

FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II

Form N-Q

April 26, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21539

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II

(Exact name of registrant as specified in charter)

1001 Warrenville Road, Suite 300
LISLE, IL 60532

(Address of principal executive offices) (Zip code)

W. Scott Jardine
First Trust Portfolios L.P.
1001 Warrenville Road, Suite 300
LISLE, IL 60532

(Name and address of agent for service)

Registrant's telephone number, including area code: 630-241-4141

Date of fiscal year end: MAY 31

Date of reporting period: FEBRUARY 28, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|---|--|----------|-------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - 152.8% | | | | | |
| AEROSPACE & DEFENSE - 6.0% | | | | | |
| AEROSPACE & DEFENSE - 6.0% | | | | | |
| \$ 3,619,959 | GenCorp Inc. | Ba2 | BB- | 8.32%-8.36% | 12/06/10 |
| 2,876,418 | Hexcel Corp. | B2 | B+ | 7.13% | 3/01/12 |
| 1,419,325 | Hunter Defense Holdings, Inc. ... | NR(a) | NR(a) | 8.63% | 3/10/11 |
| 1,000,000 | ILC Industries, Inc. | NR(a) | NR(a) | 8.35% | 2/24/12 |
| 1,703,030 | K&F Industries, Inc. | B2 | B+ | 7.32% | 11/18/12 |
| 842,531 | Mid-Western Aircraft Systems, Inc. | Ba3 | BB+ | 7.11% | 12/31/11 |
| 2,732,484 | MRO Acquisition Corp. | B1 | B+ | 7.86% | 8/27/10 |
| 1,500,000 | PGS, Inc. | NR | NR | 7.61% | 2/14/13 |
| 5,340,659 | Robertson Aviation, LLC | NR(a) | NR(a) | 8.82%-8.87% | 4/19/13 |
| 4,510,132 | Standard Aero Holdings, Inc. | Ba3 | B+ | 7.57%-7.61% | 8/24/12 |
| 3,100,000 | Vought Aircraft Industries, Inc. | Ba2 | B- | 7.82% | 12/22/10 |
| TOTAL AEROSPACE & DEFENSE | | | | | |
| AUTO COMPONENTS - 0.9% | | | | | |
| AUTO PARTS & EQUIPMENT - 0.9% | | | | | |
| 1,000,000 | Axletech International Holdings, Inc. (c) | Caa1 | B- | 11.86% | 4/21/13 |
| 3,392,785 | TRW Automotive, Inc. | Ba1 | BB+ | 6.94% | 6/30/12 |
| TOTAL AUTO COMPONENTS | | | | | |
| AUTOMOBILES - 1.3% | | | | | |
| AUTOMOBILE MANUFACTURERS - 1.3% | | | | | |
| 3,000,000 | Ford Motor Company | Ba3 | B | 8.36% | 12/15/13 |
| 3,000,000 | General Motors Company | Ba3 | B+ | 7.7% | 11/29/13 |
| TOTAL AUTOMOBILES | | | | | |
| BEVERAGES - 0.2% | | | | | |
| SOFT DRINKS - 0.2% | | | | | |
| 795,833 | Culligan Corp. | Ba2 | BB- | 7.07% | 9/30/11 |
| TOTAL BEVERAGES | | | | | |
| BUILDING PRODUCTS - 1.0% | | | | | |
| BUILDING PRODUCTS - 1.0% | | | | | |
| 2,789,285 | NCI Building Systems, Inc. | Ba1 | BB | 6.82%-6.87% | 6/18/10 |
| 1,000,000 | South Edge, LLC | NR(a) | NR(a) | 7.38% | 10/31/09 |
| 750,000 | South Edge, LLC | NR(a) | NR(a) | 7.13% | 10/31/07 |

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TOTAL BUILDING PRODUCTS

| | | | | | |
|---|---|--------|--------|-------|----------|
| CAPITAL MARKETS - 2.6% | | | | | |
| ASSET MANAGEMENT & CUSTODY BANKS - 1.0% | | | | | |
| 1,000,000 | Grosvenor Capital Management Holdings LLP | NR (a) | NR (a) | 7.63% | 12/05/13 |
| 3,962,538 | LPL Holdings, Inc. | B2 | B | 7.86% | 6/30/14 |

See Notes to Quarterly Portfolio of Investments

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--------------------|--------------|----------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |

SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED)

| | | | | | |
|---------------------------------------|-----------------------------------|-----|-----|-------------|----------|
| CAPITAL MARKETS - (CONTINUED) | | | | | |
| INVESTMENT BANKING & BROKERAGE - 1.6% | | | | | |
| \$ 1,776,818 | Ameritrade Holding Corp. | Ba1 | BB | 6.82% | 12/31/12 |
| 5,840,499 | NASDAQ Stock Market (The), Inc. . | Ba3 | BB+ | 7.10%-7.11% | 4/18/12 |

TOTAL CAPITAL MARKETS

| | | | | | |
|------------------------------|---|-----|------|--------|----------|
| CHEMICALS - 5.8% | | | | | |
| COMMODITY CHEMICALS - 0.2% | | | | | |
| 506,075 | Basell USA, Inc. | Ba3 | B+ | 7.60% | 8/01/13 |
| 506,075 | Basell USA, Inc. | Ba3 | B+ | 8.35% | 8/01/14 |
| DIVERSIFIED CHEMICALS - 5.6% | | | | | |
| 5,000,000 | BCP Crystal U.S. Holdings Corp. . | Ba3 | BB- | 7.36% | 1/26/09 |
| 3,000,000 | BCP Crystal U.S. Holdings Corp. . | Ba3 | BB- | 7.11% | 4/06/11 |
| 3,000,000 | Brenntag Holding GmbH & Company KG (c) | B3 | CCC+ | 11.89% | 1/18/14 |
| 5,625,455 | Brenntag Holding GmbH & Company KG | B2 | B | 7.89% | 12/23/13 |
| 1,374,545 | Brenntag Holding GmbH & Company KG | B2 | B | 7.89% | 1/18/14 |
| 5,626,134 | Huntsman International, LLC | Ba3 | BB- | 7.07% | 8/16/12 |
| 2,487,500 | Lyondell Chemical Company | Ba2 | BB | 7.11% | 8/16/13 |
| 500,000 | Valley National Gases, Inc. (c) . | NR | NR | 8.35% | 8/28/14 |

