

FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
Form N-Q  
October 30, 2006

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: AUGUST 31, 2006

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.

# Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

The Schedule(s) of Investments is attached herewith.

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS  
 AUGUST 31, 2006 (UNAUDITED)

	PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
			MOODY'S	S&P		
SENIOR FLOATING RATE TERM LOAN INTERESTS** - 152.0%						
AEROSPACE & DEFENSE - 6.0%						
AEROSPACE & DEFENSE - 6.0%						
\$	3,623,537	GenCorp Inc. ....	B1	BB-	8.58%-8.65%	12/06/10
	3,280,584	Hexcel Corp. ....	B2	B+	7.06%-7.25%	3/01/12
	2,902,078	Hunter Defense Holdings, Inc. ....	NR(a)	NR(a)	8.38%-10.00%	3/10/11
	1,881,357	K&F Industries, Inc. ....	B2	B+	7.33%	11/18/12
	990,000	Mid-Western Aircraft Systems, Inc.	B1	BB-	7.75%	12/31/11
	2,732,484	MRO Acquisition Corp. ....	B1	B+	7.90%	8/27/10
	5,835,165	Robertson Aviation, LLC. ....	NR(a)	NR(a)	8.83%-9.12%	4/19/13
	4,230,769	Standard Aero Holdings, Inc. ....	B2	B+	7.58%-7.61%	8/24/12
	3,100,000	Vought Aircraft Industries, Inc. ..	B1	B+	7.83%	12/22/10
TOTAL AEROSPACE & DEFENSE						
AUTO COMPONENTS - 1.8%						
AUTO PARTS & EQUIPMENT - 1.8%						
	5,000,000	Axletech International Holdings, Inc. (c) .....	Caa1	B-	12.01%	4/21/13
	3,410,095	TRW Automotive Inc. ....	Ba2	BB+	7.19%	6/30/12
TOTAL AUTO COMPONENTS						
BEVERAGES - 0.2%						
SOFT DRINKS - 0.2%						
	803,953	Culligan Corp. ....	B1	B+	7.33%	9/30/11
TOTAL BEVERAGES						
BUILDING PRODUCTS - 2.8%						
BUILDING PRODUCTS - 2.8%						
	1,733,567	Custom Building Products .....	NR(a)	NR(a)	7.75%	10/20/11
	2,271,275	Headwaters, Inc. ....	Ba3	BB-	7.33%-7.50%	4/30/11
	4,934,235	NCI Building Systems, Inc. ....	Ba2	BB	6.71%	6/18/10
	3,422,980	PGT Industries, Inc. ....	NR(a)	NR(a)	8.41%	2/14/12
	1,000,000	South Edge, LLC .....	NR(a)	NR(a)	7.33%	10/31/09
TOTAL BUILDING PRODUCTS						
CAPITAL MARKETS - 2.3%						
ASSET MANAGEMENT & CUSTODY BANKS - 0.9%						
	3,972,519	LPL Holdings, Inc. ....	B2	B	8.13%-8.75%	6/28/13
INVESTMENT BANKING & BROKERAGE - 1.4%						
	1,958,636	Ameritrade Holding Corp. ....	Ba1	BB	6.90%	12/31/12
	4,922,589	NASDAQ Stock Market (The), Inc. ...	Ba3	BB+	6.97%-7.25%	4/18/12

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

TOTAL CAPITAL MARKETS

CHEMICALS - 4.1%

COMMODITY CHEMICALS - 0.2%

506,075	Basell USA, Inc. ....	Ba3	B+	7.73%	8/01/13
506,075	Basell USA, Inc. ....	Ba3	B+	8.23%	8/01/14

See Notes to Quarterly Portfolio of Investments

Page 1

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
CHEMICALS - (CONTINUED)					
DIVERSIFIED CHEMICALS - 3.9%					
\$ 5,000,000	BCP Crystal US Holdings Corp. ....	B1	BB-	7.49%	1/26/09
3,000,000	Brenntag Holding GmbH & Company KG (c) .....	B3	B-	12.08%	7/23/15
7,000,000	Brenntag Holding GmbH & Company KG .....	B2	B+	8.08%	12/23/13
3,259,587	Huntsman International, LLC .....	Ba3	BB-	7.08%	8/16/12
TOTAL CHEMICALS					
COMMERCIAL SERVICES & SUPPLIES - 7.2%					
DIVERSIFIED COMMERCIAL & PROFESSIONAL SERVICES - 5.0%					
1,000,000	Acosta, Inc. ....	NR(a)	NR(a)	8.16%	7/28/13
997,500	Advantage Sales & Marketing Inc. ..	NR(a)	NR(a)	7.33%-7.46%	3/29/13
2,742,525	Affinion Group, Inc. ....	B1	B+	8.08%-8.18%	10/17/12
1,965,909	Clarke American Corp. ....	B1	B+	8.75%-8.87%	12/15/11
6,467,500	IAP Worldwide Services, Inc. ....	B2	B	8.50%	12/30/12
4,000,000	IAP Worldwide Services, Inc. (c) ..	B3	CCC+	13.50%	6/30/13
1,000,000	N.E.W. Customer Service Companies, Inc. ....	NR(a)	NR(a)	TBA	8/04/13
2,000,000	N.E.W. Customer Service Companies, Inc. (c) .....	NR(a)	NR(a)	TBA	2/04/14
500,000	TransFirst Holdings, Inc. (c) .....	Caa1	B-	11.57%	8/15/13
2,943,750	United Rentals, Inc. ....	B2	BB-	7.33%	2/14/11
ENVIRONMENTAL & FACILITIES SERVICES - 1.5%					
7,000,000	EnergySolutions, LLC .....	NR(a)	NR(a)	7.58%-7.77%	6/07/13

