



January 31, 2019

**VIA E-MAIL (IMshareholderproposals@sec.gov)
and FEDERAL EXPRESS**

U.S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street N.E.
Washington, D.C. 20549

- Re: First Trust High Income Long/Short Fund (the "Issuer") -
Shareholder Proposal Submitted by Dolphin Limited Partnership I,
L.P. ("Dolphin")**
- Discussion Letter from Dolphin to the Issuer (September 28, 2018)
 - Issuer's response to Dolphin (October 31, 2018)
 - Dolphin's Letter containing Rule 14a-8 proposal (the
"Original Proposal") (November 14, 2018)
 - Issuer's Notice of Defect to Dolphin responding to the Original
Proposal (November 27, 2018)
 - Dolphin's Letter to the Issuer revising its Proposal (the "Revised
Proposal" (December 7, 2018)
 - Issuer's 8-page Letter to the SEC's Staff seeking exclusion No-
Action Relief (December 14, 2018)
 - Dolphin's Counsel's Letter to the SEC Staff in opposition to No-
Action Relief (December 21, 2018)
 - Issuer's counsel's Letter in response to the Staff (January 3, 2019)
(copies attached, along with the Original and Revised Proposals)

Ladies and Gentlemen:

This is in response to a second letter dated January 3, 2019 to the Staff from Chapman and Cutler LLP ("Issuer Counsel") on behalf of the Issuer.

The Issuer's November 27, 2018 letter to Dolphin rejecting its Original Proposal stated that

"we respectfully inform you of eligibility and procedural defects in the Proposal which will cause the Fund to exclude the Proposal from the Fund's Proxy Materials." (Page 2)





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The "eligibility and procedural defects" that the Issuer was referring to with respect to Dolphin's Original Proposal were (i) an untested notion that requesting Issuer to utilize "best efforts to maintain" the current \$1.26 level annual distribution perhaps constituted more than one proposal and (ii) that the original letter from Dolphin's broker dated November 14, 2018, did not contain the word "continuous." The fact is that the broker did hold on Dolphin's behalf at least the requisite dollar amount of shares in accordance with Rule 14a-8 (the "Rule"), and the clarifying broker letter was timely submitted within the 14 days as stipulated under the Rule and by the Issuer pursuant to its Notice of Defect of November 27, 2018. Accordingly, the Issuer attempts to lay the support for causing Dolphin to constructively modify its Original Proposal under threat of rejection as set forth in the above or submit a revised proposal allegedly containing "substantive" modifications and have it be challenged by the Issuer through its counsel for untimeliness, even though the revision was also submitted within the 14 days as stipulated under the Rule and by the Issuer.

We note that the Issuer was in no way obligated (to shareholders or otherwise) to hypothesize that there might be multiple proposals within Dolphin's Original Proposal. Specifically, we do not view a proposal to take one action (the three to five-year winding up of the Issuer) while not changing something else (i.e. the distribution level) as different proposals. Nothing in the Rule suggests that a corrective response timely filed within 14 days is invalid if the initial company deadline falls within that interval. We also note that in all communications with Dolphin and the Staff of the SEC, neither the Issuer nor Issuer Counsel had provided any business justification as to why Dolphin's Original or Revised Proposals are not in the best interest of all shareholders or as to the Issuer's steadfast refusal to allow shareholders to vote on the proposal, *even though management is an interested party*.

We respectfully submit that if the Issuer's and its counsel's attempted trap is permitted, then shareholders who submit proposals up to 27 days before a deadline may have their proposals rejected for an untested technicality or later, following a consensual revision, purported untimeliness. The Rule was obviously not intended to allow interested management to exclude proposals of its shareholders to whom they owe fiduciary obligations. The Issuer and Issuer Counsel claim that the Issuer is "challenging substantive failures" but the Revised Proposal clearly has no such failure. In the Revised Proposal, Dolphin removed the reference to using "best efforts to maintain" the current \$1.26 level annual distribution. Issuer Counsel is asserting a technical timeline argument, with no legal authority, which should be rejected.

Issuer, through Issuer Counsel, also contends that it is entitled to reject the Revised Proposal because of an alleged substantive failure in the Original Proposal, i.e., the reference to a requirement to use "best efforts to maintain" current distribution levels. Whether or not that provision would have provided a justification for exclusion under Rule 14a-8(i)(13), the Issuer



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objected to that provision on *procedural grounds* and it was consensually removed on *procedural grounds*, specifically in accordance with the Issuer's threat of exclusion of the Original Proposal. *If, as the Issuer contends, the distribution component was a separate, "second" proposal, it can surely be removed on procedural grounds without continuing to taint the "first" proposal.* According to the Issuer's statement, the Issuer had no intention of ever approving the Original Proposal in any form under any circumstances, despite potential benefits to all shareholders.

The distribution component proposal was always a secondary issue, required only a soft endorsement by management, and was readily withdrawn by Dolphin. As the current distribution level (which has continued thus far) exceeds free cash flow by about 30%, the Issuer was already effectively moving toward a slow liquidation but with no defined date. The essence of the Original Proposal and the Revised Proposal was to enhance value by formalizing and accelerating that process.

We respectfully submit that the Issuer's and Issuer Counsel's position is entirely inconsistent with the spirit of "compromise" endorsed by the SEC in Staff Legal Bulletin 14 (2001). The Rule was designed to invigorate shareholder democracy. Clearly, the Issuer's view is not consistent with the Bulletin.

In addition, to avoid any misunderstanding, there is absolutely no significance to the fact that the revised broker's letter was delivered on December 9, with the Revised Proposal having been received by the Issuer on December 7. There was no intervening deadline of any kind. The fact is that Dolphin's broker was the continuous holder of the required shares on behalf of Dolphin for the one-year period preceding both the Original Proposal and the Revised Proposal. As stated in our prior letter to the Staff, we believe the November 14, 2018 broker's letter was entirely satisfactory. It did not, as discussed in Staff Legal Bulletin No. 14F, confirm ownership only "as of a specified date" without reference to a one-year period. The words "for over one year" suggest continuity. Dolphin added the word "continuous" simply to respond to the Issuer's threat of exclusion of the Original Proposal in its November 27, 2018 letter to Dolphin. In any event, this supposed omission was timely corrected in accordance with the Rule; obviously there was no "substantive" change here. The paragraph in the Issuer's November 27, 2018 letter to Dolphin dictated Dolphin's timely Revised Proposal to the Issuer.



KLEINBERG
KAPLAN

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We would of course be pleased to consult with the Staff about any of these issues and the benefits to all shareholders.

Sincerely,

Martin D. Sklar

cc: Donald T. Netter, Senior Managing Director (Via U.S. Mail)
Jonathan Koff, Esq. (Via U.S. Mail)
W. Scott Jardine, Esq. (Via U.S. Mail)

DOLPHIN LIMITED PARTNERSHIP I, L.P.
(P) 203-489-3833

September 28, 2018

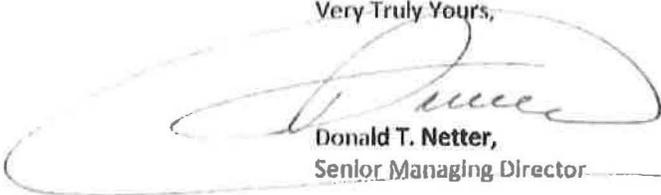
Via Federal Express

Mr. William Scott Jardine
Corporate Secretary
First Trust Advisors, L.P.
120 E Liberty Drive, Suite 400
Wheaton, IL 60187

Dear Mr. Jardine:

Enclosed please find a letter to be distributed to the members of management of First Trust Advisors, L.P. as contained herein. Thank you for your attention to this matter and if you have any questions or comments, you may contact us at the particulars contained in this cover letter.

Very Truly Yours,



Donald T. Netter,
Senior Managing Director

DTN:lb
Enclosure

cc: M. Sklar

c/o 1117 East Putnam Avenue, One Hundred and Fifty, Riverside, CT 06878

Page Two
September 28, 2018
First Trust Advisors, L.P.

- (iii) Consistent with FSD's stated objective of providing "high current income," (a) maintain the current cash distribution of \$1.26/share by converting 50% of the management fee to stock and; (b) adjust the non-earned portion of the current distribution to approximately \$.28/year (versus the current approximate \$.38/year). Accordingly, FSD would target maintaining its \$1.26 annual distribution, implementing a 4-year target term and a liquidation NAV of approximately \$16/share. The "roll down" curve effect -- the decline each year in the number of years remaining to the newly established term, we believe, would cause FSD (utilizing 9/28/18 data) to trade at projected liquidation NAV, an 8.5% current and yield-to-term and approximately a 3-4% discount to current NAV. We have noted the relationship of the par value of the holdings to market values before and after the FHY merger. This would lead to an approximately \$45 million increase in trading value while maintaining level distributions to the term.
- (iv) Expand the FSD Repurchase Program to escalate closure of the valuation gap.

In the alternative, FSD could implement a similar SABA-Capital-like proposal; however, it would have a similar short-term effect as it would likely not resolve the structural challenges of the current FSD portfolio and the perpetual nature of the fund. The Proposal also appears consistent with management's stated objective of seeking ways to close the market discount to NAV. While an open-end structure was considered for FHY prior to merger, leverage limitations and constraint of ownership of certain securities were noted.

The Proposal would also require less active management of the portfolio and the core of the Proposal contained in (i), (iii) and (iv) is likely to be effective and can also be accomplished without (ii) and iii(a)).

Shareholder Vote

We also discussed that, while the Proposal or elements thereof may require a shareholder vote as many other closed-end funds that have sought modification, the FSD declaration gives the Trustees general authority to approve a recapitalization or sale of all or substantially all of FSD's assets without shareholder approval. Further, the FSD declaration permits the Trustees, without shareholder approval, to modify the declaration and there is a required annual meeting to elect trustees (last held on April 30, 2018).