TOTAL CHEMICALS

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| | | | | | |
|---|--|-------|-------|---------------|----------|
| COMMERCIAL SERVICES & SUPPLIES - 5.5% | | | | | |
| DIVERSIFIED COMMERCIAL & PROFESSIONAL SERVICES - 3.4% | | | | | |
| 995,000 | Acosta, Inc. | NR(a) | NR(a) | 7.57% | 7/28/13 |
| 992,500 | Advantage Sales & Marketing, Inc. | NR(a) | NR(a) | 7.36%-7.37% | 3/29/13 |
| 2,654,623 | Affinion Group, Inc. | Ba2 | B+ | 7.82%-7.86% | 10/17/12 |
| 1,811,364 | Clarke American Corp. | B1 | B+ | 8.57%-8.63% | 12/15/11 |
| 4,440,038 | IAP Worldwide Services, Inc. | B2 | B | 9.69% | 12/30/12 |
| 1,000,000 | N.E.W. Holdings I, LLC (c) | NR(a) | NR(a) | 12.35%-12.36% | 2/08/14 |
| 878,049 | N.E.W. Holdings I, LLC | NR(a) | NR(a) | 8.10%-8.11% | 8/08/13 |
| 2,000,000 | RSC Equipment Rental (c) | Caa1 | B- | 8.85%-8.86% | 11/30/13 |
| 1,496,250 | RSC Equipment Rental | Ba2 | BB- | 7.07%-7.10% | 11/30/12 |
| | | | | | |
| ENVIRONMENTAL & FACILITIES SERVICES - 1.4% | | | | | |
| 6,922,228 | EnergySolutions, LLC | NR(a) | NR(a) | 7.57%-7.63% | 6/07/13 |
| | | | | | |
| OFFICE SERVICES & SUPPLIES - 0.7% | | | | | |
| 1,327,043 | Pike Electric, Inc. | NR(a) | NR(a) | 7.13% | 4/18/10 |
| 1,865,033 | Pike Electric, Inc. | NR(a) | NR(a) | 7.13% | 7/01/12 |

TOTAL COMMERCIAL SERVICES & SUPPLIES

Page 2 See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|----------|-----|--------|---------------------|
| ----- | ----- | MOODY'S | S&P | ----- | ----- |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| COMPUTERS & PERIPHERALS - 1.9% | | | | | |
| COMPUTER HARDWARE - 1.9% | | | | | |
| \$ 5,762,698 | Activant Solutions Holdings, Inc. | B1 | B | 7.38% | 5/02/13 |
| 3,102,729 | Advanced Micro Devices, Inc. | Ba3 | BB- | 7.57% | 12/31/13 |
| TOTAL COMPUTERS & PERIPHERALS | | | | | |
| | | | | | |
| CONSTRUCTION & ENGINEERING - 1.2% | | | | | |
| CONSTRUCTION & ENGINEERING - 1.2% | | | | | |
| 6,000,000 | Standard Pacific Corp. | Ba2 | BB | 6.86% | 5/05/13 |
| TOTAL CONSTRUCTION & ENGINEERING | | | | | |
| | | | | | |
| CONSTRUCTION MATERIALS - 1.5% | | | | | |

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| | | | | | |
|-------------------------------|-----------------------|----|----|-------------|----------|
| CONSTRUCTION MATERIALS - 1.5% | | | | | |
| 6,945,525 | John Maneely Co. | B3 | B+ | 8.60%-8.62% | 12/08/13 |

TOTAL CONSTRUCTION MATERIALS

| | | | | | |
|---------------------------------|---------------------------------|-------|-----|-------|---------|
| CONTAINERS & PACKAGING - 4.7% | | | | | |
| METAL & GLASS CONTAINERS - 1.8% | | | | | |
| 927,673 | Captive Plastics, Inc. | NR(a) | B- | 8.11% | 8/16/11 |
| 7,331,250 | Owens-Illinois Group, Inc. | Ba2 | BB- | 6.82% | 6/14/13 |

| | | | | | |
|------------------------|--|-----|------|-------------|----------|
| PAPER PACKAGING - 2.9% | | | | | |
| 1,156,497 | Boise Cascade, LLC | Ba3 | BB | 7.09%-7.13% | 10/28/11 |
| 4,736,749 | Graham Packaging Holdings Company | B1 | B | 7.63%-7.69% | 10/07/11 |
| 6,000,000 | Graham Packaging Holdings Company (c) | B3 | CCC+ | 9.63% | 4/07/12 |
| 1,975,000 | Pregis Corp. | Ba2 | B+ | 7.61% | 10/12/12 |

TOTAL CONTAINERS & PACKAGING

| | | | | | |
|---------------------|---------------------|----|----|-------|---------|
| DISTRIBUTORS - 0.1% | | | | | |
| DISTRIBUTORS - 0.1% | | | | | |
| 500,000 | McJunkin Corp. | B2 | B+ | 7.60% | 1/31/14 |

TOTAL DISTRIBUTORS

| | | | | | |
|--------------------------------------|-------------------------------|----|----|-------|---------|
| DIVERSIFIED CONSUMER SERVICES - 2.9% | | | | | |
| EDUCATION SERVICES - 1.3% | | | | | |
| 1,990,000 | Education Management LLC | B2 | B | 7.88% | 6/01/13 |
| 4,250,000 | PRO-QUEST - CSA, LLC | NR | NR | 8.35% | 2/09/14 |

| | | | | | |
|--------------------------------------|-----------------------------------|-----|-----|-------------|---------|
| SPECIALIZED CONSUMER SERVICES - 1.6% | | | | | |
| 1,495,619 | Coinstar, Inc. | Ba3 | BB- | 7.36% | 7/01/11 |
| 6,000,000 | RMK Acquisition Corporation | Ba3 | B+ | 7.45%-7.47% | 1/26/14 |

TOTAL DIVERSIFIED CONSUMER SERVICES

See Notes to Quarterly Portfolio of Investments

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--------------------|--------------|----------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |

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SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED)