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

	OFFICE SERVICES & SUPPLIES - 0.7%				
3,548,366	Pike Electric, Inc. ....	NR(a)	NR(a)	6.88%-6.94%	7/01/12
	TOTAL COMMERCIAL SERVICES & SUPPLIES				
	COMPUTERS & PERIPHERALS - 1.3%				
	COMPUTER HARDWARE - 1.3%				
6,175,000	Activant Solutions Holdings Inc. ..	NR(a)	NR(a)	7.44%-7.50%	5/02/13
	TOTAL COMPUTERS & PERIPHERALS				
	CONSTRUCTION & ENGINEERING - 0.4%				
	CONSTRUCTION & ENGINEERING - 0.4%				
2,000,000	Standard Pacific Corp. ....	Ba2	BB	6.93%	5/05/13
	TOTAL CONSTRUCTION & ENGINEERING				
	CONTAINERS & PACKAGING - 4.7%				
	METAL & GLASS CONTAINERS - 1.8%				
962,500	Captive Plastics, Inc. ....	NR(a)	B-	8.50%	8/16/11
7,500,000	Owens-Illinois Group, Inc. ....	B1	BB-	7.08%	6/14/13

Page 2 See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

	PRINCIPAL VALUE	DESCRIPTION*	RATINGS+ MOODY'S	S&P	COUPON	STATED MATURITY*
	-----	-----	-----	-----	-----	-----
	SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
	CONTAINERS & PACKAGING - (CONTINUED)					
	PAPER PACKAGING - 2.9%					
\$	1,156,497	Boise Cascade, LLC .....	Ba3	BB	7.09%-7.25%	10/28/11
	4,760,916	Graham Packaging Holdings Company .....	B2	B	7.56%-7.88%	10/07/11
	6,000,000	Graham Packaging Holdings Company (c) .....	B3	CCC+	9.75%	4/07/12
	1,985,000	Pregis Corp. ....	B1	B+	7.75%	10/12/12
	TOTAL CONTAINERS & PACKAGING					
	DIVERSIFIED CONSUMER SERVICES - 0.7%					
	EDUCATION SERVICES - 0.4%					
	2,000,000	Education Management LLC .....	B2	B	8.06%	6/01/13

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

SPECIALIZED CONSUMER SERVICES - 0.3%					
1,502,946	Coinstar, Inc. ....	Ba3	BB-	7.51%	7/01/11
TOTAL DIVERSIFIED CONSUMER SERVICES					
DIVERSIFIED FINANCIAL SERVICES - 0.2%					
SPECIALIZED FINANCE - 0.2%					
1,000,000	J.G.Wentworth, LLC .....	B2	B	9.01%	4/12/11
TOTAL DIVERSIFIED FINANCIAL SERVICES					
DIVERSIFIED TELECOMMUNICATION SERVICES - 0.4%					
INTEGRATED TELECOMMUNICATION SERVICES - 0.4%					
1,975,000	Telcordia Technologies, Inc. ....	B1	B+	7.86%-7.90%	9/15/12
TOTAL DIVERSIFIED TELECOMMUNICATION SERVICES					
ELECTRIC UTILITIES - 7.8%					
ELECTRIC UTILITIES - 7.8%					
1,000,000	Astoria Generating Company Acquisitions, LLC (c) .....	B3	B	9.20%	8/23/13
328,344	Calpine Corp., (Debtor in Possession) (f) ....	NR(a)	NR(a)	0.75%-7.75%	12/20/07
829,787	Calpine Corp., (Debtor in Possession) (c) (f) .....	NR(a)	NR(a)	9.50%	12/20/07
353,886	Cogentrix Delaware Holdings, Inc. .	Ba2	BB+	7.00%	4/14/12
7,145,528	Covanta Energy Corp. ....	B1	B+	7.58%-7.71%	6/24/12
1,919,192	LSP Gen Finance Co., LLC .....	Ba3	BB-	7.25%	5/04/13
80,808	LSP Gen Finance Co., LLC .....	Ba3	BB-	0.88%-7.08%	1/03/13
716,722	LSP-Kendall Energy, LLC .....	B1	B	7.50%	10/07/13
6,427,331	Midwest Generation, LLC .....	Ba2	BB-	7.24%-7.31%	4/27/11
995,000	Mirant North America, LLC .....	B1	BB-	7.08%	1/03/13
9,000,000	NRG Energy, Inc. ....	Ba2	BB-	7.50%	2/01/13
4,549,812	Plum Point Energy Associates, LLC .	B1	B	8.62%-8.75%	3/14/14
2,126,125	Riverside Energy Center, LLC .....	B1	B	9.74%	6/24/11
1,638,827	Rocky Mountain Energy Center, LLC .	B1	B	9.74%-9.84%	6/24/11
TOTAL ELECTRIC UTILITIES					