The Federal Funds Rate Is Likely To Continue Rising In Anticipation of Accelerating Inflation

With the strong domestic and continuing recovering global economies, strong equity and real estate markets, robust corporate profits, a labor market approaching full employment, continued unwinding of the Fed's \$4.5 trillion balance sheet, an expanding federal budget deficit, recovering and stabilizing oil prices, the 2017 corporate tax cuts and incentive for repatriation of offshore untaxed earnings, the Federal Funds rate is likely to continue upward, perhaps substantially in anticipation of accelerating inflation and as supported by recent Federal Reserve disclosures. This suggests that the whole curve may move up with a continuing particularly negative impact to the price of short-intermediate fixed coupon securities and credit spreads. Accordingly, given a 4.7 weighted average maturity of the securities held by FSD, this environment is likely to continue to be challenging to FSD's holdings, NAV and market price and, therefore, likely to have the effect of reverse leverage with respect to the pro forma expense structure referred to in the FHY merger proxy.

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September 28, 2018
First Trust Advisors, L.P.

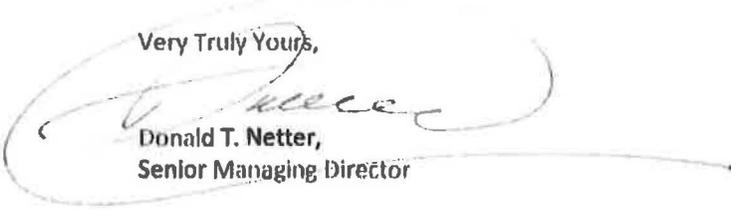
Market Discount Has Expanded Despite Corporate Tax Cuts

The LTM (9/29/17-9/28/18) FSD market discount to NAV has widened from approximately 6.8% to 13.6% (Closing Market: \$17.02 to \$14.75, respectively; closing NAV: \$18.27 to \$17.07, respectively). This occurred despite the positive impact on credit from corporate tax cuts, and strong markets. We believe this is primarily the result of rising short-term interest rates with its affect on a fund without a term, target liquidation value/share and that substantially holds fixed coupon securities approximating five-year maturities. Because credit spreads have remained relatively tight and the curve remains relatively flat, it does not appear to be opportune to roll the portfolio into new securities with similar maturities.

Accordingly, we believe the Proposal is quite favorable for all constituents, would effectively substantially close and maintain substantial closure of the material valuation gap for the remainder of the newly defined term, protect the NAV in a continuing rising short-term interest rate environment and support a sustainable annual distribution. We also believe shareholders would be favorable towards the Proposal.

We understand that First Trust Advisors, L.P. manages 15 closed-end funds (one with a defined term). *** Pursuit of the Proposal or its core further demonstrates transparency and management's desire to generate value when available. The FHY/FSD merger proxy reflects that, for a proper proposal to be considered for presentation at FSD's 2019 annual meeting, if any, a shareholder must submit such pursuant to Rule 14-8 of the Securities Exchange Act of 1934 and it must be received at FSD's office no later than November 15, 2018. We are seeking management's support for all or substantially all of the Proposal. As of September 28, 2018, the date of this letter, FSD's share price closed at \$14.75; if the FSD price should decline further, with escalating rates, the Proposal would likely be more compelling. Accordingly, we ask that management forward the Proposal to the board for its expeditious consideration. We remain available to constructively respond to the management and/or the board with respect to the Proposal. Please advise us promptly whether there would be any difficulty including some or all of the Proposal in FSD's 2019 proxy statement.

Very Truly Yours,


Donald T. Netter,
Senior Managing Director

DTN:lb

cc: W. Scott Jardine,
Corporate Secretary

***First Trust Advisors is a limited partnership with one limited partner, Grace Partners of DuPage, L.P. and one general partner, the Charger Corporation (an Illinois corporation). Grace Partners of DuPage L.P. is a limited partnership with one general partner, also the Charger Corporation and a number of limited partners.

FIRST TRUST HIGH INCOME LONG/SHORT FUND
120 EAST LIBERTY DRIVE, SUITE 400
WHEATON, ILLINOIS 60187

October 31, 2018

VIA EMAIL AND OVERNIGHT DELIVERY

Mr. Donald T. Netter
Dolphin Limited Partnership I, L.P.
c/o 1117 E. Putnam Ave., One Hundred Fifty
Riverside, CT 06878

Re: First Trust High Income Long/Short Fund ("*FSD*" or the "*Fund*")
Notice of Defect under Rule 14a-8 (the "*Notice of Defect*")

Dear Mr. Netter:

On October 18, 2018, the Fund received your letter dated September 28, 2018 regarding your discussions with management of First Trust Advisors L.P. ("*First Trust*"), the investment advisor to the Fund, on behalf of "discrete" entities (the "*Entities*"), including Dolphin Limited Partnership I, L.P. ("*Dolphin*"), that you indicate hold in the aggregate approximately 500,000 shares of the Fund. In accordance with your request, the Fund has provided your letter to the Board of Trustees (the "*Board*") of the Fund and independent counsel to the independent Board members, and management of First Trust will discuss the matters raised in your letter with the Board at the next meeting of the Board. However, your letter raises certain technical matters which are addressed herein.

Your letter states that your discussions with First Trust led to an initial proposal by the Entities intended to close and maintain closure of the sizeable valuation gap (the "*Proposal*"), and further sets forth four subparagraphs and additional information relating to the Proposal.

It is unclear whether your letter constitutes notice that Dolphin and/or the Entities intend to submit a proposal at the 2019 annual meeting of shareholders. Your letter does not include a specific request to include the Proposal in the Fund's proxy statement relating thereto or a reference to submitting the Proposal pursuant to Rule 14a-8 under the Securities and Exchange Act of 1934, as amended (the "*Exchange Act*"). Any such proposal submitted pursuant to Rule 14a-8 must be received at the executive offices of FSD no later than November 15, 2018. The only requests in your letter state that you "seek management support for all or substantially all of the Proposal", that the Proposal be forwarded to the Fund's Board for "its expeditious consideration" and that you be advised "promptly whether there would be any difficulty including some or all of the Proposal in FSD's 2019 proxy statement."

If your letter was intended to submit the Proposal pursuant to Rule 14a-8, we would bring to your attention the eligibility and procedural requirements under Rule 14a-8 for shareholders

Donald T. Netter
October 31, 2018
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who wish to include a proposal in a company's proxy materials and your failure to meet certain of those requirements. First, to be eligible to submit a proposal, Rule 14a-8(b) requires the shareholder to have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date of submitting the proposal. Also, the shareholder must continue to hold those securities through the date of the meeting and submit a statement that the shareholder intends to hold the shares through the date of the meeting. In the event that the shareholder is not a registered holder, the shareholder is responsible for proving its eligibility to submit a proposal to the company.

To do so, the shareholder must do one of two things. It can submit a written statement from the record holder of the shareholder's securities verifying that the shareholder has owned the requisite amount of securities continuously for one year as of the time the shareholder submits the proposal. Alternatively, a shareholder who has filed a Schedule 13D, Schedule 13G, Form 4 or Form 5 reflecting ownership of the securities as of or before the date on which the one-year eligibility period begins may submit copies of these forms and any subsequent amendments reporting a change in ownership level, along with a written statement that he or she has owned the required number of securities continuously for one year as of the time the shareholder submits the proposal and intends to hold the securities through the date of the annual meeting. Dolphin does not appear on the Fund's records as a registered shareholder, and you have not provided either of the foregoing proofs of requisite ownership of Dolphin or the Entities or a representation of the intent of Dolphin or the Entities to continue to own shares of the Fund through the date of the annual meeting of the shareholders of the Fund in 2019.

We note also that your letter makes reference to holdings by "discrete entities", including Dolphin. Your signature purports to be as Senior Managing Director but does not specify for which entity you hold that position. It would seem that as Dolphin is a limited partnership, you would need to be acting for the general partner of that entity but that authority is not indicated. Additionally, the other "discrete entities" are not identified and it is therefore impossible to determine which other shareholders you purport to represent. Accordingly, it is not clear from the face of your letter on whose behalf you are acting or upon what authority. In responding to this Notice of Defect, please clarify your authority to act on behalf of a qualified shareholder(s).

Further, Rule 14a-8(a) requires that "your shareholder proposal should state as clearly as possible the course of action that you believe the company should follow." The Proposal as set forth in your letter contains numerous alternative suggestions for addressing the market discount to NAV and as such the Fund is unable to determine the course of action you wish the Fund to pursue. As a result, the Proposal is not compliant with Rule 14a-8(a). Your Proposal also could be considered multiple, separate proposals, given the various subparagraphs contained therein, in which case the Proposal would not be compliant with Rule 14a-8(c), which provides that a shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

Donald T. Netter
October 31, 2018
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As a result of the foregoing, if your letter was intended as a submission of a shareholder proposal pursuant to Rule 14a-8, the Fund is hereby providing you with written notice of eligibility and procedural defects of your submission under Rule 14a-8.

Under Rule 14a-8(f), your response to this Notice of Defect from the Fund must be postmarked, or transmitted electronically, no later than 14 days from the date you receive this Notice of Defect.

If in fact you submit a Rule 14a-8 compliant proposal subsequently or you inform us that your letter was intended to constitute a Rule 14a-8 proposal, the Fund reserves the right to seek concurrence from the staff of the Securities and Exchange Commission that the Proposal will not be considered a proposal subject to Rule 14a-8 or, in the alternative, it can be omitted from the Fund's proxy statement relating to the 2019 annual meeting of Fund shareholders because of the various defects in compliance with Rule 14a-8 described above or other substantive violations of Rule 14a-8.