| | | | | | |
|---|-------------------------------------|-------|-------|-------------|----------|
| DIVERSIFIED FINANCIAL SERVICES - 1.4% | | | | | |
| SPECIALIZED FINANCE - 1.4% | | | | | |
| 1,000,000 | J.G.Wentworth, LLC | B2 | B | 8.86% | 4/12/11 |
| 5,500,000 | Peach Holdings, Inc. | B2 | B | 9.12% | 11/21/13 |
| TOTAL DIVERSIFIED FINANCIAL SERVICES | | | | | |
| ELECTRIC UTILITIES - 8.8% | | | | | |
| ELECTRIC UTILITIES - 8.8% | | | | | |
| 1,000,000 | Astoria Generating Company | | | | |
| | Acquisitions, LLC (c) | B3 | B | 9.12% | 8/23/13 |
| 66,742 | Calpine Corp. (f) | NR(a) | NR(a) | 2.25% | 12/20/07 |
| 326,902 | Calpine Corp., | | | | |
| | (Debtor in Possession) (c) (f) . | NR(a) | NR(a) | 7.62% | 12/20/07 |
| 829,787 | Calpine Corp., | | | | |
| | (Debtor in Possession) (f) | NR(a) | NR(a) | 9.36% | 12/20/07 |
| 280,116 | Cogentrix Delaware Holdings, Inc. | Ba2 | BB+ | 6.87% | 4/14/12 |
| 8,000,000 | Covanta Energy Corp | Ba2 | BB- | 5.28%-6.88% | 2/09/14 |
| 1,922,480 | LSP Gen Finance Co., LLC | Ba3 | BB- | 7.11% | 5/04/13 |
| 699,275 | LSP Kendall Energy, LLC | B1 | B | 7.36% | 10/07/13 |
| 6,390,511 | Midwest Generation, LLC | Baa3 | BB | 6.83%-6.86% | 4/27/11 |
| 990,000 | Mirant North America, LLC | Ba3 | BB- | 7.07% | 1/03/13 |
| 13,500,000 | NRG Energy, Inc. | Ba1 | BB- | 7.36% | 2/01/13 |
| 4,320,814 | Plum Point Energy Associates, LLC | B1 | B | 8.61% | 3/14/14 |
| 2,111,827 | Riverside Energy Center, LLC | B1 | B | 9.61% | 6/24/11 |
| 1,514,518 | Rocky Mountain Energy Center, LLC | B1 | B | 9.61% | 6/24/11 |
| TOTAL ELECTRIC UTILITIES | | | | | |
| ELECTRICAL EQUIPMENT - 0.2% | | | | | |
| ELECTRICAL COMPONENTS & EQUIPMENT - 0.2% | | | | | |
| 1,006,935 | Electrical Components International | | | | |
| | Holding Company | Ba3 | B | 7.88% | 5/01/13 |
| TOTAL ELECTRICAL EQUIPMENT | | | | | |
| ELECTRONIC EQUIPMENT & INSTRUMENTS - 1.0% | | | | | |
| TECHNOLOGY DISTRIBUTORS - 1.0% | | | | | |
| 4,577,000 | Sensata Technologies Finance | | | | |
| | Company, LLC | NR(a) | NR(a) | 7.09%-7.11% | 4/27/13 |
| TOTAL ELECTRONIC EQUIPMENT & INSTRUMENTS | | | | | |
| ENERGY EQUIPMENT & SERVICES - 1.7% | | | | | |
| OIL & GAS EQUIPMENT & SERVICES - 1.7% | | | | | |
| 1,000,000 | Brand Energy & Infrastructure | | | | |
| | Services, Inc. (c) | B1 | B | 11.38% | 2/07/15 |
| 6,929,436 | Targa Resources, Inc. | B1 | B+ | 7.36% | 10/31/12 |
| TOTAL ENERGY EQUIPMENT & SERVICES | | | | | |
| FOOD & STAPLES RETAILING - 3.5% | | | | | |
| DRUG RETAIL - 0.7% | | | | | |
| 3,555,102 | Jean Coutu Group (PJC) Inc. | B1 | BB- | 7.88% | 7/30/11 |

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|----------|--------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| FOOD & STAPLES RETAILING - (CONTINUED) | | | | | |
| FOOD DISTRIBUTORS - 0.7% | | | | | |
| \$ 1,500,000 | B&G Foods, Inc. | Ba2 | B+ | 8.35% | 2/23/13 |
| 1,945,000 | Golden State Foods Corp. | B1 | NR (a) | 7.11% | 2/25/11 |
| FOOD RETAIL - 2.1% | | | | | |
| 9,927,487 | SUPERVALU, Inc. | Ba3 | BB- | 7.10% | 6/02/12 |
| TOTAL FOOD & STAPLES RETAILING | | | | | |
| FOOD PRODUCTS - 4.5% | | | | | |
| AGRICULTURAL PRODUCTS - 2.1% | | | | | |
| 9,938,748 | Dole Food Company, Inc. | Ba3 | B | 7.36%-9.25% | 4/12/13 |
| PACKAGED FOODS & MEATS - 2.4% | | | | | |
| 7,807,400 | OSI Group, LLC | NR (a) | NR (a) | 7.36% | 9/02/11 |
| 1,767,778 | THL Foods Products Company | Ba3 | B+ | 7.36% | 11/21/10 |
| 2,000,000 | Weight Watchers International, Inc. | Ba1 | BB | 6.88% | 1/26/14 |
| TOTAL FOOD PRODUCTS | | | | | |
| HEALTH CARE EQUIPMENT & SUPPLIES - 0.2% | | | | | |
| HEALTH CARE EQUIPMENT - 0.2% | | | | | |
| 997,500 | ReAble Therapeutics Finance, LLC | Ba3 | B | 7.85%-7.90% | 11/03/13 |
| TOTAL HEALTH CARE EQUIPMENT & SUPPLIES | | | | | |
| HEALTH CARE PROVIDERS & SERVICES - 15.0% | | | | | |
| HEALTH CARE FACILITIES - 3.7% | | | | | |
| 3,000,000 | HCA, Inc. | Ba3 | BB | 7.61% | 11/17/13 |
| 7,000,000 | Health Management Associates, Inc. | Ba2 | B+ | 7.32% | 2/28/14 |
| 904,182 | Lifepoint Hospitals, Inc. | Ba3 | BB | 6.99% | 4/15/12 |
| 5,915,073 | Select Medical Corp. | Ba1 | B+ | 7.07%-9.00% | 2/24/12 |
| 995,000 | USP Domestic Holdings, Inc. | Ba2 | BB- | 7.10%-7.18% | 6/07/13 |
| HEALTH CARE SERVICES - 9.9% | | | | | |
| 4,488,750 | CHS/Community Health Systems, Inc. | Ba3 | BB- | 7.11% | 2/29/12 |

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|-----------|------------------------------------|-----|-----|-------------|----------|
| 8,830,085 | CHS/Community Health Systems, Inc. | Ba3 | BB- | 7.07%-7.10% | 8/19/11 |
| 5,224,264 | Davita, Inc. | Ba1 | BB- | 6.82%-6.86% | 10/05/12 |
| 935,000 | DJ Orthopedics, LLC | Ba3 | BB- | 6.88% | 4/07/13 |
| 2,980,132 | Emdeon Business Services, LLC ... | B1 | B+ | 7.87% | 11/16/13 |
| 5,945,025 | Fresenius Medical Care AG | Ba2 | BB+ | 6.74% | 3/31/13 |
| 928,571 | Healthcare Partners, LLC | Ba3 | BB | 7.10% | 10/31/13 |
| 2,000,000 | Healthways, Inc. | Ba2 | BB | 7.11% | 12/01/13 |
| 901,176 | Multiplan Merger Corp. | B1 | B+ | 7.82% | 4/12/13 |
| 1,488,750 | Quintiles Transnational Corp. ... | B1 | BB- | 7.36% | 3/31/13 |
| 2,970,000 | Team Finance, LLC | B1 | B+ | 7.82%-7.86% | 11/23/12 |
| 6,376,399 | U.S. Oncology Holdings, Inc. | Ba2 | B+ | 7.61%-7.63% | 8/20/11 |
| 4,106,254 | VWR International, Inc. | Ba2 | B+ | 7.61% | 4/07/11 |

