events are more likely to render the issuer unable to make interest and/or principal payments; and (d) a negative perception of the high-yield market may depress the price and liquidity of high-yield securities.

**DISTRESSED SECURITIES RISK:** The Fund may invest in securities issued by companies in a bankruptcy reorganization proceeding, subject to some other form of a public or private debt restructuring or otherwise in default or in significant risk of default in the payment of interest or repayment of principal or trading at prices substantially below other below-investment grade debt securities of companies in similar industries. Distressed securities frequently do not produce income while they are outstanding. The Fund may be required to incur certain extraordinary expenses in order to protect and recover its investment. Therefore, to the extent the Sub-Advisor seeks capital appreciation through investment in distressed securities, the ability to achieve current income may be diminished.

**ECONOMIC CONDITIONS RISK:** Adverse changes in economic conditions are more likely to lead to a weakened capacity of a high-yield issuer to make principal payments and interest payments than an investment grade issuer. An economic downturn could severely affect the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity. Under adverse market or economic conditions, the secondary market for high-yield securities could contract further, independent of any specific adverse changes in the condition of a particular issuer and these securities may become illiquid. As a result, the Sub-Advisor could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded.

**FIXED-INCOME SECURITIES RISK:** Debt securities, including high-yield securities, are subject to certain risks, including: (i) issuer risk, which is the risk that the value of fixed-income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services or, in the case of asset-backed issuers, a decline in the value and/or cash flows of the underlying assets; (ii) reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the proceeds from matured, traded or called bonds are reinvested at market interest rates that are below the portfolio's current earnings rate; (iii) prepayment risk, which is the risk that during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the reinvestment in lower yielding securities; and (iv) credit risk, which is the risk that a security in the Fund's portfolio will decline in price or the issuer fails to make interest payments when due because the issuer of the security experiences a decline in its financial status.

**INTEREST RATE RISK:** The Fund's portfolio is also subject to interest rate risk. Interest rate risk is the risk that fixed-income securities will decline in value because of changes in market interest rates. Investments in debt securities with long-term maturities may experience significant price declines if long-term interest rates increase.

**SHORT SELLING RISK:** Short selling allows the Fund to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. The Fund may have substantial short positions and must borrow those securities to make delivery to the buyer. The Fund may not be able to borrow a security that it needs to deliver or it may not be able to close out a short position at an acceptable price and may have to sell related long positions before it had intended to do so. Thus, the Fund may not be able to successfully implement its short sale strategy due to limited availability of desired securities or for other reasons. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Fund. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited. The use of short sales in combination with long

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 ----- NOTES TO FINANCIAL STATEMENTS -  
 (CONTINUED) ----- FIRST TRUST HIGH INCOME  
 LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) positions in the Fund's portfolio in an attempt to

improve performance or reduce overall portfolio risk may not be successful and may result in greater losses or lower positive returns than if the Fund held only long positions. It is possible that the Fund's long securities positions will decline in value at the same time that the value of its short securities positions increase, thereby increasing potential losses to the Fund. By investing the proceeds received from selling securities short, the Fund could be deemed to be employing a form of leverage, which creates special risks. The use of leverage may increase the Fund's exposure to long securities positions and make any change in the Fund's NAV greater than it would be without the use of leverage. This could result in increased volatility of returns. There is no guarantee that any leveraging strategy the Fund employs will be successful during any period in which it is employed. CURRENCY RISK: The value of securities denominated or quoted in foreign currencies may be adversely affected by fluctuations in the relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are denominated or quoted. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities denominated or quoted in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar. While certain of the Fund's non-U.S. dollar-denominated securities may be hedged into U.S. dollars, hedging may not alleviate all currency risks. 7. SUBSEQUENT EVENTS Management has evaluated the impact of all subsequent events to the Fund through the date the financial statements were issued, and has determined that there were the following subsequent events: On May 20, 2013, the Fund declared a dividend of \$0.1155 per share to Common Shareholders of record on June 5, 2013, payable June 17, 2013. On June 20, 2013, the Fund declared a dividend of \$0.1155 per share to Common Shareholders of record on July 3, 2013, payable July 15, 2013. Page 28

----- ADDITIONAL INFORMATION

----- FIRST TRUST HIGH INCOME LONG/SHORT

FUND (FSD) APRIL 30, 2013 (UNAUDITED) DIVIDEND REINVESTMENT PLAN If your Common Shares are registered directly with the Fund or if you hold your Common Shares with a brokerage firm that participates in the Fund's Dividend Reinvestment Plan (the "Plan"), unless you elect, by written notice to the Fund, to receive cash distributions, all dividends, including any capital gain distributions, on your Common Shares will be automatically reinvested by BNY Mellon Investment Servicing (US) Inc. (the "Plan Agent"), in additional Common Shares under the Plan. If you elect to receive cash distributions, you will receive all distributions in cash paid by check mailed directly to you by the Plan Agent, as the dividend paying agent. If you decide to participate in the Plan, the number of Common Shares you will receive will be determined as follows: (1) If Common Shares are trading at or above net asset value ("NAV") at the time of valuation, the Fund will issue new shares at a price equal to the greater of (i) NAV per Common Share on that date or (ii) 95% of the market price on that date. (2) If Common Shares are trading below NAV at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the NYSE or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price at the time of valuation, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market within 30 days of the valuation date except where temporary curtailment or suspension of purchases is necessary to comply with federal securities laws. Interest will not be paid on any uninvested cash payments. You may elect to opt-out of or withdraw from the Plan at any time by giving written notice to the Plan Agent, or by telephone at (866) 340-1104, in accordance with such reasonable requirements as the Plan Agent and the Fund may agree upon. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan, and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions. The Plan Agent maintains all Common Shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. Common Shares in your account will be held by the Plan Agent in non-certificated form. The Plan Agent will forward to each participant any proxy solicitation material and will vote any shares so held only in accordance with proxies returned to the Fund. Any proxy you receive will include all Common Shares you have received under the Plan. There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage

commissions incurred by the Plan Agent when it makes open market purchases. Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due upon receiving dividends and distributions. Capital gains and income are realized although cash is not received by you. Consult your financial advisor for more information. If you hold your Common Shares with a brokerage firm that does not participate in the Plan, you will not be able to participate in the Plan and any dividend reinvestment may be effected on different terms than those described above. The Fund reserves the right to amend or terminate the Plan if in the judgment of the Board of Trustees the change is warranted. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained by writing BNY Mellon Investment Servicing (US) Inc., 301 Bellevue Parkway, Wilmington, Delaware 19809. PROXY VOTING POLICIES AND PROCEDURES A description of the policies and procedures that the Fund uses to determine how to vote proxies and information on how the Fund voted proxies relating to portfolio investments during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Fund's website located at <http://www.ftportfolios.com>; and (3) on the Securities and Exchange Commission's ("SEC") website located at <http://www.sec.gov>. Page 29

----- ADDITIONAL INFORMATION -

(CONTINUED) ----- FIRST TRUST HIGH INCOME LONG/SHORT FUND (FSD) APRIL 30, 2013 (UNAUDITED) PORTFOLIO HOLDINGS The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available (1) by calling (800) 988-5891; (2) on the Fund's website located at <http://www.ftportfolios.com>; (3) on the SEC's website at <http://www.sec.gov>; and (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling (800) SEC-0330. SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS The Joint Annual Meeting of Shareholders of the Common Shares of Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund, First Trust Energy Income and Growth Fund, First Trust Enhanced Equity Income Fund, First Trust/Aberdeen Global Opportunity Income Fund, First Trust Mortgage Income Fund, First Trust Strategic High Income Fund II, First Trust/Aberdeen Emerging Opportunity Fund, First Trust Specialty Finance and Financial Opportunities Fund, First Trust Active Dividend Income Fund, First Trust High Income Long/Short Fund and First Trust Energy Infrastructure Fund was held on April 17, 2013 (the "Annual Meeting"). At the Annual Meeting, James A. Bowen and Niel B. Nielson were elected by the Common Shareholders of the First Trust High Income Long/Short Fund as Class III Trustees for a three-year term expiring at the Fund's annual meeting of shareholders in 2016. The number of votes cast in favor of Mr. Bowen was 31,666,533, and the number of votes against was 518,130 and the number of abstentions was 3,871,496. The number of votes cast in favor of Mr. Nielson was 31,641,349, and the number of votes against was 543,314 and the number of abstentions was 3,871,496. Richard E. Erickson, Thomas R. Kadlec and Robert F. Keith are the other current and continuing Trustees. Page 30 This Page Left Blank Intentionally. This Page Left Blank Intentionally. FIRST TRUST INVESTMENT ADVISOR First Trust Advisors L.P. 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 INVESTMENT SUB-ADVISOR MacKay Shields LLC 1345 Avenue of the Americas 43rd Floor New York, NY 10105 ADMINISTRATOR, FUND ACCOUNTANT & TRANSFER AGENT BNY Mellon Investment Servicing (US) Inc. 301 Bellevue Parkway Wilmington, DE 19809 CUSTODIAN The Bank of New York Mellon 101 Barclay Street, 20th Floor New York, NY 10286 INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Deloitte & Touche LLP 111 S. Wacker Drive Chicago, IL 60606 LEGAL COUNSEL Chapman and Cutler LLP 111 W. Monroe Street Chicago, IL 60603 [BLANK BACK COVER] ITEM 2. CODE OF ETHICS. Not applicable. ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable. ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. Not applicable. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. Not applicable. ITEM 6. INVESTMENTS. (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form. (b) Not applicable. ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable. ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES. There has been no change, as of the date of this filing, in any of the portfolios managers identified in response to paragraph (a)(1) of this Item in the Registrant's most recently filed annual report on Form N-CSR. ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY



AND AFFILIATED PURCHASERS. Not applicable. ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's board of directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item. ITEM 11. CONTROLS AND PROCEDURES. (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)). (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. ITEM 12. EXHIBITS. (a)(1) Not applicable. (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto. (a)(3) Not applicable. (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes- Oxley Act of 2002 are attached hereto. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. (registrant) First Trust High Income Long/Short Fund ----- By (Signature and Title)\* /s/ Mark R. Bradley  
----- Mark R. Bradley, President and Chief Executive Officer (principal executive officer) Date: June 18, 2013 ----- Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By (Signature and Title)\* /s/ Mark R. Bradley  
----- Mark R. Bradley, President and Chief Executive Officer (principal executive officer) Date: June 18, 2013 ----- By (Signature and Title)\* /s/ James M. Dykas  
----- James M. Dykas, Treasurer, Chief Financial Officer and Chief Accounting Officer (principal financial officer) Date: June 18, 2013 ----- \* Print the name and title of each signing officer under his or her signature.