In addition, you requested that we advise you if you were "misinformed" regarding any statements in your letter. We note that under the Investment Company Act of 1940, as amended, First Trust is not permitted to receive equity in FSD in exchange for its services, as you had proposed in item (ii) of your letter.

For your convenience, we hereby attach a copy of Rule 14a-8.

Nothing herein shall be deemed or considered to waive or alter any rights, claims, obligations and causes of action of the Fund, any shareholder or the current Trustees of the Fund, including but not limited to any rights under either Massachusetts or Federal law or the Fund's governing documents. All such rights, claims and causes of action are expressly reserved, including all rights or obligations the Fund or any such party may have under the Fund's governing documents or the Exchange Act. This Notice of Defect relates solely to Rule 14a-8 and does not constitute an election of remedies.

Sincerely,

FIRST TRUST HIGH INCOME LONG/SHORT
FUND

By:


W. Scott Jardine, Secretary

DOLPHIN LIMITED PARTNERSHIP I, L.P.

November 14, 2018

VIA FEDERAL EXPRESS (Overnight)

Mr. William Scott Jardine
Corporate Secretary
First Trust Advisors, L.P.
120 East Liberty Drive, Suite 400
Wheaton, Illinois 60187

RE: Shareholder Proposal for
the 2019 FSD Annual Meeting
pursuant to Rule 14a-8

Dear Mr. Jardine:

We are in receipt of your letter of October 31, 2018. We did not intend our letter of October 22, 2018 referencing Dolphin Limited Partnership I, L.P. ("Dolphin") addressed to management to be a Rule 14a-8 request to place a proposal on the ballot. However, this submission modifies our draft outline provided in our letter of October 22, 2018, reflects your factual review and is a request to place the Dolphin Proposal set forth in Exhibit A on the ballot.

For more than a year, Dolphin has been the beneficial owner of shares representing no less than \$2,000 ("Shares") of First Trust High Income Long/Short Fund ("FSD").

Dolphin hereby submits its shareholder proposal attached hereto as Exhibit A (the "Proposal") and supporting statement for inclusion in the proxy statement for FSD's annual meeting of shareholders to be held in 2019 (the "2019 Annual Meeting").

Dolphin has no interest in the Proposal other than its submission for a non-binding vote seeking a majority of the FSD stockholders entitled to vote at the 2019 Annual Meeting. Dolphin hereby represents that (i) it has continuously held at least \$2,000 in market value of the shares and has held such for no less than one year prior to the date hereof, (ii) it intends to continue to hold the requisite number of Shares through the date of the 2019 Annual Meeting, and (iii) it intends to appear in person or by proxy at the 2019 Annual Meeting to submit the Proposal for approval by FSD's shareholders. Attached is a letter from Dolphin's prime broker verifying that as of the date hereof, Dolphin continuously beneficially held such Shares for not less than one year. If FSD should require any further authentication, please promptly advise as instructed herein.

c/o 1117 East Putnam Avenue, One Hundred and Fifty, Riverside, Connecticut 06878
203-489-3833

Mr. W. Scott Jardine
November 14, 2018
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If you should require any additional information to place the proposal, expressed in Exhibit A, on FSD's proxy for the 2019 Annual Meeting, please immediately contact Dolphin and its counsel, Kleinberg, Kaplan, Wolff & Cohen, P.C. Attention: Martin D. Sklar, Esq., Email: msklar@kkwc.com (212-986-6000).

Thank you for your attention.

Very truly yours,

By: Dolphin Associates, L.L.C., General Partner,

DOLPHIN LIMITED PARTNERSHIP I, L.P.

By: Dolphin Holdings Corp., Managing Member

By: 

Name: Donald T. Netter

Title: Senior Managing Director,

Dolphin Holdings Corp.

Attachment

cc: Martin D. Sklar, Esq.

EXHIBIT A

Proposal

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to (i) establish a required liquidation date ("Target Term") of between 3-5 years and establish a Target Term liquidation net asset value ("Target Term NAV"); and (ii) use best efforts to maintain the current \$1.26/share level annual distribution through the Target Term. The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the NAV/trading price discount to the Target Term.

Supporting Statement

This proposal is submitted by Dolphin Limited Partnership I, L.P., a Delaware limited partnership established in or about 1995 ("Sponsor") and which, for not less than one year, has been a [beneficial shareholder] of FSD of no less than the required market value of FSD.

In contrast to FSD, funds with 3-5 year Target Terms and Target Term NAV's trade much closer to their NAV's. As of November 9, 2018, FSD's closing NAV was \$16.53/share vs. a closing trading price of \$14.16, in our view, an unacceptable 14.3% discount. Also, on November 9, 2018, the approximate closing NAV/trading price discount of a representative sample of closed end funds with Target Terms and Target Term NAV's were as follows (NYSE ticker symbols and NAV/trading price discount): BSL (+.2% premium), FIV (5.0%), JCO (3.3%), EFL (5.9%), EHT (3.5%) and JHB (4.0%). The average current yield of these securities is approximately 6.0% vs. 8.8% for FSD.

First Trust Advisors L.P. reportedly manages 15 closed-end funds, one of which has a Target Term and Target Term NAV (FIV). Sponsor believes implementing the Proposal would be beneficial for all FSD shareholders while presenting no appreciable risks.

Sponsor maintains that the NAV/trading price discount is wide because FSD('s) (i) has no defined Target Term, (ii) debt holdings are predominantly fixed coupon vs adjustable, (iii) net earnings, as of the most recent 19a-1 filing, only cover approximately 70% of its annual \$1.26 annual distribution, causing annual NAV depletion, and (iv) portfolio market value of predominantly fixed vs. adjustable coupon debt securities has continued to erode as a result of an escalating Federal Funds rate and the U.S. Treasury Yield Curve. This is despite fundamental improvement since the beginning of 2017 in high yield sector credit quality from corporate tax cuts, a strengthening economy and improving corporate profits.

Accordingly, Sponsor believes that initiating a Target Term and Target Term NAV under the Proposal, when implemented, would cause a material increase in FSD's trading price while maintaining closure of the NAV/trading price discount. Dolphin's letter of October 22, 2018 substantially reflecting the Proposal was forwarded to management and the board. Insiders affiliated with FSD held as of December 31, 2017 12,725 shares.

WE URGE YOU TO VOTE FOR THIS PROPOSAL.

FIRST TRUST HIGH INCOME LONG/SHORT FUND
120 EAST LIBERTY DRIVE, SUITE 400
WHEATON, ILLINOIS 60187

November 27, 2018

VIA OVERNIGHT DELIVERY

Mr. Donald T. Netter
Dolphin Limited Partnership I, L.P.
c/o 1117 E. Putnam Ave., One Hundred Fifty
Riverside, CT 06878

Re: First Trust High Income Long/Short Fund ("*FSD*" or the "*Fund*")
Notice of Defect under Rule 14a-8 (the "*Notice of Defect*")

Dear Mr. Netter:

On November 15, 2018, the Fund received your letter on behalf of Dolphin Limited Partnership I, L.P. ("*Dolphin*") dated November 14, 2018, (the "*Letter*") in which you submitted a proposal (the "*Proposal*") pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). The Letter was in response to a letter from the Fund dated October 31, 2018, which was in response to your letter dated September 18, 2018 and received by the Fund on October 18, 2018. The Proposal seeks to include in proxy materials prepared by management of the Fund in connection with the next annual meeting of shareholders (the "*Fund's Proxy Materials*") a resolution to be submitted for shareholder vote as follows:

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to (i) establish a required liquidation date ("Target Term") of between 3-5 years and establish a Target Term liquidation net asset value ("Target Term NAV"); and (ii) use best efforts to maintain the current \$1.26/share level annual distribution through the Target Term. The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the NAV/trading price discount to the Target Term.

Rule 14a-8 allows a shareholder to have a shareholder proposal included on a company's proxy card and any supporting statement included in the proxy statement, provided the shareholder is eligible and follows certain procedures. Because Rule 14a-8 gives shareholders access to the Fund's proxy materials, the Fund has a significant interest in confirming that any

shareholder who submits a proposal under Rule 14a-8 meets all of the Rule's eligibility and procedural requirements. Therefore, we respectfully inform you of eligibility and procedural defects in the Proposal which will cause the Fund to exclude the Proposal from the Fund's Proxy Materials.

First, to be eligible to submit a proposal, Rule 14a-8(b) requires the shareholder to have continuously held at least \$2,000 in market value, or 1% of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date of submitting the proposal. In the event that the shareholder is not a registered holder, the shareholder is responsible for proving its eligibility to submit a proposal to the company. To do so, the shareholder must do one of two things. It can submit a written statement from the record holder of the shareholder's securities verifying that the shareholder has owned the requisite amount of securities continuously for one year as of the time the shareholder submits the proposal. We note that in the Letter you represent that Dolphin has continuously held at least \$2,000 in market value of shares "for more than a year." However, under Rule 14a-8(b), it is the record holder that must provide such confirmation. Specifically, Rule 14a-8(b)(2)(i) provides:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders

Included in the Proposal was a statement from Dolphin's prime broker, Jefferies LLC, which stated that "Jefferies LLC has held shares of First Trust High Income Long/Short Fund (current symbol: FSD) valued in excess of \$2,000 for the account of Dolphin Limited Partnership I LP for over one year." However, Jefferies did not confirm the continuous nature of holding the requisite securities for over one year as of the date of the Proposal, as required under Rule 14a-8(b)(2)(i). For further information, please see *Staff Legal Bulletin* No. 14F (CF), Item C, for guidance and suggested language for confirming the continuous nature of the ownership over the requisite period.