See Notes to Quarterly Portfolio of Investments

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|------------------------------------|----------|------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| HEALTH CARE PROVIDERS & SERVICES - (CONTINUED) | | | | | |
| MANAGED HEALTH CARE - 1.4% | | | | | |
| \$ 4,382,613 | IASIS Healthcare Corp. | Ba2 | B+ | 7.57%-7.61% | 6/22/11 |
| 1,960,311 | Vanguard Health Systems, Inc. ... | Ba3 | B | 7.61% | 9/23/11 |
| TOTAL HEALTH CARE PROVIDERS & SERVICES | | | | | |
| HOTELS, RESTAURANTS & LEISURE - 10.8% | | | | | |
| CASINOS & GAMING - 8.0% | | | | | |
| 5,850,000 | Boyd Gaming Corp. | Ba1 | BB | 6.86% | 6/30/11 |
| 2,957,483 | CCM Merger, Inc. | Ba3 | B | 7.35%-7.36% | 10/21/12 |
| 1,500,000 | Great Canadian Gaming Corp. | Ba2 | BB | 6.86% | 2/14/14 |
| 963,636 | Green Valley Ranch Gaming, LLC .. | Ba3 | B+ | 7.36% | 2/16/14 |
| 500,000 | Green Valley Ranch Gaming, LLC (c) | Caa1 | CCC+ | 8.56% | 8/16/14 |
| 1,000,000 | Greenwood Racing, Inc. | B2 | B+ | 7.57% | 11/28/11 |
| 4,333,333 | Herbst Gaming, Inc. | Ba3 | B+ | 7.24%-7.25% | 12/02/11 |
| 1,000,000 | PA Meadows, LLC | B2 | B | 8.36% | 11/14/11 |
| 5,000,000 | Pinnacle Entertainment, Inc. | B1 | BB- | 1.00% | 8/27/10 |
| 1,000,000 | Pinnacle Entertainment, Inc. | B1 | BB- | 7.32% | 12/14/11 |
| 6,000,000 | VML US Finance, LLC | B1 | BB- | 8.12% | 5/25/13 |
| 2,142,857 | Wimar Landco, LLC. | B2 | B+ | 7.86% | 7/03/08 |
| 5,832,143 | Wimar OPCO, LLC. | Ba3 | B+ | 7.86% | 1/03/12 |
| LEISURE FACILITIES - 2.8% | | | | | |
| 6,771,305 | American Skiing Co. | NR | NR | 9.81% | 11/24/10 |

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| | | | | |
|---|--------|--------|-------|---------|
| 4,477,500 Cedar Fair, L.P. | Ba3 | BB- | 7.32% | 8/30/12 |
| 997,487 London Arena and Waterfront Finance, LLC | NR (a) | NR (a) | 7.85% | 3/08/12 |
| 1,000,000 Town Sports International, LLC .. | Ba2 | B+ | 7.07% | 2/27/14 |

TOTAL HOTELS, RESTAURANTS & LEISURE

| | | | | |
|--|--------|----|--------|---------|
| HOUSEHOLD DURABLES - 0.6% | | | | |
| HOMEBUILDING - 0.6% | | | | |
| 1,000,000 EH/Transeastern, LLC and TE/TOUSA Senior, LLC (g) | NR (a) | NR | 8.25% | 8/01/08 |
| 5,000,000 TE/TOUSA Mezzanine, LLC, (Mezzanine Debt) (c) (g) | NR (a) | NR | 10.75% | 8/01/09 |

TOTAL HOUSEHOLD DURABLES

| | | | | |
|---|----|----|-------|---------|
| INDEPENDENT POWER PRODUCERS & ENERGY TRADERS - 0.5% | | | | |
| INDEPENDENT POWER PRODUCERS & ENERGY TRADERS - 0.5% | | | | |
| 2,500,000 HCP Acquisition, Inc. | B1 | B- | 8.35% | 2/13/14 |

TOTAL INDEPENDENT POWER PRODUCERS & ENERGY TRADERS

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|----------------------------------|----------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| INDUSTRIAL CONGLOMERATES - 0.2% | | | | | |
| INDUSTRIAL CONGLOMERATES - 0.2% | | | | | |
| \$ 754,035 | Mueller Group, Inc. | B1 | BB- | 7.36% | 10/03/12 |
| TOTAL INDUSTRIAL CONGLOMERATES | | | | | |
| INSURANCE - 0.8% | | | | | |
| LIFE & HEALTH INSURANCE - 0.8% | | | | | |
| 3,990,000 | Conseco, Inc. | Ba3 | BB- | 7.32% | 10/10/13 |
| TOTAL INSURANCE | | | | | |
| INTERNET SOFTWARE & SERVICES - 2.7% | | | | | |
| INTERNET SOFTWARE & SERVICES - 2.7% | | | | | |
| 3,000,000 | Cellnet Technology, Inc. (c) ... | NR (a) | NR | 6.86% | 10/22/11 |
| 1,000,000 | Open Solutions, Inc. | Ba3 | B+ | 7.49% | 1/23/14 |

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8,872,406 SunGard Data Systems, Inc. Ba3 B+ 7.36% 2/28/14

TOTAL INTERNET SOFTWARE & SERVICES

IT SERVICES - 6.2%

IT CONSULTING & OTHER SERVICES - 6.2%

| | | | | | |
|-----------|---|-------|-------|-------------|----------|
| 3,326,168 | Alion Science and Technology Corp. | Ba2 | B+ | 8.11% | 8/02/09 |
| 1,000,000 | Apptis (DE), Inc. | B1 | B+ | 8.57%-8.61% | 12/20/12 |
| 8,842,500 | DynCorp International, LLC | Ba2 | BB- | 7.63%-7.69% | 6/28/12 |
| 992,500 | iPayment, Inc. | NR(a) | NR(a) | 7.32%-7.36% | 5/10/13 |
| 1,000,000 | National Processing Company Group, Inc. | B2 | B | 8.35%-8.36% | 9/29/13 |
| 3,000,000 | Sanmina - SCI Corp. (d) | Ba3 | BB- | 7.88% | 1/31/08 |
| 1,000,000 | Sitel, LLC. | B2 | B+ | 7.82%-9.75% | 1/30/14 |
| 6,000,000 | West Corporation | Ba3 | B+ | 7.74%-7.76% | 10/24/13 |
| 3,125,000 | Wyle Laboratories, Inc. (c)..... | NR(a) | B- | 11.86% | 7/28/11 |
| 1,341,082 | Wyle Laboratories, Inc. | NR(a) | B+ | 8.11% | 1/28/11 |

