

FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II

Form N-Q

October 29, 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: August 31, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (Sections 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. Section 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

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The Schedule(s) of Investments is attached herewith.

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) MOODY'S S&P | | COUPON |
|-------------------------------------------------------|-------------------------------------------------------|----------------------------|-------|-------------|
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - 157.7% | | | | |
| | AEROSPACE & DEFENSE - 3.2% | | | |
| \$ 876,275 | Gencorp, Inc. | Ba2 | BB | 7.80% |
| 1,464,118 | Gencorp, Inc. | Ba2 | BB | 7.82% |
| 2,145,695 | Hexcel Corp. | B2 | B+ | 7.13%-7.25% |
| 974,502 | IIC Industries, Inc. | NR(e) | NR(e) | 7.61% |
| 838,308 | Mid-Western Aircraft Systems, Inc. | Ba3 | BBB- | 7.11% |
| 5,178,427 | Robertson Aviation, LLC | NR(e) | NR(e) | 8.58%-8.63% |
| 3,100,000 | Vought Aircraft Industries, Inc. | Ba2 | B- | 7.82% |
| | AGRICULTURAL PRODUCTS - 2.1% | | | |
| 9,893,368 | Dole Food Company, Inc. | Ba3 | BB- | 7.36%-9.25% |
| | AIRLINES - 0.1% | | | |
| 500,000 | Delta Air Lines, Inc. (n) | Ba2 | NR(e) | 7.36% |
| | ALUMINUM - 0.4% | | | |
| 2,000,000 | Novelis Corp. | Ba2 | BB | 7.36% |
| | APPAREL RETAIL - 1.5% | | | |
| 1,852,143 | Hanesbrands, Inc. | Ba2 | BB | 7.11%-7.26% |
| 5,068,355 | Neiman Marcus Group (The), Inc. | Ba3 | B+ | 7.09%-7.11% |
| | APPLICATION SOFTWARE - 0.6% | | | |
| 2,815,385 | Verint Systems | NR | B+ | 8.11% |
| | ASSET MANAGEMENT & CUSTODY BANKS - 1.3% | | | |
| 500,000 | Gartmore Investment Management Holdings, Inc. | Ba3 | BB+ | 7.11% |
| 1,494,785 | Grosvenor Capital Management Holdings, LLP | NR(e) | NR(e) | 7.33%-7.36% |
| 3,942,749 | LPL Holdings, Inc. | B1 | B | 7.36% |
| | AUTO PARTS & EQUIPMENT - 0.4% | | | |
| 1,000,000 | Federal Mogul Corp. (f) | NR | NR(e) | 7.25% |
| 1,019,116 | TRW Automotive, Inc. | Baa3 | BBB | 6.88% |
| | AUTOMOBILE MANUFACTURERS - 1.2% | | | |

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| | | | | |
|-----------|----------------------------------|-----|-----|-------------|
| 2,420,019 | Ford Motor Company | Ba3 | B+ | 8.36% |
| 2,985,000 | General Motors Corp. | Ba3 | BB- | 7.74% |
| | AUTOMOTIVE RETAIL - 0.3% | | | |
| 1,500,000 | KAR Holdings, Inc. | Ba3 | B+ | 7.61% |
| | BROADCASTING & CABLE TV - 20.7% | | | |
| 1,995,000 | Cequel Communications, LLC | B1 | B+ | 7.36%-9.25% |

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)
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|------------------------------------------------|-------------|-------|---------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| | BROADCASTING & CABLE TV - (CONTINUED) | | | |
| \$ 16,500,000 | Charter Communications Operating, LLC | B1 | B+ | 7.36% |
| 3,000,000 | Citadel Broadcasting Corp. | Ba3 | BB- | 6.99% |
| 10,862,500 | CSC Holdings, Inc. | Ba2 | BB | 7.07% |
| 939,111 | Cumulus Media, Inc. | Ba3 | B | 7.11%-7.37% |
| 1,316,541 | DIRECTV Holdings, LLC | Baa3 | BB | 7.00% |
| 6,000,000 | Gray Television, Inc. | Ba3 | B+ | 6.86% |
| 4,443,750 | LBI Media, Inc. | Ba1 | B+ | 7.07% |
| 2,992,495 | NEP II, Inc. | NR(e) | NR(e) | 7.61% |
| 6,947,500 | PanAmSat Corp. | Ba2 | BB | 7.36% |
| 3,500,000 | Raycom Media, Inc. | NR | NR | 6.88% |
| 2,500,000 | Sirius Satellite Radio, Inc. | B1 | B | 7.63% |
| 7,000,000 | Tribune Company | Ba2 | BB | 8.36% |
| 1,500,000 | Univision Communications, Inc. (g) | B3 | CCC+ | 8.01% |
| 17,852,349 | Univision Communications, Inc. | Ba3 | B+ | 7.61% |
| 1,147,651 | Univision Communications, Inc. (h) | Ba3 | B+ | 1.00% (i) |
| 9,000,000 | UPC Distribution Holding B.V. | Ba3 | B | 7.13% |
| | BUILDING PRODUCTS - 0.3% | | | |
| 370,669 | South Edge, LLC | NR(e) | NR(e) | 7.38% |
| 1,000,000 | South Edge, LLC | NR(e) | NR(e) | 7.63% |
| | CASINOS & GAMING - 10.7% | | | |
| 1,102,362 | Cannery Casino Resorts, LLC | B2 | BB | 7.76% |
| 897,638 | Cannery Casino Resorts, LLC (h) | B2 | BB | 2.25% (i)-7.6 |
| 3,442,477 | CCM Merger, Inc. | Ba3 | BB- | 7.36%-7.51% |
| 1,666,667 | Fontainebleau Resorts Las Vegas, LLC | B1 | B+ | 8.61% |
| 833,333 | Fontainebleau Resorts | | | |