Next, under Rule 14a-8(c), a shareholder may submit no more than one proposal to a company for a particular shareholders' meeting. However, the Proposal submits two separate, distinct proposals for the 2019 annual meeting of Fund shareholders. The text of the Proposal is itself divided into two separate proposals, (i) and (ii). First, it is requested that a Target Term and Target Term NAV be established. Second, it is requested that the Fund use best efforts to maintain the current \$1.26/share level annual distribution for the rest of the Target Term. These are two separate and distinct proposals, and accordingly are procedurally deficient under Rule 14a-8(c).

Donald T. Netter
November 27, 2018
Page 3

Under Rule 14a-8(f), your response to this Notice of Defect from the Fund must be postmarked, or transmitted electronically, no later than 14 days from the date you receive this Notice of Defect.

If in fact you submit a Rule 14a-8 compliant proposal subsequently, the Fund reserves the right to seek concurrence from the staff of the Securities and Exchange Commission that the Proposal will not be considered a proposal subject to Rule 14a-8 or, in the alternative, that it can be omitted from the Fund's proxy statement relating to the 2019 annual meeting of Fund shareholders because of the various defects in compliance with Rule 14a-8 described above or other procedural or substantive violations of Rule 14a-8.

Nothing herein shall be deemed or considered to waive or alter any rights, claims, obligations and causes of action of the Fund, any shareholder or the current Trustees of the Fund, including but not limited to any rights under either Massachusetts or Federal law or the Fund's governing documents. All such rights, claims and causes of action are expressly reserved, including all rights or obligations the Fund or any such party may have under the Fund's governing documents or the Exchange Act. This Notice of Defect relates solely to Rule 14a-8 and does not constitute an election of remedies.

Sincerely,

FIRST TRUST HIGH INCOME LONG/SHORT
FUND

By: *Kristi A. Maher*
Kristi A. Maher, Assistant Secretary

cc: Martin D. Sklar, Esq.

DOLPHIN LIMITED PARTNERSHIP I, LP

December 5,, 2018

VIA FEDERAL EXPRESS

Mr. William Scott Jardine
Corporate Secretary
Ms. Kristi A. Maher
Assistant Secretary
First Trust Advisors, L.P.
120 East Liberty Drive, Suite 400
Wheaton, Illinois 60187

RE: Shareholder Proposal for the 2019 FSD Annual Meeting pursuant to Rule 14a-8

Dear Mr. Jardine and Ms. Maher:

Thank you for your November 27th response. Attached as Exhibit A please find our revised proposal (the "Proposal") conforming with your requirements (although we do not agree that our prior proposal was really two proposals). Also enclosed is a revised letter from Jefferies LLC specifying "continuous" ownership by Dolphin Limited Partnership I, LP ("Dolphin").

Dolphin hereby submits its revised shareholder Proposal and supporting statement for inclusion in the proxy statement for FSD's annual meeting of shareholders to be held in 2019 (the "2019 Annual Meeting").

Again, Dolphin has no interest in the Proposal other than its submission for a non-binding vote seeking a majority in favor of FSD stockholders entitled to vote at the 2019 Annual Meeting. Dolphin hereby renews its representations that (i) it has continuously held at least \$2,000 in market value of the shares and has held such for no less than one year prior to both the date hercof and November 14, 2018, (ii) it intends to continue to hold the requisite number of Shares through the date of the 2019 Annual Meeting, and (iii) it intends to appear in person or by proxy at the 2019 Annual Meeting to submit the Proposal for approval by FSD's shareholders.

c/o 1117 East Putnam Avenue, One Hundred and Fifty, Riverside, Connecticut 06418

Mr. William Scott Jardine
Ms. Kristi A. Maher
December 5, 2018
Page 2

Please confirm that all requirements for inclusion have now been met. If not, please immediately contact me and Dolphin's counsel, Kleinberg, Kaplan, Wolff & Cohen, P.C. Attention: Martin D. Sklar, Esq., Email: msklar@kkwc.com.

Thank you.

Very truly yours,

DOLPHIN LIMITED PARTNERSHIP I, LP

By: Dolphin Associates, I.L.C., as General Partner

By: Dolphin Holding Corp., as Managing Member

By: 

Name: Donald T. Netter

Title: Senior Managing Director

Attachment

cc: Martin D. Sklar, Esq.

c/o 1117 East Putnam Avenue, One Hundred and Fifty, Riverside, Connecticut 06418

EXHIBIT A

Proposal

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to establish a required liquidation date ("Target Term") of between 3-5 years and a Target Term liquidation net asset value ("Target Term NAV"). The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the trading price/NAV discount to the Target Term.

Supporting Statement

This proposal is submitted by Dolphin Limited Partnership I, L.P., a Delaware limited partnership established in or about 1995 ("Sponsor") and which, for not less than one year, has been a beneficial shareholder of FSD of no less than the required market value of FSD.

In contrast to FSD, funds with 3-5 year Target Terms and Target Term NAV's trade much closer to their NAV's. As of November 9, 2018, FSD's closing NAV was \$16.53/share vs. a closing trading price of \$14.16, in our view, an unacceptable 14.3% discount. Also, on November 9, 2018, the approximate closing trading price/NAV discount of a representative sample of closed end funds with Target Terms and Target Term NAV's were as follows (NYSE ticker symbols and trading price/NAV discount): BSL (+.2% premium), FIV (5.0%), JCO (3.3%), EFL (5.9%), EHT (3.5%) and JHB (4.0%). The average current yield of these securities is approximately 6.0% vs. 8.8% for FSD.

The Advisor reportedly manages 15 closed-end funds, one of which has a Target Term and Target Term NAV (FIV). Sponsor believes implementing the Proposal would benefit all FSD shareholders while presenting no appreciable risks.

Sponsor maintains that the trading price/NAV discount is wide because FSD's (i) has no defined Target Term, (ii) debt holdings are predominantly fixed coupon vs adjustable, (iii) net earnings, as of the most recent 19a-1 filing, only cover approximately 70% of its annual \$1.26 annual distribution (which the Sponsor would like to see continue), causing annual NAV depletion, and (iv) portfolio market value of predominantly fixed vs. adjustable coupon debt securities has continued to erode as a result of an escalating Federal Funds rate. This is despite fundamental improvement since the beginning of 2017 in high yield sector credit quality from corporate tax cuts, a strengthening economy and improving corporate profits.

Accordingly, Sponsor believes that initiating a Target Term and Target Term NAV under the Proposal, when implemented, would cause a material increase in FSD's trading price while maintaining closure of the trading price/NAV discount. On October 22, 2018 Dolphin sent an initial letter to the Advisor's management outlining such proposal. Insiders affiliated with FSD held as of December 31, 2017 12,725 shares.

WE URGE YOU TO VOTE FOR THIS PROPOSAL

Jefferies

Jefferies LLC
520 Madison Avenue
New York, NY 10022
tel. 212.284.2000
fax. 917.421.1931

Christopher Bianchi
Managing Director
Prime Brokerage Services
cbianchi@jefferies.com

November 14, 2018
Revised on December 5, 2018

First Trust High Income Long/Short Fund
120 East Liberty Drive, Suite 400
Wheaton, IL 60187
Attention: W. Scott Jardine

Attention W. Scott Jardine:

At our customer's request, I am composing this letter to advise you that according to our records, Jefferies LLC has continuously held shares of First Trust High Income Long/Short Fund (current symbol: FSD) valued in excess of \$2,000 for the account of Dolphin Limited Partnership I LP currently, on November 14, 2018 and for the previous 12 months from that date.

Thanks,



Christopher Bianchi
Managing Director
Prime Brokerage Services

Chapman and Cutler LLP

Attorneys at Law • Focused on Finance®

111 West Monroe Street
Chicago, Illinois 60603-4080

T 312.845.3000
D 312.845.2978
F (312).516.3978
koff@chapman.com

December 14, 2018

VIA E-MAIL (IMshareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street N.E.
Washington, DC 20549

Re: First Trust High Income Long/Short Fund – Omission of Shareholder Proposal Submitted by Donald T. Netter on behalf of Dolphin Limited Partnership I, L.P.

Ladies and Gentlemen:

As counsel to First Trust High Income Long/Short Fund, a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a closed-end management investment company (the “Fund”), we request confirmation that the Staff (the “Staff”) of the Securities and Exchange Commission (the “Commission”) will not recommend enforcement action pursuant to Rule 14a-8 promulgated under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), if the Fund omits from its proxy materials (the “Proxy Materials”) for its 2019 Annual Meeting of Shareholders (the “2019 Annual Meeting”) the non-binding proposals and supporting statements described herein.

Background

On October 18, 2018, the Fund received a letter from Donald T. Netter on behalf of Dolphin Limited Partnership I, L.P. (collectively the “Proponent” or “Dolphin”) which was provided to the Board of Trustees (the “Board”) of the Fund, independent counsel to the independent Board members, and management of First Trust Advisors L.P. (“First Trust”), the investment advisor to the Fund. The letter stated that Dolphin was seeking management support for “all or substantially all” of a proposal to “close and maintain closure of the sizeable valuation gap” between the trading price of the Fund and the net asset value (“NAV”) of the Fund. The letter set forth four subparagraphs and additional information requesting specific action relating to a “proposal”. The letter received on October 18, 2018 did not include a specific shareholder proposal under Rule 14a-8 of the Exchange Act for the Fund’s proxy statement, but rather asked for the Board’s consideration of the “proposal” and to advise the Proponent promptly whether there would be any difficulty including some or all of the “proposal” in the Fund’s 2019 proxy statement.