TOTAL IT SERVICES

MACHINERY - 0.2%

INDUSTRIAL MACHINERY - 0.2%

| | | | | | |
|---------|---|-----|----|-------|----------|
| 470,000 | Invensys International Holdings Ltd./ BTR Dunlop Finance Inc. | Ba3 | B- | 7.36% | 12/15/10 |
| 530,000 | Invensys International Holdings Ltd./ BTR Dunlop Finance Inc. | Ba3 | B- | 7.36% | 1/15/11 |

TOTAL MACHINERY

MEDIA - 27.5%

BROADCASTING & CABLE TV - 13.6%

| | | | | | |
|------------|--|-------|----|--------|----------|
| 3,900,000 | Bragg Communications, Inc. | NR(a) | NR | 7.11% | 8/31/11 |
| 3,000,000 | Cequel Communications, LLC | B1 | B+ | 7.61% | 11/05/13 |
| 3,000,000 | Cequel Communications, LLC | NR | NR | 10.32% | 10/30/07 |
| 12,983,858 | Charter Communications Operating, LLC | B1 | B | 7.99% | 4/28/13 |
| 10,917,500 | CSC Holdings, Inc. | Ba2 | BB | 7.11% | 3/29/13 |

See Notes to Quarterly Portfolio of Investments

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|----------------------------|----------|-----|-------------|---------------------|
| ----- | ----- | MOODY'S | S&P | ----- | ----- |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| MEDIA - (CONTINUED) | | | | | |
| BROADCASTING & CABLE TV - (CONTINUED) | | | | | |
| \$ 995,000 | Cumulus Media, Inc. | Ba3 | B | 7.32%-7.37% | 6/07/13 |
| 1,323,258 | DIRECTV Holdings LLC | Baa3 | BB | 6.82% | 4/13/13 |

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| | | | | | |
|-------------------------------|--|--------|--------|-------------|----------|
| 3,468,182 | LBI Media, Inc. | Ba2 | B | 6.82%-6.86% | 3/31/12 |
| 3,000,000 | NEP II, Inc. | NR (a) | NR (a) | 7.60% | 2/16/14 |
| 6,982,500 | PanAmSat Corp. | Ba2 | BB | 7.86% | 12/03/13 |
| 1,000,000 | Paxson Communications Corp. | B1 | CCC+ | 8.61% | 1/15/12 |
| 5,432,500 | Raycom Media, Inc. | NR | NR | 6.88% | 8/28/13 |
| 4,500,000 | UPC Distribution Holding B.V. ... | B1 | B | 7.37% | 3/31/13 |
| 4,500,000 | UPC Distribution Holding B.V. ... | B1 | B | 7.37% | 12/31/13 |
| MOVIES & ENTERTAINMENT - 5.3% | | | | | |
| 4,851,000 | AMC Entertainment, Inc. | Ba1 | B+ | 7.45% | 1/26/13 |
| 1,472,659 | Deluxe Entertainment Services Group, Inc. | B1 | B | 8.36% | 1/28/11 |
| 6,947,500 | Metro-Goldwyn-Mayer Holdings II, Inc. | NR (a) | NR (a) | 8.61% | 4/08/12 |
| 2,000,000 | National CineMedia, LLC | B1 | B+ | 7.07% | 2/13/15 |
| 9,708,977 | WMG Acquisition Corp. | Ba2 | BB- | 7.36%-7.41% | 3/01/11 |
| PUBLISHING - 8.6% | | | | | |
| 934,435 | Caribe Information Investments, Inc. | B1 | B | 7.61%-7.62% | 3/31/13 |
| 4,313,726 | CBD Media, LLC | Ba3 | B | 7.82% | 12/31/09 |
| 779,878 | Dex Media West, Inc. | Ba1 | BB | 6.85%-6.86% | 3/09/10 |
| 10,000,000 | Idearc, Inc. | Ba2 | BB+ | 7.32% | 11/17/14 |
| 1,960,100 | Media News Group, Inc. | Ba2 | BB- | 6.57% | 12/30/10 |
| 1,990,000 | Media News Group, Inc. | Ba2 | BB- | 7.07% | 8/02/13 |
| 3,630,000 | Newspaper Holdings, Inc. | NR | NR | 6.88% | 8/24/12 |
| 953,590 | Nexstar Broadcasting, Inc. | Ba3 | B | 7.11% | 10/01/12 |
| 903,608 | Nexstar Broadcasting, Inc. | Ba3 | B+ | 7.11% | 10/01/12 |
| 3,000,000 | Penton Media, Inc. and Prism Business Media Inc. | B1 | B+ | 7.57% | 2/01/13 |
| 990,000 | PRIMEDIA, Inc. | B2 | B | 7.57% | 9/30/13 |
| 6,532,972 | RH Donnelley, Inc. | Ba1 | BB | 6.85%-6.87% | 6/30/11 |
| 1,500,000 | Riverdeep Interactive Learning USA, Inc. | B1 | B | 8.10% | 12/20/13 |
| 1,786,660 | WCP Exposition Services Operating Company, LLC | NR | NR | 8.87% | 8/29/11 |
| 997,500 | Wenner Media LLC | NR (a) | NR (a) | 7.11% | 10/02/13 |
| 1,000,000 | Yell Group PLC | Ba3 | BB- | 7.32% | 10/27/13 |

TOTAL MEDIA

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See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--------------------|--------------|----------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |

SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED)