See Notes to Quarterly Portfolio of Investments

Page 3

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL		RATINGS+			STATED
VALUE	DESCRIPTION*	MOODY'S	S&P	COUPON	MATURITY*
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
ELECTRONIC EQUIPMENT & INSTRUMENTS - 1.4%					
ELECTRONIC EQUIPMENT MANUFACTURERS - 0.4%					
\$ 1,907,017	VeriFone, Inc. ....	B1	BB-	7.24%	6/30/11

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

	TECHNOLOGY DISTRIBUTORS - 1.0%				
4,600,000	Sensata Technologies Finance Company, LLC .....	NR	NR	TBA	4/27/13
	TOTAL ELECTRONIC EQUIPMENT & INSTRUMENTS				
	ENERGY EQUIPMENT & SERVICES - 2.1%				
	OIL & GAS EQUIPMENT & SERVICES - 2.1%				
2,985,000	Key Energy Services, Inc. ....	NR	NR	8.90%-9.23%	6/30/12
6,957,661	Targa Resources, Inc. ....	Ba3	B+	7.58%-7.75%	10/31/12
	TOTAL ENERGY EQUIPMENT & SERVICES				
	FOOD & STAPLES RETAILING - 3.8%				
	DRUG RETAIL - 0.7%				
3,574,976	Jean Coutu Group (PJC) (The) Inc. .	B2	BB-	8.00%	7/30/11
	FOOD DISTRIBUTORS - 1.0%				
1,955,000	Golden State Foods Corp. ....	B1	NR(a)	7.25%	2/25/11
2,914,286	Nash Finch Company .....	B1	B+	7.63%	11/12/10
	FOOD RETAIL - 2.1%				
9,977,500	SUPERVALU, Inc. ....	Ba3	BB-	7.06%	6/02/12
	TOTAL FOOD & STAPLES RETAILING				
	FOOD PRODUCTS - 6.2%				
	AGRICULTURAL PRODUCTS - 2.3%				
997,500	Del Monte Corp. ....	Ba3	BB	7.00%-7.07%	2/08/12
8,984,128	Dole Food Company, Inc. ....	Ba3	B+	7.38%-9.25%	4/12/13
995,000	Wm. Bolthouse Farms, Inc. ....	B2	B+	7.81%	12/16/12
	PACKAGED FOODS & MEATS - 3.9%				
7,888,348	Keystone Foods Holdings, LLC .....	NR(a)	NR(a)	7.13%-7.25%	6/16/11
8,849,887	OSI Group, LLC .....	NR(a)	NR(a)	7.25%	9/02/11
1,995,000	THL Foods Products Company .....	B1	B+	7.03%-7.55%	11/21/10
	TOTAL FOOD PRODUCTS				
	HEALTH CARE EQUIPMENT & SUPPLIES - 0.4%				
	HEALTH CARE SUPPLIES - 0.4%				
1,852,500	Angiotech Pharmaceuticals Inc. ....	Ba3	BB-	6.83%-7.00%	3/23/13
	TOTAL HEALTH CARE EQUIPMENT & SUPPLIES				
	HEALTH CARE PROVIDERS & SERVICES - 11.2%				
	HEALTH CARE FACILITIES - 1.6%				
904,182	Lifepoint Hospitals, Inc. ....	Ba3	BB	7.13%	4/15/12
5,945,175	Select Medical Corp. ....	B1	BB-	7.08%-9.00%	2/24/12
1,000,000	USP Domestic Holdings Inc. ....	Ba2	BB-	7.12%	6/07/13