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| | | | | |
|------------|-----------------------------------------|-------|-------|----------------|
| | Las Vegas, LLC (h) | B1 | B+ | 2.00% (i) |
| 1,573,091 | Golden Nugget, Inc. | B1 | CCC+ | 7.51%-7.59% |
| 898,909 | Golden Nugget, Inc. (h) | B1 | CCC+ | 0.50% (i) |
| 1,492,500 | Great Canadian Gaming Corp. | Ba2 | BB | 7.00% |
| 961,136 | Green Valley Ranch Gaming, LLC | B1 | BB- | 7.36%-7.57% |
| 995,000 | Greenwood Racing, Inc. | B2 | BB- | 7.80%-7.82% |
| 588,235 | Isle of Capri Casinos, Inc. | Ba3 | BB+ | 7.26% |
| 235,294 | Isle of Capri Casinos, Inc. (h) | Ba3 | BB+ | 7.25% |
| 176,471 | Isle of Capri Casinos, Inc. (h) | Ba3 | BB+ | 0.50% (i) |
| 2,800,000 | Las Vegas Sands, LLC (h) | Ba3 | BB | 0.75% (i) |
| 11,200,000 | Las Vegas Sands, LLC. | Ba3 | BB | 7.11% |
| 6,093,118 | Seminole Tribe of Florida (h) | NR(e) | NR(e) | 6.88% |
| 906,884 | Seminole Tribe of Florida (h) | NR(e) | NR(e) | 0.75% (i)-7.0% |

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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)
AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|-------------------------------------------------|-------------|------|-------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| CASINOS & GAMING - (CONTINUED) | | | | |
| \$ 6,000,000 | VML US Finance, LLC | B1 | BB- | 7.61% |
| 2,142,857 | WIMAR LANDCO, LLC | B2 | BB- | 7.61% |
| 5,696,824 | WIMAR OPCO, LLC | Ba3 | BB- | 7.61% |
| COMPUTER HARDWARE - 1.2% | | | | |
| 5,762,698 | Activant Solutions, Inc. | B1 | B+ | 7.38% |
| CONSTRUCTION & ENGINEERING - 1.3% | | | | |
| 6,000,000 | Standard Pacific Corp. | Ba3 | BB | 7.02% |
| CONSTRUCTION MATERIALS - 0.4% | | | | |
| 1,836,984 | John Maneely Co. | B3 | B+ | 8.61% |
| DISTRIBUTORS - 0.1% | | | | |
| 497,500 | McJunkin Corp. | B2 | B+ | 7.82% |
| DIVERSIFIED CHEMICALS - 4.0% | | | | |
| 3,000,000 | Brenntag Holding GmbH & Company KG (g) | Caa1 | CCC+ | 9.39% |
| 5,625,454 | Brenntag Holding GmbH & Company KG | B1 | B+ | 7.39% |
| 1,374,545 | Brenntag Holding GmbH & Company KG | B1 | B+ | 7.39% |
| 5,626,134 | Huntsman International, LLC | Ba1 | BB+ | 7.25% |
| 2,475,000 | Lyondell Chemical Company | Ba2 | BB+ | 6.84%-6.86% |