In a letter dated October 31, 2018 to the Proponent, the Fund highlighted a lack of clarity over whether the letter was attempting to qualify under Rule 14a-8 and notified the Proponent of

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multiple eligibility and procedural defects contained in the letter if the Proponent was trying to submit a proposal under Rule 14a-8. The Proponent responded with a letter dated November 14, 2018, which was received by the Fund on November 15, 2018, acknowledging that the letter received on October 18, 2018 was *not* intended to constitute a Rule 14a-8 request to place a proposal on the ballot but stated that the Proponent was modifying the original letter in order to submit a Rule 14a-8 proposal (the "*Original Proposal*") for inclusion in the Proxy Materials for the Fund's 2019 Meeting. The Fund's deadline for receiving a Rule 14a-8 proposal for inclusion in its Proxy Materials was November 15, 2018.

The Original Proposal likewise did not satisfy certain eligibility and procedural requirements of Rule 14a-8 and also proposed approval by shareholders of the Fund of the payment by the Fund of a specific amount of annual distributions. The Fund responded to the Original Proposal on November 27, 2018, notifying the Proponent of eligibility and procedural defects included in the Original Proposal, including that the Original Proposal contained multiple proposals and did not provide the required proof of continuous ownership of the requisite number of shares of the Fund in accordance with Rule 14a-8.

On December 7, 2018, after the November 15, 2018 deadline, the Fund received the Proponent's response letter to the Fund's November 27, 2018 notice of defect which attempted to cure the prior eligibility and procedural defects noted by the Fund (the "*Revised Proposal*" and, together with the Original Proposal, the "*Proposals*"). Information confirming the continuous nature of Dolphin's holdings of in excess of \$2,000 of the shares of the Fund for over one year was not included with such letter and was not received until December 9, 2018. This submission to the Staff followed.

Pursuant to Rule 14a-8(j), this letter is being filed with the Commission not less than 80 days before the Fund plans to file its definitive proxy statement, and is contemporaneously advising the Proponent of the Fund's intention to omit the Proposals from the Proxy Materials. The Proposals and supporting statements are attached hereto as Exhibit A, and correspondence between the Proponent and the Fund is attached hereto as Exhibit B.

The Original Proposal requests, in relevant part, that the Board take action to establish a required liquidation date and set a target liquidation value per share. Further, the Original Proposal requires the use of best efforts to maintain the current annual distribution through the liquidation date. The language of the Original Proposal is as follows:

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to (i) establish a required liquidation date ("Target Term") of between 3-5 years and establish a Target Term liquidation net asset value ("Target Term NAV"); and (ii) use best efforts to maintain the current \$1.26/share level annual distribution through the Target Term. The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while

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maintaining closure of the NAV/trading price discount to the Target Term.

The Revised Proposal requests that the Board take action to establish the required liquidation date and establish the Target Term NAV. The language of the Revised Proposal is as follows:

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to establish a required liquidation date ("Target Term") of between 3-5 years and a Target Term liquidation net asset value ("Target Term NAV"). The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the trading price/NAV discount to the Target Term.

Reasons for Exclusion of the Proposals

The Fund believes that it may properly omit the Proposals from the Proxy Materials for the 2019 Annual Meeting for the following reasons:

- The Revised Proposal Violates the Timing Requirements. The Fund may exclude the Revised Proposal pursuant to Rule 14a-8(e) because neither the Revised Proposal nor the confirmation of the requisite continuous ownership position in the Fund was timely submitted to the Fund.
- The Original Proposal Constitutes Multiple Proposals. The Fund may exclude the Original Proposal pursuant to Rule 14a-8(c) because it constitutes multiple proposals instead of one single proposal.
- The Original Proposal Mandates a Specific Level Annual Distribution. The Fund may exclude the Original Proposal pursuant to Rule 14a-8(i)(13) because it requests the payment by the Fund to its shareholders of a certain amount of dividends.
- The Proposals ask the Advisor to Establish Terms of the Target Term and the Target Term NAV. The Fund may exclude the Proposals pursuant to Rule 14a-8 because such actions are properly within the purview of the Board of Trustees of the Fund and not the Advisor, and as such are in violation of Rule 14a-8(i)(6).

I. **The Revised Proposal Violates the Timing Requirements of Rule 14a-8(e).**

Rule 14a-8(e) provides that the deadline for submitting a shareholder proposal is "not less than 120 calendar days" before the date of the company's proxy statement released to shareholders in connection with the prior year's annual meeting. The Fund's definitive proxy statement for its

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2018 annual meeting of shareholders provides that the deadline for submission of a shareholder proposal to be considered at the 2019 annual meeting of shareholders was November 15, 2018. The Original Proposal was received on November 15, 2018, but was procedurally and substantively deficient. The Revised Proposal was received on December 7, 2018 (the proof of requisite continuous ownership was not received until December 9, 2018), but should be considered untimely pursuant to the Staff's guidance on Rule 14a-8(e).

Staff Legal Bulletin No. 14F, Item D.2 provides that a company is not required to accept revisions to a shareholder's previously timely filed proposal if the revisions come after the deadline for receiving proposals under Rule 14a-8(e). Further, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a request to exclude the proposal to the Commission and provide the proponent with a copy as a notice stating its intention to exclude the revised proposal. This letter shall serve as such notice as required under Rule 14a-8(j).

Exchange Act Release No. 34-12999 (Nov. 22, 1976) explains that changes to a timely submitted proposal or supporting statement can be made by the proponent after the timeliness deadline has passed if the changes are minor in nature and do not alter the substance of the proposal. For example, changes in the form of the proposal to bring it into accordance with requirements of state law, or a change to delete a misleading statement, would be permissible alterations under the Staff's guidance. However, any substantive change to the proposal can be considered an entirely new proposal that is excludable under the timeliness provision of Rule 14a-8(e).

The Original Proposal consisted of two separate and distinct propositions, labeled (i) and (ii). First, it sought to establish a Target Term and a Target Term NAV. We note that this in itself may constitute two separate proposals in violation of Rule 14a-8. Second, it sought to maintain a specific level annual distribution to be paid to shareholders of the Fund through the Target Term. The Revised Proposal substantially altered these two distinct propositions by removing the dividend requirement of the Original Proposal and focused solely on the Target Term and Target Term NAV plan to reduce the trading discount (although the Proponent retained the request to maintain a specified level annual distribution in a parenthetical in the supporting statement for the Revised Proposal). A change that removes the dividend requirement is inherently substantive in nature and far more significant than the permissible alterations under Exchange Act Release No. 34-12999. In *The Proctor & Gamble Company* (July 7, 1981), the Staff reasoned that the amended proposal contained a change "so substantive in nature" that it should be considered a new proposal subject to the timeliness requirements, and as such was excludable. In *Proctor*, the proponent amended the original proposal to change from a specific percentage of dividends to advocate for shareholders getting a larger portion of net earnings. Similarly, here, by removing the mandate for a specific amount of distributions from the request, the Proponent has fundamentally changed the stated objectives of the Original Proposal. The Original Proposal had two different components, establishing a liquidation date and liquidation value for the Fund and setting a specific amount of annual distributions for the Fund. The Revised Proposal does not have dual objectives as it removed the mandated dividend. By removing one of the original components, the Proponent has fundamentally and substantively changed the nature of the proposal. As such, the Revised Proposal should be considered a new proposal subject to the timeliness requirements of Rule 14a-8(e), which was received 22 days after the November 15, 2018 deadline. Furthermore, the

establishment of the continuous nature of the ownership of the Fund's shares by the Proponent for at least one year was not satisfied until December 9, 2018, which was well beyond the November 15, 2018 due date, rendering both Proposals late. Therefore, the Proposals are untimely under Rule 14a-8(e) and are excludable.

For the reasons set forth above, the Fund believes that the Revised Proposal is properly excludable from the Company's Proxy Materials under Rule 14a-8(e). The Fund respectfully requests that the Staff confirm that it will not recommend any enforcement action if the Fund omits the Revised Proposal from its Proxy Materials. Further, Staff Legal Bulletin No. 14F provides that if a company doesn't accept the revisions and still wishes to exclude the initial proposal, it must submit its reasons for excluding the initial proposal. The Fund addresses the reasons to exclude the Original Proposal below. Additionally, reasons to exclude the Revised Proposal have also been addressed in item IV of this letter herein in the event that the Staff does not agree with the analysis above.

II. The Original Proposal May Be Excluded Pursuant to Rule 14a-8(c) Because it Consists of Multiple Proposals.

Rule 14a-8(c) provides that each shareholder may submit "no more than one proposal" for a particular shareholders' meeting. As detailed above, the Fund received the Original Proposal on November 15, 2018. Item (i) of the Original Proposal requires that the Fund "establish a required liquidation date ("Target Term") of between 3-5 years and establish a Target Term liquidation net asset value ("Target Term NAV)." The Original Proposal also contains a second item, specifically that best efforts are used "to maintain the current \$1.26/share level annual distribution through the Target Term." In its letter dated November 27, 2018, the Fund notified the Proponent that the submission violated Rule 14a-8(c) because it contained multiple and distinct proposals. The Revised Proposal focused on item (i), but as explained above is untimely. Therefore, the Original Proposal is also excludable under Rule 14a-8(c).

The Staff has consistently recognized that Rule 14a-8(c) permits the exclusion of proposals combining separate and distinct elements which lack a single well-defined unifying concept. This is true even if the elements are presented as part of a single program relating to the same subject matter. The Staff has issued a series of no-action positions allowing exclusion of multiple proposals which are couched as one single concept. For example, in *HealthSouth Corp.* (March 28, 2006), the proposal submitted attempted to make 2 amendments to the bylaws: (i) giving power to the shareholders to increase the size of the board, and (ii) allowing shareholders to then fill those director vacancies created by the increase. While the proponent claimed that the proposals were related to the single concept of giving shareholders the power to add directors of their choosing, the Staff reasoned that the submission constituted multiple proposals. Similarly, in *Goldman Sachs* (January 18, 2012), the proposal asked the company's board to take a series of steps to allow shareholders to make board nominations under the procedures set forth in the proposal. However, there was a separate section of the proposal that the company maintained had nothing to do with the process for providing shareholders with the ability to nominate directors and have those candidates included in the proxy materials. Accordingly, the company argued that this portion was separate and distinct from the rest of the proposal because "it was not essential to and implicates a different set of concerns than the Proposal's main concept of providing shareholders

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with proxy access.” The Staff concurred and found that there was some basis for excluding the proposal under Rule 14a-8(c).