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
HEALTH CARE PROVIDERS & SERVICES - (CONTINUED)					
HEALTH CARE SERVICES - 8.3%					
\$ 8,875,251	CHS/Community Health Systems, Inc.	Ba3	BB-	7.08%-7.15%	8/19/11
4,276,225	DaVita Inc. ....	B1	BB-	7.11%-7.69%	10/05/12
983,214	DJ Orthopedics, LLC ....	Ba3	BB-	6.88%-7.06%	4/07/13
6,982,500	Fresenius Medical Care AG ....	Ba2	BB+	6.78%-6.87%	3/31/13
294,872	Matria Healthcare, Inc. ....	B1	BB-	7.65%	1/19/07
956,324	Multiplan Merger Corp. ....	B2	B+	7.50%	4/12/13
1,770,115	Per-Se Technologies, Inc. ....	B1	B+	7.68%-7.75%	1/06/13
1,496,250	Quintiles Transnational Corp. ....	B1	BB-	7.50%	3/31/13
2,985,000	Team Finance, LLC ....	B2	B+	7.83%-7.90%	11/23/12
6,427,819	US Oncology Holdings, Inc. ....	Ba3	B+	7.65%-7.88%	8/20/11
4,661,491	VWR International, Inc. ....	B2	B+	7.77%	4/07/11
MANAGED HEALTH CARE - 1.3%					
4,405,088	IASIS Healthcare Corp. ....	B1	B+	7.73%-7.75%	6/22/11
1,970,150	Vanguard Health Systems, Inc. ....	B2	B	7.75%-7.87%	9/23/11
TOTAL HEALTH CARE PROVIDERS & SERVICES					
HOTELS, RESTAURANTS & LEISURE - 11.7%					
CASINOS & GAMING - 6.7%					
5,880,000	Boyd Gaming Corp. ....	Ba2	BB	6.61%-7.00%	6/30/11
2,972,490	CCM Merger, Inc. ....	B1	B+	7.24%-7.49%	10/21/12
3,154,632	Global Cash Access, Inc. ....	Ba3	B+	7.08%	3/10/10
6,000,000	MGM Mirage ....	Ba2	BB	6.28%	11/22/09
1,985,000	Penn National Gaming, Inc. ....	Ba2	BB	7.02%-7.25%	10/03/12
5,000,000	Pinnacle Entertainment, Inc. ....	B1	BB-	0.75%	12/14/11
1,000,000	Pinnacle Entertainment, Inc. ....	B1	BB-	7.33%	12/14/11
6,000,000	VML US Finance, LLC ....	B1	BB-	8.20%	5/25/13
HOTELS, RESORTS & CRUISE LINES - 2.2%					
6,000,000	Kerzner International Ltd. ....	B3	B-	0.50%-8.39%	9/01/13
4,761,129	OpBiz, LLC ....	B3	B-	6.76%	8/31/10
LEISURE FACILITIES - 2.4%					
6,806,356	American Skiing Company ....	NR	NR	9.75%-10.03%	11/24/10
4,500,000	Cedar Fair, L.P. ....	Ba3	BB-	TBA	7/03/12

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

	RESTAURANTS - 0.4%				
2,000,000	QCE LLC (c) .....	NR (a)	NR (a)	11.25%	11/05/13
	TOTAL HOTELS, RESTAURANTS & LEISURE				

See Notes to Quarterly Portfolio of Investments

Page 5

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
	HOUSEHOLD DURABLES - 2.7%				
	HOMEBUILDING - 2.3%				
\$ 2,038,576	Kyle Acquisition Group, LLC .....	NR (a)	NR (a)	7.38%	7/20/08
2,775,964	Kyle Acquisition Group, LLC .....	NR (a)	NR (a)	7.38%	7/20/10
1,000,000	Technical Olympic USA, Inc. ....	NR (a)	NR	8.25%	8/01/08
5,000,000	Technical Olympic USA, Inc., (Mezzanine Debt) (c) .....	NR (a)	NR	10.75%	8/01/09
	HOUSEWARES & SPECIALTIES - 0.4%				
2,007,966	Jostens IH Corp. ....	B1	B+	7.07%	10/04/11
	TOTAL HOUSEHOLD DURABLES				
	INDUSTRIAL CONGLOMERATES - 0.7%				
	INDUSTRIAL CONGLOMERATES - 0.7%				
2,653,929	Goodman Global Holdings, Inc. ....	B1	B+	7.25%	12/23/11
757,853	Mueller Group, Inc. ....	B1	BB-	7.11%-7.62%	10/03/12
	TOTAL INDUSTRIAL CONGLOMERATES				
	INSURANCE - 0.8%				
	LIFE & HEALTH INSURANCE - 0.8%				
3,970,441	Conseco, Inc. ....	Ba3	BB-	7.08%	6/22/10
	TOTAL INSURANCE				
	INTERNET SOFTWARE & SERVICES - 1.9%				
	INTERNET SOFTWARE & SERVICES - 1.9%				
8,917,444	SunGard Data Systems Inc. ....	B1	B+	8.00%	2/11/13
	TOTAL INTERNET SOFTWARE & SERVICES				



Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

IT SERVICES - 4.3%					
DATA PROCESSING & OUTSOURCED SERVICES - 0.2%					
987,500	Fidelity National Information Solutions, Inc. & Fidelity National Tax Service, Inc. ...	Ba1	BB+	6.58%	3/09/11
IT CONSULTING & OTHER SERVICES - 4.1%					
3,104,762	Alion Science and Technology Corp.	B1	B+	8.25%	8/02/09
8,887,500	DynCorp International, LLC .....	Ba3	BB-	7.31%-7.81%	6/28/12
997,500	iPayment, Inc. ....	NR(a)	NR(a)	7.58%-7.75%	5/10/13
1,946,667	Vertafore, Inc. ....	NR(a)	NR(a)	7.83%-9.75%	1/31/12
3,125,000	Wyle Laboratories, Inc. (c) .....	NR(a)	B-	11.97%	7/28/11
1,422,900	Wyle Laboratories, Inc. ....	NR(a)	B+	8.22%	1/28/11
TOTAL IT SERVICES					
LEISURE EQUIPMENT & PRODUCTS - 0.7%					
LEISURE PRODUCTS - 0.7%					
3,491,250	Easton-Bell Sports, Inc. ....	B1	B+	6.81%-7.08%	3/16/12
TOTAL LEISURE EQUIPMENT & PRODUCTS					