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|-------------------------------------------------------|-------------------------------------------------------|-------|-------|-------------|
| DIVERSIFIED COMMERCIAL & PROFESSIONAL SERVICES - 3.3% | | | | |
| 990,000 | Acosta, Inc. | NR(e) | NR(e) | 7.82% |
| 983,792 | Advantage Sales & Marketing, Inc. | NR(e) | NR(e) | 7.36%-7.51% |
| 2,390,919 | Affinion Group, Inc. | Ba2 | BB | 8.00%-8.01% |
| 7,000,000 | Clarke American Corp. | B1 | BB- | 7.86% |
| 981,955 | N.E.W. Holdings I, LLC | NR(e) | NR(e) | 7.86%-8.01% |
| 1,488,750 | RSC Equipment Rental | Ba2 | BB | 7.11% |
| 1,591,681 | RSC Equipment Rental (g) | B3 | B- | 8.86% |
| DIVERSIFIED METALS & MINING - 0.7% | | | | |
| 2,955,000 | Alpha Natural Resources, LLC | B1 | BB- | 7.11% |
| EDUCATION SERVICES - 1.3% | | | | |
| 1,980,000 | Education Management, LLC | B2 | B+ | 7.13% |
| 4,062,292 | PRO-QUEST-CSA, LLC | NR | NR | 8.33%-8.51% |
| ELECTRIC UTILITIES - 6.4% | | | | |
| 1,000,000 | Astoria Generating Company Acquisitions, LLC (g) | B3 | B | 9.11% |
| 2,992,500 | Calpine Corp. (f) (o) | NR(e) | NR(e) | 7.61% |

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|----------------------------------------|-------------|-------|-------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| ELECTRIC UTILITIES - (CONTINUED) | | | | |
| \$ 278,715 | Cogentrix Delaware Holdings, Inc. | Ba2 | BB+ | 6.86% |
| 7,986,598 | Covanta Energy Corp. | Ba2 | BB | 6.86%-6.88% |
| 797,576 | Mirant North America, LLC | Ba3 | BB- | 7.42% |
| 12,977,017 | NRG Energy, Inc. | Ba1 | BB | 7.01%-7.11% |
| 2,082,913 | Riverside Energy Center, LLC | B1 | B | 9.82% |
| 1,449,116 | Rocky Mountain Energy Center, LLC | B1 | B | 9.92% |
| ENVIRONMENTAL & FACILITIES SERVICES - 1.4% | | | | |
| 6,605,247 | EnergySolutions, LLC | NR(e) | NR(e) | 7.66%-7.84% |
| FOOD DISTRIBUTORS - 0.8% | | | | |
| 847,826 | B&G Foods, Inc. | Ba2 | BB- | 7.51% |
| 864,167 | Birds Eye Foods | NR(e) | NR(e) | 7.11% |

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| | | | | |
|------------|------------------------------------------------|-----|-----|----------------|
| 1,995,000 | Dean Foods Co. | Ba3 | BB+ | 6.86% |
| | FOOD RETAIL - 2.1% | | | |
| 9,739,975 | SUPERVALU, Inc. | Ba3 | BB- | 6.86% |
| | FOREST PRODUCTS - 3.8% | | | |
| 14,051,099 | Georgia-Pacific Corp. | Ba2 | BB+ | 7.11%-7.26% |
| 3,413,403 | Georgia-Pacific Corp. | Ba2 | BB+ | 7.11% |
| | HEALTH CARE EQUIPMENT - 1.5% | | | |
| 6,000,000 | Biomet, Inc. | B1 | BB- | 0.50% |
| 992,500 | ReAble Therapeutics Finance, LLC | Ba3 | B+ | 7.82%-7.86% |
| | HEALTH CARE FACILITIES - 4.1% | | | |
| 4,985,000 | HCA, Inc. | Ba3 | BB | 7.61% |
| 6,982,500 | Health Management Associates, Inc. | Ba2 | BB- | 7.11% |
| 511,777 | Lifepoint Hospitals, Inc. | Ba2 | BB | 7.17% |
| 5,884,971 | Select Medical Corp. | Ba2 | BB- | 7.36%-9.25% |
| 836,613 | USP Domestic Holdings, Inc. | Ba3 | B | 7.38% |
| 161,291 | USP Domestic Holdings, Inc. (h) | Ba3 | B | 1.25% (i)-7.4% |
| | HEALTH CARE SERVICES - 9.5% | | | |
| 12,664,733 | CHS/Community Health Systems, Inc. | Ba3 | BB | 7.76% |
| 835,267 | CHS/Community Health Systems, Inc. (h) | Ba3 | BB | 0.50% (i) |
| 10,611,968 | DaVita, Inc. | Ba1 | BB+ | 6.86%-7.01% |
| 830,000 | DJ Orthopedics, LLC | Ba3 | BB | 6.88%-7.13% |