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| | | | | | |
|----|---|---|-----|------|----------------------|
| | METALS & MINING - 1.5% | | | | |
| | ALUMINUM - 0.9% | | | | |
| \$ | 4,356,923 | Novelis Corp. | Ba2 | BB- | 7.61% 1/07/12 |
| | | | | | |
| | DIVERSIFIED METALS & MINING - 0.6% | | | | |
| | 2,970,000 | Alpha Natural Resources, LLC | B1 | BB- | 7.11% 10/26/12 |
| | | | | | |
| | TOTAL METALS & MINING | | | | |
| | MULTI-UTILITIES - 0.2% | | | | |
| | MULTI-UTILITIES - 0.2% | | | | |
| | 1,000,000 | KGEN, LLC | Ba3 | BB- | 7.10% 2/08/14 |
| | | | | | |
| | TOTAL MULTI-UTILITIES | | | | |
| | OIL, GAS & CONSUMABLE FUELS - 6.3% | | | | |
| | OIL & GAS EXPLORATION & PRODUCTION - 3.5% | | | | |
| | 8,404,087 | ATP Oil & Gas Corp. | NR | NR | 8.85%-8.91% 4/14/10 |
| | 4,365,298 | Plains Resources, Inc. | Ba2 | BB | 6.86% 8/12/11 |
| | 2,000,000 | Resolute Aneth, LLC (c) | NR | NR | 10.36% 4/13/12 |
| | 1,874,482 | SemCrude, L.P. | Ba2 | B+ | 7.57% 3/16/11 |
| | | | | | |
| | OIL & GAS REFINING, MARKETING & TRANSPORTATION - 2.8% | | | | |
| | 995,000 | Alon USA, Inc. | B1 | BB- | 7.57% 6/22/13 |
| | 442,222 | Calumet Lubricants Company. L.P. | B1 | BB- | 8.70%-8.85% 12/09/12 |
| | 6,890,593 | Eagle Rock Gas Gathering & Processing, Ltd. | NR | NR | 7.61% 12/03/12 |
| | 3,000,000 | El Paso Corp. | Ba3 | B+ | 7.22% 7/31/11 |
| | 1,000,000 | Energy Transfer Equity, L.P. | Ba2 | NR | 7.10% 2/08/12 |
| | 980,155 | EPCO Holdings, Inc. | Ba2 | BB- | 7.36% 8/18/10 |
| | 166,667 | Regency Gas Service LLC | Ba1 | B+ | 7.86% 8/15/13 |
| | | | | | |
| | TOTAL OIL, GAS & CONSUMABLE FUELS | | | | |
| | PAPER & FOREST PRODUCTS - 3.7% | | | | |
| | FOREST PRODUCTS - 3.7% | | | | |
| | 14,122,425 | Georgia-Pacific Corp. | Ba2 | BB- | 7.35%-7.36% 12/20/12 |
| | 3,430,556 | Georgia-Pacific Corp. | Ba2 | BB- | 7.11% 12/29/12 |
| | | | | | |
| | TOTAL PAPER & FOREST PRODUCTS | | | | |
| | PERSONAL PRODUCTS - 0.2% | | | | |
| | PERSONAL PRODUCTS - 0.2% | | | | |
| | 1,000,000 | American Safety Razor Company (c) | B3 | CCC+ | 11.63% 1/30/14 |
| | | | | | |
| | TOTAL PERSONAL PRODUCTS | | | | |

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|---|----------|-------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| PHARMACEUTICALS - 0.6% | | | | | |
| PHARMACEUTICALS - 0.6% | | | | | |
| \$ 2,000,000 | Graceway Pharmaceuticals, LLC ... | Ba3 | B+ | 7.84% | 12/29/11 |
| 1,000,000 | Stiefel Laboratories, Inc. | Ba3 | B+ | 7.57%-7.61% | 12/28/13 |
| TOTAL PHARMACEUTICALS | | | | | |
| REAL ESTATE INVESTMENT TRUSTS (REITS) - 2.9% | | | | | |
| RETAIL REITS - 2.9% | | | | | |
| 6,046,709 | Capital Automotive, L.P. | Ba1 | BB+ | 7.07% | 12/16/10 |
| 6,000,000 | General Growth Properties, Inc. . | Ba2 | BB+ | 6.57% | 2/24/10 |
| 2,000,000 | Macerich Partnership (The), L.P. | NR(a) | NR(a) | 6.88% | 4/26/10 |
| TOTAL REAL ESTATE INVESTMENT TRUSTS (REITS) | | | | | |
| REAL ESTATE MANAGEMENT & DEVELOPMENT - 3.1% | | | | | |
| REAL ESTATE MANAGEMENT & DEVELOPMENT - 3.1% | | | | | |
| 2,125,000 | LNR Property Corp. | NR(a) | NR(a) | 8.07%-8.11% | 6/12/09 |
| 4,500,000 | LNR Property Corp. | NR(a) | NR(a) | 8.11% | 7/12/11 |
| 263,925 | Newkirk Master (The) L.P. | Ba2 | BB+ | 7.07% | 8/11/08 |
| 396,647 | November 2005 Land Investors, LLC | B1 | BB | 8.11% | 5/09/11 |
| 1,000,000 | November 2005 Land Investors, LLC (c) | Caa1 | B | 12.36% | 5/30/12 |
| 2,161,008 | Pivotal Promontory, LLC | NR(a) | NR(a) | 8.07% | 8/31/10 |
| 1,649,330 | Rhodes Companies (The), LLC | B1 | BB- | 8.61% | 11/21/10 |
| 1,496,250 | Shea Capital I, LLC | NR(a) | NR(a) | 7.37% | 10/27/11 |
| 1,000,000 | Tishman Speyer Real Estate D.C. Area Portfolio L.P. | Ba2 | BB- | 7.07% | 12/27/12 |
| TOTAL REAL ESTATE MANAGEMENT & DEVELOPMENT | | | | | |
| ROAD & RAIL - 2.2% | | | | | |
| TRUCKING - 2.2% | | | | | |
| 3,392,200 | Hertz (The) Corp. | Ba1 | BB | 7.07%-7.12% | 12/21/12 |
| 7,000,000 | Oshkosh Truck Corp. | Ba3 | BB | 7.35% | 12/06/13 |
| TOTAL ROAD & RAIL | | | | | |
| SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 1.8% | | | | | |
| SEMICONDUCTORS - 1.8% | | | | | |
| 8,500,000 | Freescale Semiconductors, Inc. .. | Baa3 | BB | 7.12% | 12/01/13 |
| TOTAL SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT | | | | | |

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| | | | | | |
|-------------------------|-----------------------------------|-----|-----|-------------|---------|
| SOFTWARE - 0.5% | | | | | |
| SYSTEMS SOFTWARE - 0.5% | | | | | |
| 2,250,000 | Intergraph Corp. | B1 | B | 7.82%-7.86% | 5/29/14 |
| TOTAL SOFTWARE | | | | | |
| SPECIALTY RETAIL - 4.9% | | | | | |
| APPAREL RETAIL - 1.7% | | | | | |
| 1,852,143 | Hanesbrands, Inc. | Ba2 | BB- | 7.07%-7.11% | 9/05/13 |
| 1,000,000 | Hanesbrands, Inc. (c) | B1 | B- | 9.11% | 2/05/14 |
| 5,302,278 | Neiman Marcus Group (The), Inc. . | Ba3 | B+ | 7.35% | 4/06/13 |