Page 6

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
MACHINERY - 0.2%					
INDUSTRIAL MACHINERY - 0.2%					
\$ 470,000	Invensys International Holdings Ltd. /BTR Dunlop Finance, Inc. ....	Ba3	B-	7.45%	12/15/10
530,000	Invensys International Holdings Ltd. /BTR Dunlop Finance, Inc. ....	Ba3	B-	7.31%	1/15/11
TOTAL MACHINERY					
MEDIA - 30.4%					
ADVERTISING - 0.4%					
2,031,906	Adams Outdoor Advertising, L.P. ...	B1	B+	7.15%-7.27%	10/18/12
BROADCASTING & CABLE TV - 18.3%					
3,920,000	Bragg Communications, Inc. ....	NR(a)	NR	7.33%	8/31/11
17,380,000	Century Cable Holdings LLC (g) ....	NR	NR	10.25%	6/30/09
3,000,000	Cequel Communications, LLC .....	B1	B+	7.74%	12/05/13
3,000,000	Cequel Communications, LLC .....	NR	NR	10.49%	5/05/14
12,983,858	Charter Communications Operating, LLC .....	B2	B	8.13%	4/27/13

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

10,972,500	CSC Holdings, Inc. ....	Ba3	BB	6.99%-7.26%	3/29/13
1,000,000	Cumulus Media Inc. ....	Ba3	B	7.33%-7.63%	6/07/13
1,329,975	DIRECTV Holdings LLC ....	Ba1	BB	6.82%	4/13/13
3,491,250	LBI Media, Inc. ....	B1	B	6.76%	3/31/12
2,893,581	NEP Supershooters, L.P. ....	B1	NR(a)	9.00%	2/03/11
1,000,000	NextMedia Operating, Inc. (c) ....	B3	CCC+	9.83%	11/15/13
2,000,000	NTL Investment Holdings Ltd. ....	Ba3	BB-	TBA	12/21/12
7,000,000	PanAmSat Corp. ....	B1	BB	8.01%	12/03/13
1,500,000	Panavision, Inc. (c) ....	B3	CCC	12.49%	3/30/12
1,000,000	Paxson Communications Corp. ....	B2	CCC+	8.76%	1/15/12
6,466,250	Raycom Media, Inc. ....	NR	NR	7.00%	8/28/13
4,500,000	UPC Distribution Holding B.V. ....	B1	B	7.64%	12/31/13
4,500,000	UPC Distribution Holding B.V. ....	B1	B	7.64%	3/31/13
MOVIES & ENTERTAINMENT - 5.6%					
4,875,500	AMC Entertainment, Inc. ....	Ba3	B+	7.53%	1/26/13
1,577,363	Deluxe Entertainment Services Group, Inc. ....	B1	B	9.25%	1/28/11
6,982,500	Metro-Goldwyn-Mayer Holdings II, Inc. ....	NR(a)	NR(a)	8.75%	4/08/12
3,682,419	Regal Cinemas Corp. ....	Ba2	BB-	7.07%-7.25%	11/10/10
9,767,334	WMG Acquisition Corp. ....	Ba2	B+	7.21%-7.51%	3/01/11
PUBLISHING - 6.1%					
997,500	Caribe Information Investments Inc. ....	B1	B	7.46%-7.66%	3/31/13
4,705,882	CBD Media, LLC ....	B1	B	7.87%	12/31/09
853,311	Dex Media West, Inc. ....	Ba2	BB	6.91%-7.00%	3/09/10
1,970,050	Media News Group, Inc. ....	Ba3	BB-	6.58%	12/30/10
2,000,000	Media News Group, Inc. ....	Ba3	BB-	7.16%	8/02/13
5,000,000	Newspaper Holdings, Inc. ....	NR	NR	6.94%	8/24/12
958,418	Nexstar Broadcasting, Inc. ....	Ba3	B	7.25%	10/01/12

See Notes to Quarterly Portfolio of Investments

Page 7

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
PORTFOLIO OF INVESTMENTS - (CONTINUED)  
AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
MEDIA - (CONTINUED)					
PUBLISHING - (CONTINUED)					
\$ 930,890	Nexstar Broadcasting, Inc. ....	Ba3	B+	7.25%	10/01/12
1,500,000	PBI Media, Inc. ....	B2	B	7.74%-7.75%	9/30/12
990,000	PRIMEDIA Inc. ....	B2	B	7.65%	9/30/13
6,768,519	RH Donnelley Inc. ....	Ba3	BB	6.74%-7.01%	6/30/11
1,814,504	WCP Exposition Services Operating Company, LLC ....	NR	NR	9.00%-9.12%	8/29/11
1,000,000	Yell Group PLC ....	Ba3	BB-	TBA	2/09/13