The Original Proposal consists of separate and distinct matters. Specifically, item one requests the establishment of a Target Term and Target Term NAV, which as noted above are two separate points. Item two requests the maintenance of the annual distribution at a specific level. Each of these items is independent of the other. Accordingly, the Original Proposal is at a minimum really two distinct proposals and is excludable.

For the reasons set forth above, the Fund believes that the Original Proposal is properly excludable from the Company’s Proxy Materials under Rule 14a-8(c). The Fund respectfully requests that the Staff confirm that it will not recommend any enforcement action if the Fund omits the Original Proposal from its Proxy Materials.

III. The Original Proposal Mandates a Specific Level Annual Distribution.

Rule 14a-8(i)(13) provides that a proposal that “relates to specific amounts of cash or stock dividends” may be excluded, which has been recognized consistently by the Staff in its no-action positions (*see e.g., Merrill Lynch & Co.* (February 11, 2008), *Eastman Chemical Company* (March 8, 2000), *Pioneer Interest Shares* (June 20, 2001)).

Under *Pioneer Interest Shares*, the proposal requested that the fund sell specific securities to declare a 35% return of capital dividend to shareholders, or entirely liquidate the fund. The fund noted that the declaration of a dividend that is a return of capital is a proposal that relates to a specific amount of dividends to be paid by the issuer. The Staff agreed and found that the proposal related to a specific amount of a dividend and therefore was excludable. Similarly, under *Merrill Lynch*, the proposal requested that the board of directors adopt a policy that enabled investors to share in profitability and growth by granting the stockholders rights to cash dividends, stock dividends and special distributions. The proposal then went on to specify in its supporting statement the actual calculations applicable for the proposed dividends. For example, the proposal requested payments to shareholders for “diluted earnings per share in excess of \$7.00, at the Board’s discretion;” and that the policy be “effective for the 2008 to 2012 calendar years.” The Staff agreed that the proposal related to specific amounts of dividends and therefore was excludable.

The Original Proposal at issue here mirrors *Pioneer Interest* and *Merrill Lynch*. The text of the Original Proposal requests that the Board take all required steps to “use best efforts to maintain the current \$1.26/share level annual distribution through the Target Term.” These distributions are simply dividend payments made to the common shareholders. Unlike *Exxon Mobil Corporation* (March 19, 2007), which allowed a proposal that a policy be adopted by shareholders regarding dividends to go forward but still left the determination of the actual amount to pay up to the board, the Original Proposal requests that the Board maintain a specific dollar amount per share paid as a dividend through the desired Target Term as opposed to a policy position regarding distributions. Additionally, the Board has exclusive power over the issuance of the dividends. Section 8.1 of the Fund’s Declaration of Trust (“*Declaration*”) grants to the Board the exclusive power and authority to declare and pay dividends or distributions on shares of the

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Fund. Shareholders of the Fund have no such rights under the Declaration to authorize and pay dividends or distributions.

The Original Proposal on its face deals with a specific amount of dividends/distributions and attempts to usurp the Board's authority for the issuance of dividends as authorized under the Fund's Declaration, and therefore is excludable from the Fund's Proxy Materials under Rule 14a-8(i)(13) and is incapable of being cured.

For the reasons stated forth above, the Fund believes that the Original Proposal is properly excludable from the Company's Proxy Materials under Rule 14a-8(i)(13). The Fund respectfully requests that the Staff confirm that it will not recommend any enforcement action if the Fund omits the Original Proposal from its Proxy Materials.

IV. The Proposals ask the Advisor to Establish the Terms of the Target Term and the Target Term NAV.

The Proposals each request that the "Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the trading price/NAV discount to the Target Term" (emphasis added). Under Massachusetts law and the Fund's Declaration, these are matters solely within the domain of the Board and not the Advisor. The Advisor does not have the requisite power or authority under either the Fund's Declaration or the Fund's Investment Management Agreement to set the Target Term and the Target Term NAV as required under the Proposals, and as such the Proposals are excludable under Rule 14a-8(i)(6).

Section 7.1 of the Declaration specifically provides that the "Trust may enter into contracts with one or more Persons, to act as investment adviser, investment sub-adviser . . . and as such to perform such functions as the Trustees may deem reasonable and proper, including without limitation, investment advisory, management, research, valuation of assets, clerical and administrative functions, under such terms and conditions, and for such compensation, as the Trustees may deem advisable." The Board exercised this option by entering into an Investment Management Agreement with First Trust. This agreement explicitly defines the limits and authority of the First Trust in connection with the Fund. First Trust agreed to act as the investment advisor for the Fund and "to manage the investment and reinvestment of the assets of, the Trust in accordance with the Trust's investment objectives and policies and limitations, and to administer the Trust's affairs to the extent requested by and subject to the supervision of the Board of Trustees of the Trust."

Rule 14a-8(i)(6) permits the exclusion of a shareholder proposal if the Fund would lack the power or authority to implement the proposal. The Advisor does not have the authority under the Investment Management Agreement or the Declaration and therefore Massachusetts law to set a Target Term or Target Term NAV on behalf of the Fund. The Advisor is responsible for the management of the Fund's assets. The Advisor does not have the ability to set target NAV's or liquidate the Fund. Setting a Target Term and Target Term NAV falls outside of the scope of power and authority that has been granted to the Advisor and is instead subject to the purview of the Board as provided in the Declaration. As such, the Proposals are excludable.

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For the reasons set forth above, the Fund believes that the Proposals are properly excludable from the Company's Proxy Materials under Rule 14a-8(i)(6). The fund respectfully requests that the Staff confirm that it will not recommend any enforcement action if the Fund omits the Original Proposal from its Proxy Materials.

V. Request

In summary, because the Revised Proposal does not comply with the timing requirements of Rule 14a-8(e) as the Revised Proposal and the evidence of continuous ownership were both submitted after the deadline, the Original Proposal constitutes multiple proposals in violation of Rule 14a-8(c), the Original Proposal mandates a level annual distribution rendering it excludable beyond cure pursuant to Rule 14a-8(i)(13), and the Proposals ask the Advisor to establish the terms of the Target Term and Target Term NAV without power or authority to do so in violation of Rule 14a-8(i)(6), please confirm that the Staff will not recommend enforcement action pursuant to Rule 14a-8 if the Fund omits the Proposals from its Proxy Materials. If you have any questions or require any additional information, please do not hesitate to contact the undersigned at 312-845-2978 or William C. Hermann at 312-845-3895. If the Staff is unable to agree with our conclusion without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to issuance of any written response to this letter.

Sincerely,

CHAPMAN AND CUTLER LLP

/s/ Jonathan A. Koff

By: Jonathan A. Koff, Esq.

Enclosures

cc: W. Scott Jardine
Donald T. Netter
Martin Sklar

EXHIBIT A



**KLEINBERG
KAPLAN**

December 21, 2018

VIA FEDERAL EXPRESS

U. S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street N.E.
Washington, D.C. 20549

Re: First Trust High Income Long/ Short Fund (NYSE Ticker Symbol: FSD); Timely submission of a single unified proposal by Dolphin Limited Partnership I, L.P.; Dolphin's letter to the Staff responds to a December 14, 2018 letter to the Staff by FSD's outside counsel seeking to exclude Dolphin's proposal from FSD's 2019 proxy statement.

Ladies and Gentleman:

We represent Dolphin Limited Partnership I, L.P. ("Dolphin") with respect to its inclusion of a proposal in the First Trust High Income Long/Short Fund ("FSD") 2019 proxy statement. We have reviewed FSD's prior communications to Dolphin as well as a December 14, 2018 letter to the Staff from FSD's outside counsel (the "FSD Staff Submission") seeking a no-action position from the Staff as to FSD's intention to exclude Dolphin's proposal. After reviewing the facts, we contend that there is no reasonable basis for FSD to make claim to exclude Dolphin's proposal.

In support of Dolphin's position and in summary, the December 14, 2018 eight page FSD Staff Submission is highly contradictory and misleading in many important respects.

FSD's November 27, 2018 letter from its In-house counsel to Dolphin (enclosed herewith) in response to Dolphin's November 14, 2018 Proposal (termed by FSD as the "Original Proposal") and timely received by FSD on November 15, 2018 -

- Indicated that Dolphin could timely resubmit its proposal to remedy two specific alleged defects¹ within 14 days (i.e. by December 11, 2018), which Dolphin complied with by December 9 as indicated in the FSD Staff Submission. The FSD Staff Submission makes no specific mention of the extended deadline (mandated by Rule 14a-8 Response to Question 6).

- One of the alleged defects was Dolphin's inclusion of a requirement to "use best efforts to maintain the current \$1.26 level annual distribution through the Target Term" constituted a second proposal.

¹ As discussed below, the two alleged defects were (i) the inclusion of a requirement to use best efforts to maintain the distribution level and (ii) the absence of the word "continuous" in the broker's letter evidencing Dolphin's ownership. Dolphin responded in a timely manner without conceding FSD's contentions.



