

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  
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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
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(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  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 630-241-4141  
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Date of fiscal year end: MAY 31  
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Date of reporting period: FEBRUARY 28, 2007  
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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

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

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

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
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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  
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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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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)

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)  
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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

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

Date APRIL 18, 2007  
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By (Signature and Title)\* /S/ MARK R. BRADLEY

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

Date APRIL 18, 2007  
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\* Print the name and title of each signing officer under his or her signature.