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

TOTAL MEDIA					
METALS & MINING - 1.6%					
ALUMINUM - 1.0%					
4,910,380	Novelis Corp. ....	Ba2	BB-	7.72%	1/06/12
DIVERSIFIED METALS & MINING - 0.6%					
2,985,000	Alpha Natural Resources, LLC .....	B1	BB-	7.25%	10/26/12
TOTAL METALS & MINING					
MULTI - UTILITIES - 1.5%					
MULTI-UTILITIES - 1.5%					
987,500	KGEM, LLC .....	B2	B	8.12%	8/05/11
5,697,444	KGEM, LLC (c) (h) .....	B3	B-	14.5%	8/05/11
500,000	Thermal North America, Inc. ....	Ba3	BB-	7.16%	10/12/13
TOTAL MULTI - UTILITIES					
OIL, GAS & CONSUMABLE FUELS - 7.9%					
OIL & GAS EXPLORATION & PRODUCTION - 3.4%					
5,940,000	ATP Oil & Gas Corp. ....	NR	NR	8.32%-8.86%	4/14/10
4,365,298	Plains Resources Inc. ....	Ba2	BB	6.90%	8/12/11
2,000,000	Resolute Aneth, LLC (c) .....	NR	NR	10.47%	4/13/12
1,888,898	SemCrude, L.P. ....	Ba3	B	7.58%-7.75%	3/16/11
2,000,000	Venoco, Inc. (c) .....	Caa1	B-	9.75%-10.00%	4/27/11
OIL & GAS REFINING, MARKETING & TRANSPORTATION - 4.5%					
1,000,000	Alon USA, Inc. ....	B2	BB-	1.25%-7.91%	6/22/13
443,333	Calumet Lubricants Company, L.P. ..	B2	BB-	8.63%-8.78%	12/09/12
4,962,500	Cheniere LNG Holdings, LLC .....	NR	BB	8.25%	8/31/12
2,000,000	Coffeyville Resources, LLC (c) ....	B3	B	12.13%	7/08/13
6,907,863	Eagle Rock Gas Gathering & Processing, Ltd. ....	NR	NR	8.01%	10/01/12
3,000,000	El Paso Corp. ....	B1	B+	7.37%	7/31/11
990,000	EPCO Holdings, Inc. ....	Ba3	B+	7.22%-7.49%	8/18/10
2,000,000	Regency Gas Service, LLC .....	B1	B+	7.87%	8/15/13
TOTAL OIL, GAS & CONSUMABLE FUELS					

Page 8

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+ MOODY'S	S&P	COUPON	STATED MATURITY*
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

	PAPER & FOREST PRODUCTS - 4.0%					
	FOREST PRODUCTS - 4.0%					
\$	14,193,750	Georgia-Pacific Corp. ....	Ba2	BB-	7.30%-7.50%	12/20/12
	4,750,000	Georgia-Pacific Corp. (c) .....	Ba3	B+	8.30%	12/23/13
	TOTAL PAPER & FOREST PRODUCTS					
	PERSONAL PRODUCTS - 0.2%					
	PERSONAL PRODUCTS - 0.2%					
	1,000,000	American Safety Razor Company (c) .	Caa1	CCC+	11.72%	1/31/14
	TOTAL PERSONAL PRODUCTS					
	REAL ESTATE INVESTMENT TRUSTS (REITS) - 4.5%					
	OFFICE REITS - 0.9%					
	371,111	Maguire Properties, Inc. ....	Ba2	BB+	7.08%	3/15/10
	4,000,000	Trizec Partners Real Estate, L.P. .	NR(a)	NR(a)	6.78%	5/02/07
	RESIDENTIAL REITS - 0.0%					
	77,895	Lion Gables Realty, L.P. ....	Ba2	BB+	7.12%	9/30/06
	RETAIL REITS - 3.6%					
	6,349,109	Capital Automotive, L.P. ....	Ba1	BB+	7.16%	12/16/10
	9,000,000	General Growth Properties, Inc. ...	Ba2	BB+	6.58%	2/24/10
	2,000,000	Macerich Partnership (The), L.P. ..	NR(a)	NR(a)	6.94%	4/26/10
	TOTAL REAL ESTATE INVESTMENT TRUSTS (REITS)					
	REAL ESTATE MANAGEMENT & DEVELOPMENT - 5.5%					
	REAL ESTATE MANAGEMENT & DEVELOPMENT - 5.5%					
	1,257,143	Ginn-LA CS Borrower, LLC .....	B1	B+	8.29%	6/08/11
	2,742,857	Ginn-LA CS Borrower, LLC .....	B1	BB	8.41%	6/08/11
	2,125,000	LNR Property Corp. ....	B2	NR(a)	8.22%	6/12/09
	4,500,000	LNR Property Corp. ....	B2	NR(a)	8.22%	7/12/11
	732,099	Newkirk Master (The) L.P. ....	Ba2	BB+	7.15%-8.75%	8/11/08
	997,500	November 2005 Land Investors, LLC .	B1	BB	8.25%	5/31/11
	1,000,000	November 2005 Land Investors, LLC (c)	B2	B+	12.50%	5/30/12
	3,935,075	Palmdale Hills Property, LLC .....	B1	B+	8.26%-8.50%	5/19/10
	4,967,475	Pivotal Promontory, LLC .....	NR(a)	NR(a)	8.08%	8/31/10
	1,850,000	Rhodes Companies (The), LLC .....	Ba3	BB-	8.75%	11/21/10
	1,500,000	Shea Capital I, LLC .....	NR(a)	NR(a)	7.49%	10/27/11
	950,933	Yellowstone Development, LLC .....	NR(a)	NR(a)	7.71%	9/30/10
	TOTAL REAL ESTATE MANAGEMENT & DEVELOPMENT					
	ROAD & RAIL - 1.0%					
	TRUCKING - 1.0%					
	4,590,202	Hertz (The) Corp. ....	Ba2	BB	7.58%-7.73%	12/21/12
	TOTAL ROAD & RAIL					