**KLEINBERG
KAPLAN**

While Dolphin did not concede that its proposal constituted two proposals, Dolphin nevertheless complied with FSD's conditions for inclusion in its 2019 proxy statement in its December 7-9, 2018 re-submission to FSD (termed by FSD as the "Revised Proposal") and as indicated in the FSD Staff Submission.²

- Fails to indicate that FSD timely received with the Original Proposal a customary letter from Dolphin's prime broker evidencing Dolphin's ownership of the requisite number of shares for the duration of the applicable period (see attached). While use of the term "continuous" might have been preferable, it is not mandated language. A fair reading of the original broker's letter shows that it complied with Rule 14a-8 and did not contain the kinds of errors cited by the Staff in Staff Bulletin 14F (CF). To adhere to FSD's request, a revised broker's letter containing FSD's requested language was timely received by FSD on December 9, 2018 in advance of the deadline.

The FSD Staff Submission is highly contradictory, misleading and incorrect because:

- While the FSD's Staff Submission provides Dolphin's Original and Revised Proposals, in Section IV and throughout the FSD Staff Submission, FSD's counsel fails to convey to the Staff that the text of both Proposals contains the defined term of "Advisor" which includes "our Board and First Trust Advisors, L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC."³ The FSD Staff Submission also fails to indicate that implementation of Dolphin's Proposal will also logically require the efforts of First Trust Advisors, L.P. (Note that this Board has general authority to approve a liquidation or even to modify the declaration of trust even without shareholder approval. See FSD's Declaration of Trust, Exhibit 2(a) to Form N-2 (File No. 333-168186).

- The FSD Staff Submission cites Exchange Act Release No. 34-12999 (Nov. 22, 1976) indicating that (40 years ago) the Staff had "an informal view" that timeliness required that changes after the submission deadline had to be "minor in nature" and not "alter the substance of the proposal." We have little doubt that such Release does not stand for the proposition that a modification timely made in accordance with the issuer's Notice of Defect renders the proposal subject to rejection for lateness and alleged alteration of the substance of the proposal. The opportunity for issuer mischief would be much too great. Staff Bulletin 14F states that the issuer need not accept late revisions, but surely it must accept revisions which the issuer itself demanded. FSD attempts to argue, illogically, that by removing a part of the proposal, as demanded by FSD as a condition of acceptance, Dolphin has somehow

² In the context of FSD being a closed-end management investment company, Dolphin's Original Proposal constituted a single proposal based on a unifying concept, i.e. reducing/eliminating the trading discount. Many such funds have target terms and target term NAV's while maintaining a level distribution policy at the discretion of the board (consistent with Dolphin's "best efforts" language in the Original Proposal). The core of Dolphin's Original and Revised Proposals is a 3-5 year liquidation horizon requiring a Target Term, Target Term NAV and a distribution policy set by the Board. In any event, the distribution point was removed from the Revised Proposal pursuant to FSD's purported Notice of Defects.

³ When referring to just the investment adviser, the Supporting Statement refers to First Trust Advisors, L.P. by name and does not use the defined term.



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"fundamentally changed its stated objective." This is obviously incorrect as the objective of reducing the trading discount remains exactly the same.

• The FSD Staff Submission floats the veiled notion that implementing both a "Target Term" and a "Target Term NAV," together a unifying concept customary in the closed-end bond fund sector, "may constitute" two proposals; however, FSD's counsel fails to disclose to the Staff that FSD did not previously suggest anything of the kind in its November 27, 2018 letter to Dolphin or otherwise. FSD should be estopped from doing so now. Rule 14a-8 requires the issuer to timely notify the proponent of "any procedural and eligibility deficiencies."

The foregoing should satisfactorily establish that (i) Dolphin modified its proposal of November 14, 2018, timely received by FSD on November 15, 2018 only at the behest of FSD and in accordance with its letter to Dolphin of November 27, 2018; (ii) Dolphin's proposal defines "Advisor" to include "the board"; and (iii) Dolphin's Revised Proposal reflects a single unifying concept and, together with a broker's letter evidencing "continuous" ownership of the required holdings, was timely received by FSD on December 7-9, 2018.

Dolphin's communications with FSD were intended to be cooperative. Accordingly, Dolphin modified its timely filed November 15, 2018 proposal to comply with FSD's conditions set forth in its November 27th Notice of Defect. Now, FSD disingenuously seeks to exclude the timely filed Revised Proposal in violation of Rule 14a-8. Clearly, the December 7th Revised Proposal should be included in the FSD 2019 proxy statement. We strongly believe that such inclusion is in the best interest of all shareholders.

We would welcome the opportunity to confer with members of the Staff about this matter.

Very truly yours,

Martin D. Sklar

**cc: W. Scott Jardine, Esq.
Jonathan A. Koff, Esq.
Donald T. Netter**

January 3, 2019

VIA E-MAIL (IMshareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street N.E.
Washington, DC 20549

Re: First Trust High Income Long/Short Fund – Omission of Shareholder Proposal Submitted by Donald T. Netter on behalf of Dolphin Limited Partnership I, L.P.; Response to Dolphin Limited Partnership I, L.P. Submission Dated December 21, 2018

Ladies and Gentlemen:

This letter is in response to the letter submitted on behalf of Dolphin Limited Partnership I, L.P. (“*Dolphin*” or the “*Proponent*”) to the Staff (the “*Staff*”) of the Securities and Exchange Commission (the “*Commission*”) on December 21, 2018 (the “*Dolphin Response Letter*”). The Dolphin Response Letter was in response to our December 14, 2018 submission (the “*FSD No Action Request*”) on behalf of the First Trust High Income Long/Short Fund, a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the “*1940 Act*”), as a closed-end management investment company (the “*Fund*”), which sought the Staff’s assurance that it would not recommend enforcement action pursuant to Rule 14a-8 promulgated under the Securities and Exchange Act of 1934, as amended (the “*Exchange Act*”), if the Fund omitted from its proxy materials (the “*Proxy Materials*”) for its 2019 Annual Meeting of Shareholders (the “*2019 Annual Meeting*”) the shareholder proposals received on November 15, 2018 (the “*Original Proposal*”) and the proposal received December 7, 2018 (the “*Revised Proposal*”, and, collectively the “*Proposals*”). We have reviewed the Dolphin Response Letter and are responding to: i) reiterate the position that the Proposals may be properly omitted from the Fund’s Proxy Materials; and ii) correct misleading assertions in the Dolphin Response Letter.

I. Raising only the Procedural Defects was Neither Contradictory nor Misleading.

The Dolphin Response Letter accuses the FSD No Action Request of being highly contradictory and misleading more than once. The Dolphin Response Letter essentially accuses the Fund of changing the rules and acting in a “disingenuous” manner. By doing so, the Dolphin Response Letter is incorrect and is itself misleading.

As required by Rule 14a-8(f), in a letter sent to Dolphin on November 27, 2018 (the “*Notice of Defect*”), the Fund informed Dolphin of two procedural and eligibility defects, namely that Rule 14a-8(b) (shareholder ownership) and Rule 14a-8(c) (no more than one proposal) had not been satisfied. Rule 14a-8 does not require a company notify a shareholder of substantive defects so that those defects may be given an opportunity to be cured. Further, the Notice of Defect reserved the right to seek to exclude the Original Proposal for any substantive violations of Rule 14a-8.¹ Therefore, by alerting Dolphin to the procedural defects of the Original Proposal, the Fund was satisfying its obligations under Rule 14a-8. Not asserting a substantive defect at that stage was in no way a waiver of the ability to do so when seeking a no action request from the Staff, and the Proponent is on notice of this fact both by the function of Rule 14a-8, and by the specific reservation of all rights to challenge the Original Proposal language that was included in the Notice of Defect. By later challenging substantive failures of the Proposals, the Fund is acting completely within the bounds of its authority under Rule 14a-8 by demanding compliance with its substantive restrictions. The issuer is under no obligation to advise a proponent as to how to comply with the requirements of Rule 14a-8; rather they are obligated to notify them of procedural and eligibility defects under the rule, which the Fund did in its Notice of Defect. In no way is this disingenuous or outside the scope of Rule 14a-8, and assertions to the contrary are misleading.

II. The Original Broker Communications Were Procedurally Insufficient.

Dolphin takes further issue with its defect under Rule 14a-8(b) regarding the proof of the required ownership. Rule 14a-8(b)(1) requires that to be eligible to submit a proposal the shareholder “must have continuously held at least \$2,000 in market value, or 1%, of the company’s securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal.” Further, as explained to Dolphin in the Notice of Defect, Rule 14a-8(b)(2)(i) provides “[t]he first way is to submit to the company a written statement from the ‘record’ holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you *continuously* held the securities for at least one year” (emphasis added). *Staff Legal Bulletin* No. 14F, Item C addresses ways to avoid errors in submitting proof of ownership to companies. Item C provides “many proof of ownership letters do not satisfy [Rule 14a-8(b)’s] requirement because they do not verify the shareholder’s beneficial ownership for the entire one-year period, preceding and including the date the proposal is submitted” and “many letters fail to confirm continuous ownership of the securities.” The Staff then goes on to recommend an easy-to-follow format to comply with the particular requirements of Rule 14a-8, specifically “[a]s of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities].” Our Notice of Defect directed the Proponent to this section for guidance and “suggested language for confirming the continuous nature of the ownership over the requisite period.”

¹ The Notice of Defect further stated that “[n]othing herein shall be deemed or considered to waive or alter any rights, claims, obligations and causes of action of the Fund, any shareholder or the current Trustees of the Fund, including but not limited to any rights under either Massachusetts or Federal law or the Fund’s governing documents. All such rights, claims and causes of action are expressly reserved, including all rights or obligations the Fund or any such party may have under the Fund’s governing documents or the Exchange Act.”