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See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|-----------------------------------|----------|-------|-------------|---------------------|
| ----- | ----- | MOODY'S | S&P | ----- | ----- |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| SPECIALTY RETAIL - (CONTINUED) | | | | | |
| SPECIALTY STORES - 3.2% | | | | | |
| \$ 1,215,813 | Dollarama Group L.P. | Ba1 | B+ | 7.36% | 11/18/11 |
| 4,766,006 | Harbor Freight Tools USA, Inc. .. | NR(a) | NR(a) | 7.60%-7.61% | 2/12/13 |
| 5,860,313 | Michaels Stores, Inc. | B2 | B- | 8.13% | 10/31/13 |
| 3,500,000 | Yankee Candle Company (The), Inc. | Ba3 | B+ | 7.32% | 2/06/14 |
| TOTAL SPECIALTY RETAIL | | | | | |
| TOBACCO - 0.8% | | | | | |
| TOBACCO - 0.8% | | | | | |
| 921,525 | Commonwealth Brands, Inc. | NR(a) | NR(a) | 7.63% | 12/22/12 |
| 2,985,000 | Reynolds American, Inc. | Baa2 | BBB- | 7.10%-7.19% | 5/31/12 |
| TOTAL TOBACCO | | | | | |
| TRANSPORTATION INFRASTRUCTURE - 0.9% | | | | | |
| MARINE PORTS & SERVICES - 0.9% | | | | | |
| 4,349,823 | Horizon Lines Holding, LLC | Ba2 | B | 7.62% | 7/07/11 |
| TOTAL TRANSPORTATION INFRASTRUCTURE | | | | | |
| WIRELESS TELECOMMUNICATION SERVICES - 1.8% | | | | | |
| WIRELESS TELECOMMUNICATION SERVICES - 1.8% | | | | | |
| 1,995,000 | Clearwire Corp. | NR | NR | 12.07% | 8/18/09 |
| 3,750,000 | Intelsat, Ltd. (d) | B2 | B+ | 7.86% | 2/01/14 |

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2,800,000 Windstream Corp. Ba1 BBB- 8.35% 7/17/13

TOTAL WIRELESS TELECOMMUNICATION SERVICES

TOTAL SENIOR FLOATING RATE TERM LOAN INTERESTS**.....

(Cost \$729,940,357)

SENIOR FLOATING RATE NOTES - 4.2%

CONTAINERS & PACKAGING - 0.1%

METAL & GLASS CONTAINERS - 0.1%

250,000 Berry Plastics Corp. (c) (e) B2 CCC+ 9.24% 9/15/14

TOTAL CONTAINERS & PACKAGING

DIVERSIFIED CONSUMER SERVICES - 0.1%

SPECIALIZED CONSUMER SERVICES - 0.1%

500,000 RMK Acquisition Corporation (d) (e) B3 B- 8.86% 2/01/15

TOTAL DIVERSIFIED CONSUMER SERVICES

ELECTRICAL COMPONENTS & EQUIPMENT - 0.1%

ELECTRICAL COMPONENTS & EQUIPMENT - 0.1%

650,000 NXP B.V. (e) Ba2 BB+ 8.11% 10/15/13

TOTAL ELECTRICAL COMPONENTS & EQUIPMENT

See Notes to Quarterly Portfolio of Investments

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION* | RATINGS+ | | COUPON | STATED MATURITY* |
|--|------------------------------------|----------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - (CONTINUED) | | | | | |
| | ENERGY EQUIPMENT & SERVICES - 0.2% | | | | |
| | OIL & GAS DRILLING - 0.2% | | | | |
| \$ 1,000,000 | Parker Drilling Company | B2 | B- | 10.12% | 9/01/10 |
| | TOTAL ENERGY EQUIPMENT & SERVICES | | | | |
| | FOOD & STAPLES RETAILING - 0.5% | | | | |
| | FOOD DISTRIBUTORS - 0.5% | | | | |
| 2,100,000 | Nutro Products, Inc. (e) | B3 | CCC | 9.40% | 10/15/13 |
| | TOTAL FOOD & STAPLES RETAILING | | | | |

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| | | | | | |
|---|--|----|------|--------|----------|
| HEALTH CARE PROVIDERS & SERVICES - 0.2% | | | | | |
| HEALTH CARE FACILITIES - 0.2% | | | | | |
| 1,000,000 | U.S. Oncology Holdings, Inc. (d). | B3 | B- | 10.68% | 3/15/15 |
| TOTAL HEALTH CARE PROVIDERS & SERVICES | | | | | |
| HOTELS, RESTAURANTS & LEISURE - 0.9% | | | | | |
| LEISURE FACILITIES - 0.9% | | | | | |
| 2,000,000 | HRP Myrtle Beach (e)..... | B2 | B | 10.12% | 4/01/12 |
| 2,000,000 | Universal City Florida Holding Company | B3 | B- | 10.11% | 5/01/10 |
| TOTAL HOTELS, RESTAURANTS & LEISURE | | | | | |
| MEDIA - 1.0% | | | | | |
| BROADCASTING & CABLE TV - 1.0% | | | | | |
| 5,000,000 | Paxson Communications Corp. | B1 | CCC+ | 8.61% | 1/15/12 |
| TOTAL MEDIA | | | | | |
| PAPER & FOREST PRODUCTS - 0.2% | | | | | |
| PAPER PRODUCTS - 0.2% | | | | | |
| 1,000,000 | Verso Paper Holdings LLC (e) ... | B2 | BB | 9.11% | 8/01/14 |
| TOTAL PAPER & FOREST PRODUCTS | | | | | |
| PHARMACEUTICALS - 0.5% | | | | | |
| PHARMACEUTICALS - 0.5% | | | | | |
| 2,500,000 | Elan Finance and Elan Finance Corp. (d) | B3 | B | 9.36% | 11/15/11 |
| TOTAL PHARMACEUTICALS | | | | | |
| SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 0.4% | | | | | |
| 2,000,000 | Freescall Semiconductors, Inc. (d) (e) | B1 | B | 9.24% | 12/15/14 |
| TOTAL SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT | | | | | |
| TOTAL SENIOR FLOATING RATE NOTES..... | | | | | |
| (Cost \$21,844,115) | | | | | |

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

SHARES

DESCRIPTION*

 CLOSED-END FUNDS - 0.3%

CAPITAL MARKETS - 0.3%

ASSET MANAGEMENT & CUSTODY BANKS - 0.3%

217,800 ING Prime Rate Trust.....

TOTAL CAPITAL MARKETS

TOTAL CLOSED-END FUNDS.....

(Cost \$1,524,305)

REPURCHASE AGREEMENT - 1.1%

5,000,000 Repurchase agreement with Deutsche Bank Securities, Inc., 5.28%
 dated 02/28/07, to be repurchased at \$5,000,733 on 03/01/07,
 collateralized by \$5,140,000, Freddie Mac Discount Note,
 5.30% due 04/13/07 (Value \$5,100,000)

TOTAL REPURCHASE AGREEMENT.....