See Notes to Quarterly Portfolio of Investments

Page 9

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+		COUPON	STATED MATURITY*
		MOODY'S	S&P		
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
SPECIALTY RETAIL - 3.5%					
APPAREL RETAIL - 1.8%					
\$ 2,000,000	Hanesbrands, Inc. ....	Ba2	BB-	TBA	8/10/13
1,000,000	Hanesbrands, Inc. ....	Ba3	B-	TBA	2/10/14
5,848,101	Neiman Marcus Group (The), Inc. ...	B1	B+	7.77%	4/06/13
SPECIALTY STORES - 1.7%					
1,221,938	Dollarama Group L.P. ....	B1	B+	7.49%	11/18/11
3,784,979	Harbor Freight Tools USA, Inc. ....	NR(a)	NR(a)	7.13%-7.18%	7/15/10
2,985,000	TravelCenters of America, Inc. ....	B1	BB	6.86%-7.25%	12/01/11
TOTAL SPECIALTY RETAIL					
TOBACCO - 0.8%					
TOBACCO - 0.8%					
937,250	Commonwealth Brands, Inc. ....	NR(a)	NR(a)	7.75%	12/22/12
3,000,000	Reynolds American Inc. ....	Ba1	BB+	7.19%-7.31%	5/31/12
TOTAL TOBACCO					
TRANSPORTATION INFRASTRUCTURE - 1.0%					
MARINE PORTS & SERVICES - 1.0%					
4,870,378	Horizon Lines Holding, LLC ....	B2	B	7.75%	7/07/11
TOTAL TRANSPORTATION INFRASTRUCTURE					
WIRELESS TELECOMMUNICATION SERVICES - 2.1%					
WIRELESS TELECOMMUNICATION SERVICES - 2.1%					
2,000,000	Clearwire Corp. ....	NR	NR	12.08%	8/18/09
1,000,000	Crown Castle Operating Company ....	B2	BB	7.65%	6/01/14
3,000,000	MetroPCS Wireless, Inc. ....	NR	NR(a)	10.44%	5/31/11
4,000,000	Windstream Corp. ....	Ba2	BBB-	7.26%	7/17/13
TOTAL WIRELESS TELECOMMUNICATION SERVICES					
TOTAL SENIOR FLOATING RATE TERM LOAN INTERESTS**					
(Cost \$728,205,351)					
SENIOR FLOATING RATE NOTES - 5.7%					
ENERGY EQUIPMENT & SERVICES - 0.2%					
OIL & GAS DRILLING - 0.2%					
1,000,000	Parker Drilling Company (e) ....	NR	NR	9.98%	9/01/10

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

TOTAL ENERGY EQUIPMENT & SERVICES

FOOD & STAPLES RETAILING - 0.5%						
FOOD DISTRIBUTORS - 0.5%						
2,100,000	Nutro Products, Inc. (e)	B3	CCC	9.23%	10/15/13	

TOTAL FOOD & STAPLES RETAILING

HEALTH CARE PROVIDERS & SERVICES - 0.2%						
HEALTH CARE FACILITIES - 0.2%						
1,000,000	US Oncology Holdings, Inc.(d) (e)	Caa1	B-	10.32%	3/15/15	

TOTAL HEALTH CARE PROVIDERS & SERVICES

Page 10

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*	RATINGS+ MOODY'S	S&P	COUPON	STATED MATURITY*
-----					
SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED					
HOTELS, RESTAURANTS & LEISURE - 0.8%					
LEISURE FACILITIES - 0.8%					
\$ 2,000,000	HRP Myrtle Beach (e)	B3	B	9.82%	4/01/12
2,000,000	Universal City Florida Holding Company (e)	B3	B-	10.24%	5/01/10
TOTAL HOTELS, RESTAURANTS & LEISURE					
HOUSEHOLD DURABLES - 0.6%					
HOMEBUILDING - 0.6%					
3,000,000	Builders Firstsource, Inc. (c) (e)	B3	B-	9.66%	2/15/12
TOTAL HOUSEHOLD DURABLES					
MEDIA - 1.7%					
BROADCASTING & CABLE TV - 1.7%					
3,000,000	EchoStar Communications Corp. (e)	NR	NR	8.76%	10/01/08
5,000,000	Paxson Communications Corp. (e)	B2	CCC+	8.76%	1/15/12
TOTAL MEDIA					
PAPER & FOREST PRODUCTS - 0.2%					
PAPER PRODUCTS - 0.2%					
1,000,000	Verso Paper Holdings LLC (e)	B1	B+	9.24%	8/01/14
TOTAL PAPER & FOREST PRODUCTS					
PHARMACEUTICALS - 0.5%					
PHARMACEUTICALS - 0.5%					
2,500,000	Elan Finance PLC (d) (e)	B3	B	9.41%	11/15/11

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

TOTAL PHARMACEUTICALS

WIRELESS TELECOMMUNICATION SERVICES - 1.0%  
 WIRELESS TELECOMMUNICATION SERVICES - 1.0%  
 4,500,000 Intelsat (Bermuda), Ltd. (d) (e) .. B2 B+ 9.61% 1/15/12

TOTAL WIRELESS TELECOMMUNICATION SERVICES

TOTAL SENIOR FLOATING RATE NOTES .....