In the Proponent's November 14, 2018 letter submitting the Original Proposal, Dolphin itself attempted to confirm the continuous nature of ownership of the securities, but its broker (Jefferies) did not.² Jefferies did not provide the specific date on which it was confirming ownership, nor did the letter contain any language that confirmed continuous ownership from the date of the submission of the Original Proposal over the past calendar year as required by Rule 14a-8(b). In the Dolphin Response Letter, the Proponent asserts "while use of the term 'continuous' might have been preferable, it is not mandated language." While the word "continuous" may not specifically be required by the rule, proving continuous ownership is required and the original broker letter failed to prove continuous ownership as required by Rule 14a-8(b). Dolphin's response to the Notice of Defect was dated December 5, 2018 and received by the Fund on December 7, 2018. However, the broker's letter was not received until December 9, 2018. This second letter had been changed to comply with the requirements of Rule 14a-8(b), and the Fund takes no issue with its current substance, only its separate December 9, 2018 arrival, beyond the applicable timeliness.

III. The Procedural Change Caused a Substantive Change Rendering the Revised Proposal Untimely.

Dolphin's Original Proposal contained two distinct requests, which they were notified of in the Notice of Defect. Part of the Original Proposal requested to maintain the current distribution rate, which is a substantive violation of Rule 14a-8(i)(13) by requesting the payment of a specific amount of distributions. The Fund did not need to alert Dolphin of this substantive defect in its Notice of Defect. In fact, at that point the Fund could have submitted to the Staff a no-action request as to the Original Proposal in its entirety as it included the requested specific distribution and therefore was incurably defective. However, the Fund did alert Dolphin to the procedural defect of having multiple proposals. Dolphin attempted to cure the procedural violation but doing so resulted in a substantive change to the Original Proposal by deleting the requested specified distribution. By removing the request for maintaining the distribution, the Proponent altered the substance of the Original Proposal, and under the Staff's guidance this is considered a new proposal subject to the timing requirements of Rule 14a-8. *Staff Legal Bulletin* No. 14F, Item D.2 provides that if a revised proposal is received after the company's deadline for receiving proposals, the company may exclude the revised proposal, relying on Rule 14a-8(e), and would then need to submit reasons for excluding the initial proposal. The situation directly applies here. The Revised Proposal was received after the Fund's November 15, 2018 deadline and can be excluded in reliance on Rule 14a-8(e). Further, pursuant to Exchange Act Release No. 34-12999, the Revised Proposal is substantively a new proposal and can be excluded under Rule 14a-8(e). Dolphin attempts to claim that the purpose of the Original Proposal and Revised Proposal are the same in an effort to discredit the Proposals being substantively different.

Dolphin's Response Letter also asserts that the Fund "demanded" this modification as a condition of acceptance. This is inaccurate. The Fund highlighted the procedural defect of the Original Proposal under Rule 14a-8 as having two separate and distinct elements, which Dolphin

² The broker is the operative party here as the record holder of the securities. Therefore, it is the broker that must confirm the continuous nature for at least one year under the Rule for Dolphin, not Dolphin itself.

labelled as (i) and (ii). The Fund did not require a specific alteration be made in order for it to accept the Original Proposal for inclusion with the Proxy Materials. If instead the Staff were to consider the Original Proposal as a single proposal, it would be otherwise excludable as requesting a specified distribution amount. This Revised Proposal was received after the Fund's November 15, 2018 deadline, and since it is substantively a new proposal, it is therefore untimely and excludable. Not only does Exchange Act Release No. 34-12999 endorse this view, but as discussed above so does *Staff Legal Bulletin* No. 14F, and the Fund therefore is not required to accept the Revised Proposal. The Fund complied with *Staff Legal Bulletin* No. 14F, and submitted reasons to exclude both the Revised Proposal and the Original Proposal.

IV. Request

The Dolphin Response Letter provides no substantive legal analysis nor cites any applicable authority as to why the Proposal should not be excluded, it just claims the FSD No Action Request is contradictory and misleading. We reiterate our position based on the analysis and authority cited in the FSD No Action Request and in the foregoing. We hereby request that the Staff confirm that it will not recommend enforcement action pursuant to Rule 14a-8 if the Fund omits the Proposals from its Proxy Materials because the Notice of Defect was neither misleading, inaccurate nor disingenuous, the original broker communications were in fact procedurally insufficient and the Revised Proposal constituted a substantively new proposal and was therefore untimely and excludable. If you have any questions or require any additional information, please do not hesitate to contact the undersigned at 312-845-2978 or William C. Hermann at 312-845-3895. If the Staff is unable to agree with our conclusion without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to issuance of any written response to this letter.

Sincerely,

CHAPMAN AND CUTLER LLP

/s/ Jonathan A. Koff

By: Jonathan A. Koff, Esq.

Enclosures

cc: W. Scott Jardine
Donald T. Netter
Martin Sklar

Proposal

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to (i) establish a required liquidation date ("Target Term") of between 3-5 years and establish a Target Term liquidation net asset value ("Target Term NAV"); and (ii) use best efforts to maintain the current \$1.26/share level annual distribution through the Target Term. The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the NAV/trading price discount to the Target Term.

Supporting Statement

This proposal is submitted by Dolphin Limited Partnership I, L.P., a Delaware limited partnership established in or about 1995 ("Sponsor") and which, for not less than one year, has been a [beneficial shareholder] of FSD of no less than the required market value of FSD.

In contrast to FSD, funds with 3-5 year Target Terms and Target Term NAV's trade much closer to their NAV's. As of November 9, 2018, FSD's closing NAV was \$16.53/share vs. a closing trading price of \$14.16, in our view, an unacceptable 14.3% discount. Also, on November 9, 2018, the approximate closing NAV/trading price discount of a representative sample of closed end funds with Target Terms and Target Term NAV's were as follows (NYSE ticker symbols and NAV/trading price discount): BSL (+.2% premium), FIV (5.0%), JCO (3.3%), EFL (5.9%), EHT (3.5%) and JHB (4.0%). The average current yield of these securities is approximately 6.0% vs. 8.8% for FSD.

First Trust Advisors L.P. reportedly manages 15 closed-end funds, one of which has a Target Term and Target Term NAV (FIV). Sponsor believes implementing the Proposal would be beneficial for all FSD shareholders while presenting no appreciable risks.

Sponsor maintains that the NAV/trading price discount is wide because FSD('s) (i) has no defined Target Term, (ii) debt holdings are predominantly fixed coupon vs adjustable, (iii) net earnings, as of the most recent 19a-1 filing, only cover approximately 70% of its annual \$1.26 annual distribution, causing annual NAV depletion, and (iv) portfolio market value of predominantly fixed vs. adjustable coupon debt securities has continued to erode as a result of an escalating Federal Funds rate and the U.S. Treasury Yield Curve. This is despite fundamental improvement since the beginning of 2017 in high yield sector credit quality from corporate tax cuts, a strengthening economy and improving corporate profits.

Accordingly, Sponsor believes that initiating a Target Term and Target Term NAV under the Proposal, when implemented, would cause a material increase in FSD's trading price while maintaining closure of the NAV/trading price discount. Dolphin's letter of October 22, 2018 substantially reflecting the Proposal was forwarded to management and the board. Insiders affiliated with FSD held as of December 31, 2017 12,725 shares.

WE URGE YOU TO VOTE FOR THIS PROPOSAL.

Proposal

RESOLVED: that our Board and First Trust Advisors L.P., FSD's investment adviser, sub-advised by Mackay Shields LLC (the "Advisor") take all required steps with respect to First Trust High Income Long/Short Fund (NYSE Ticker Symbol: FSD) to establish a required liquidation date ("Target Term") of between 3-5 years and a Target Term liquidation net asset value ("Target Term NAV"). The Target Term and Target Term NAV shall both be set by the Advisor and seek to maximize the trading price while maintaining closure of the trading price/NAV discount to the Target Term.

Supporting Statement

This proposal is submitted by Dolphin Limited Partnership I, L.P., a Delaware limited partnership established in or about 1995 ("Sponsor") and which, for not less than one year, has been a beneficial shareholder of FSD of no less than the required market value of FSD.

In contrast to FSD, funds with 3-5 year Target Terms and Target Term NAV's trade much closer to their NAV's. As of November 9, 2018, FSD's closing NAV was \$16.53/share vs. a closing trading price of \$14.16, in our view, an unacceptable 14.3% discount. Also, on November 9, 2018, the approximate closing trading price/NAV discount of a representative sample of closed end funds with Target Terms and Target Term NAV's were as follows (NYSE ticker symbols and trading price/NAV discount): BSL (+ .2% premium), FIV (5.0%), JCO (3.3%), EFL (5.9%), EHT (3.5%) and JHB (4.0%). The average current yield of these securities is approximately 6.0% vs. 8.8% for FSD.

The Advisor reportedly manages 15 closed-end funds, one of which has a Target Term and Target Term NAV (FIV). Sponsor believes implementing the Proposal would benefit all FSD shareholders while presenting no appreciable risks.

Sponsor maintains that the trading price/NAV discount is wide because FSD('s) (i) has no defined Target Term, (ii) debt holdings are predominantly fixed coupon vs adjustable, (iii) net earnings, as of the most recent 19a-1 filing, only cover approximately 70% of its annual \$1.26 annual distribution (which the Sponsor would like to see continue), causing annual NAV depletion, and (iv) portfolio market value of predominantly fixed vs. adjustable coupon debt securities has continued to erode as a result of an escalating Federal Funds rate. This is despite fundamental improvement since the beginning of 2017 in high yield sector credit quality from corporate tax cuts, a strengthening economy and improving corporate profits.

Accordingly, Sponsor believes that initiating a Target Term and Target Term NAV under the Proposal, when implemented, would cause a material increase in FSD's trading price while maintaining closure of the trading price/NAV discount. On October 22, 2018 Dolphin sent an initial letter to the Advisor's management outlining such proposal. Insiders affiliated with FSD held as of December 31, 2017 12,725 shares.

WE URGE YOU TO VOTE FOR THIS PROPOSAL