(Cost \$5,000,000)

TOTAL INVESTMENTS - 158.4%.....

(Cost \$758,308,777) (b)

NET OTHER ASSETS AND LIABILITIES - (2.9)%.....

LOAN OUTSTANDING - (34.6)%.....

PREFERRED SHARES, AT LIQUIDATION VALUE - (20.9)%.....

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS - 100.0%.....

See Notes to Quarterly Portfolio of Investments

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 NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED)

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 FEBRUARY 28, 2007

1. VALUATION AND INVESTMENT PRACTICES

A. PORTFOLIO VALUATION:

The net asset value ("NAV") of the Common Shares of the First Trust/Four Corners Senior Floating Rate Income Fund II (the "Fund") is computed based upon the value of the Fund's portfolio and other assets less any accrued liabilities. The NAV is determined as of the close of regular trading on the NYSE, normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. Domestic debt securities and foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. The Fund calculates NAV per Common Share by subtracting the Fund's liabilities (including accrued expenses, dividends payable and any borrowings of the Fund) and the liquidation value of any outstanding Preferred Shares from the Fund's Total Assets (the

value of securities and other investments the Fund holds plus cash or other assets, including interest accrued but not yet received), and dividing the result by the total number of Common Shares outstanding.

The Fund's investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund's Board of Trustees. A majority of the Fund's assets are valued using market information supplied by third parties. In the event that market quotations are not readily available, the pricing service does not provide a valuation for a particular asset, or the valuations are deemed unreliable, or if events occurring after the close of the principal markets for particular securities (e.g., domestic debt securities and foreign securities), but before the Fund values its assets, would materially affect NAV, First Trust Advisors L.P. ("First Trust") may use a fair value method to value the Fund's securities and investments. The use of fair value pricing by the Fund is governed by valuation procedures adopted by the Fund's Board of Trustees, and in accordance with the provisions of the Investment Company Act of 1940, as amended (the "1940 Act").

The Senior Loans in which the Fund invests are not listed on any securities exchange or board of trade. Senior Loans are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over-the-counter secondary market, although typically no formal market-makers exist. This market, while having grown substantially in the past several years, generally has fewer trades and less liquidity than the secondary market for other types of securities. Some Senior Loans have few or no trades, or trade infrequently, and information regarding a specific Senior Loan may not be widely available or may be incomplete. Accordingly, determinations of the market value of Senior Loans may be based on infrequent and dated information. Because there is less reliable, objective data available, elements of judgment may play a greater role in valuation of Senior Loans than for other types of securities. Typically Senior Loans are valued using information provided by an independent third party pricing service. If the pricing service cannot or does not provide a valuation for a particular Senior Loan or such valuation is deemed unreliable, First Trust may value such Senior Loan at a fair value according to procedures adopted by the Fund's Board of Trustees, and in accordance with the provisions of the 1940 Act.

Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") are valued at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities traded on the NASDAQ, are valued at the closing bid prices. Short-term investments that mature in less than 60 days are valued at amortized cost.

B. REPURCHASE AGREEMENTS:

The Fund engages in repurchase agreement transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. This arrangement results in a fixed rate of return that is not subject to market fluctuations during the Fund's holding period. The value of the collateral is at all times at least equal to the total amount of the repurchase obligation, including interest. In the event of a counterparty default, the Fund has the right to use the collateral to offset

losses incurred. There is potential loss to the Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the value of the underlying securities during the period while the Fund seeks to assert its rights. The Fund reviews the value of the collateral and the creditworthiness of those banks and dealers with which the Fund enters into repurchase agreements to evaluate potential risks.

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 NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED) (CONTINUED)

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 FEBRUARY 28, 2007

C. SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis.

Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date; interest income on such securities is not accrued until settlement date. The Fund maintains liquid assets with a current value at least equal to the amount of its when-issued or delayed-delivery purchase commitments.

D. UNFUNDED LOAN COMMITMENTS:

The Fund may enter into certain credit agreements, all or a portion of which may be unfunded. The Fund had unfunded loan commitments of approximately \$840,426 as of February 28, 2007. The Fund is obligated to fund these loan commitments at the borrower's discretion. Net unrealized depreciation of \$2,101 from these commitments is included in "Net Other Assets and Liabilities" on the Portfolio of Investments.

E. RESTRICTED SECURITIES:

The Fund may invest a portion of its assets in restricted securities. Restricted securities are securities that cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. The Fund currently holds the restricted securities shown in the following table. The Fund does not have the right to demand that such securities be registered. These securities are valued using market quotations according to the valuation procedures as stated in the Portfolio Valuation section (Note 1A) and are not expressed as a discount to the carrying value of a comparable unrestricted security. There are no unrestricted securities with the same maturity dates and yields for these issuers.

| SECURITY | ACQUISITION DATE | PRINCIPAL VALUE | CARRYING VALUE PER SHARE 2/28/06 | CARRYING COST PER SHARE AT ACQUISITION DATE |
|--------------------------------|------------------|-----------------|----------------------------------|---|
| ----- | ----- | ----- | ----- | ----- |
| Berry Plastics Corp. | 09/15/06 | \$ 250,000 | \$103.25 | \$100.00 |
| Freescale Semiconductors, Inc. | 11/17/06 | 2,000,000 | 101.00 | 100.875 |
| HRP Myrtle Beach | 03/23/06 | 2,000,000 | 101.00 | 100.00 |
| Nutro Products, Inc. | 04/18/06 | 2,100,000 | 103.875 | 102.25 |

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| | | | | |
|-----------------------------|----------|--------------|--------|--------|
| NXP B.V. | 10/05/06 | 650,000 | 102.25 | 101.50 |
| RMK Acquisition Corporation | 01/17/07 | 500,000 | 103.25 | 100.00 |
| Verso Paper Holdings, LLC | 07/26/06 | 1,000,000 | 103.00 | 101.25 |
| | | ----- | | |
| | | \$ 8,500,000 | | |
| | | ===== | | |

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of February 28, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$4,310,461 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$3,441,722.

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ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II

By (Signature and Title)* /S/ JAMES A. BOWEN

 James A. Bowen, Chairman of the Board, President and
 Chief Executive Officer
 (principal executive officer)

Date APRIL 18, 2007

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /S/ JAMES A. BOWEN

James A. Bowen, Chairman of the Board, President and
Chief Executive Officer
(principal executive officer)

Date APRIL 18, 2007

By (Signature and Title)* /S/ MARK R. BRADLEY

Mark R. Bradley, Treasurer, Controller, Chief Financial
Officer and Chief Accounting Officer
(principal financial officer)

Date APRIL 18, 2007

* Print the name and title of each signing officer under his or her signature.