(Cost \$27,120,130)

SHARES	DESCRIPTION*
--------	--------------

CLOSED-END FUNDS - 2.9%	
OTHER DIVERSIFIED FINANCIAL SERVICES - 2.9%	
903,900	ING Prime Rate Trust .....
881,900	Van Kampen Senior Income Trust .....

TOTAL OTHER DIVERSIFIED FINANCIAL SERVICES

TOTAL CLOSED-END FUNDS .....

(Cost \$13,110,710)

COMMON STOCKS AND RIGHTS - 0.0%	
OTHER DIVERSIFIED FINANCIAL SERVICES - 0.0%	
690	Atkins Nutritionals Holdings .....
690	Atkins Nutritionals Holdings - Rights .....

TOTAL OTHER DIVERSIFIED FINANCIAL SERVICES

TOTAL COMMON STOCKS AND RIGHTS .....

(Cost \$36,260)

See Notes to Quarterly Portfolio of Investments

Page 11

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2006 (UNAUDITED)

PRINCIPAL VALUE	DESCRIPTION*
REPURCHASE AGREEMENT - 2.2%	
(Cost \$10,700,000)	
\$ 10,700,000	Agreement with Wachovia Capital Markets, LLC, 5.15% dated 8/31/06, to be repurchased at \$10,701,531 on 9/1/06, collateralized by \$10,755,000 Federal Home Loan Bank, 5.38% due 8/19/11 (Value \$10,976,627) .....
TOTAL INVESTMENTS - 162.8% .....	
(Cost \$779,172,451) (b)	

NET OTHER ASSETS AND LIABILITIES - (4.5)% .....	
LOAN OUTSTANDING - (37.4)% .....	
AUCTION MARKET PREFERRED SHARES, AT LIQUIDATION VALUE - (20.9)% .....	
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS - 100.0% .....	

Page 12

See Notes to Quarterly Portfolio of Investments

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

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 AUGUST 31, 2006

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 New York Stock Exchange ("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 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 floating rate loans ("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 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.

Page 13

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

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
AUGUST 31, 2006

C. SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and

Edgar Filing: FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II - Form N-Q

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 Senior Loan commitments of approximately \$840,426 as of August 31, 2006. The Fund is obligated to fund these Senior Loan commitments at the borrower's discretion. The Fund will maintain cash, liquid securities and/or liquid Senior Loans with an aggregate value at least equal to the amount or unfunded Senior Loan commitments. Net unrealized depreciation of \$10,505 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. As of August 31, 2006, 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	CARRYING COST PER SHARE AT ACQUISITION DATE	
Builders Firstsource, Inc.	2/8/05	\$3,000,000	\$101.25	\$100.00	\$3,
EchoStar Communications Corp.	5/8/06	3,000,000	101.25	102.06	3,
Elan Finance PLC	3/2/05	1,500,000	101.00	86.50	1,
Elan Finance PLC	3/31/05	1,000,000	101.00	75.75	1,
HRP Myrtle Beach	3/23/06	2,000,000	99.50	100.00	1,
Intelsat, Ltd.	2/14/05	3,000,000	101.50	103.50	3,
Intelsat, Ltd.	6/19/06	1,000,000	101.50	101.38	1,
Intelsat, Ltd.	6/20/06	500,000	101.50	101.25	
Nutro Products, Inc.	4/13/06	100,000	103.00	100.00	
Nutro Products, Inc.	4/13/06	1,000,000	103.00	102.50	1,
Nutro Products, Inc.	4/18/06	1,000,000	103.00	102.25	1,
Parker Drilling Company	8/22/06	1,000,000	101.88	102.13	1,
Paxson Communications Corp.	12/19/04	5,000,000	99.50	100.00	4,
Universal City Florida Holding Company	4/3/06	2,000,000	102.25	102.00	2,
US Oncology Holdings, Inc.	7/14/06	1,000,000	101.50	102.50	1,
Verso Paper Holdings LLC	7/26/06	500,000	100.75	100.00	
Verso Paper Holdings LLC	7/26/06	500,000	101.25	100.00	
		-----			-----
		\$27,100,000			\$27,
		=====			=====

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

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
AUGUST 31, 2006

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of August 31, 2006, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$2,706,418 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$2,776,321.

Page 15

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       OCTOBER 24, 2006  
-----

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       OCTOBER 24, 2006  
-----

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

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

Date       OCTOBER 24, 2006  
-----

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