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|------------------------------------|-------------|------|-------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| HEALTH CARE SERVICES - (CONTINUED) | | | | |
| \$ 8,134,335 | Fresenius Medical Care AG | Ba1 | BBB- | 6.74%-6.89% |
| 928,572 | HealthCare Partners, LLC | Ba3 | BB | 7.13% |
| 1,990,000 | Healthways, Inc. | Ba2 | BB | 6.86% |
| 1,481,250 | Quintiles Transnational Corp. | B1 | BB | 7.36% |
| 6,359,876 | U.S. Oncology Holdings, Inc. | Ba1 | BB | 7.61% |

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|-----------------------------------------------------|-------------------------------------------------------------------|-------|------|---------------|
| INDEPENDENT POWER PRODUCERS & ENERGY TRADERS - 2.0% | | | | |
| 797,500 | Broadway Gen Funding, LLC | B1 | BB- | 7.36% |
| 4,500,000 | Dynegy Holdings, Inc. | Ba1 | BB- | 7.01% |
| 4,000,000 | NRG Holdings, Inc. (h) | B2 | B- | 0.50% (i) |
| INDUSTRIAL CONGLOMERATES - 0.1% | | | | |
| 566,434 | Mueller Water Products, Inc. | Ba3 | BB+ | 7.11%-7.32% |
| INDUSTRIAL MACHINERY - 0.5% | | | | |
| 1,500,000 | Edwards (Cayman Islands II) Limited | B1 | BB- | 7.54% |
| 470,000 | Invensys International Holdings Ltd./BTR Dunlop Finance Inc. | Ba3 | B+ | 7.36% |
| 530,000 | Invensys International Holdings Ltd./BTR Dunlop Finance Inc. | Ba3 | B+ | 7.36% |
| INSURANCE BROKER - 0.2% | | | | |
| 816,993 | HUB International Holdings, Inc. | B2 | B | 7.86% |
| 183,006 | HUB International Holdings, Inc. (h) | B2 | B | 1.38% (i)-8.0 |
| INTERNET RETAIL - 0.5% | | | | |
| 2,429,519 | Sabre Holdings Corp. | B1 | B+ | 7.36% |
| INTERNET SOFTWARE & SERVICES - 2.8% | | | | |
| 3,000,000 | Cellnet Technology, Inc. (g) | NR(e) | NR | 9.62% |
| 1,060,901 | Open Solutions, Inc. | Ba3 | BB- | 7.63% |
| 8,828,044 | SunGard Data Systems, Inc. | Ba3 | BB | 7.36% |
| INVESTMENT BANKING & BROKERAGE - 1.6% | | | | |
| 1,534,394 | Ameritrade Holding Corp. | Ba1 | BB | 7.07% |
| 5,811,127 | NASDAQ Stock Market (The), Inc. | Ba3 | BBB- | 7.32% |

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)
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) MOODY'S S&P | | COUPON |
|--------------------|-----------------|----------------------------|--|--------|
|--------------------|-----------------|----------------------------|--|--------|

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

| | | | | |
|--------------|---------------------------------------------------|-------|-------|----------------|
| | IT CONSULTING & OTHER SERVICES - 4.8% | | | |
| \$ 3,307,630 | Alion Science and Technology Corp. | Ba3 | BB- | 7.82%-7.86% |
| 728,333 | Apptis (DE), Inc. | Ba3 | B+ | 8.61%-10.50% |
| 7,895,967 | DynCorp International, LLC | Ba2 | BB | 7.38% |
| 987,500 | iPayment, Inc. | NR(e) | NR(e) | 7.36%-7.59% |
| 989,744 | National Processing Company Group, Inc. | B2 | B+ | 8.32%-10.25% |
| 973,460 | Sitel, LLC | B2 | BB- | 7.86%-8.07% |
| 5,940,224 | West Corp. | B1 | B+ | 7.74%-7.88% |
| 1,312,814 | Wyle Laboratories, Inc. | NR(e) | B+ | 8.11% |
| | LEISURE FACILITIES - 1.8% | | | |
| 4,455,000 | Cedar Fair, L.P. | Ba3 | BB | 7.57% |
| 992,462 | London Area and Waterfront Finance, LLC | NR(e) | NR(e) | 7.86% |
| 2,000,000 | Six Flags, Inc. | Ba3 | B+ | 7.75% |
| 997,500 | Town Sports International, LLC | Ba2 | BB | 7.38% |
| | LIFE & HEALTH INSURANCE - 1.1% | | | |
| 3,970,000 | Conseco, Inc. | Ba3 | B+ | 7.51% |
| 1,360,641 | Multiplan Merger Corp. | B1 | B+ | 8.07%-8.11% |
| | MANAGED HEALTH CARE - 1.3% | | | |
| 3,039,126 | IASIS Healthcare Corp. | Ba2 | B+ | 7.36%-7.62% |
| 953,896 | IASIS Healthcare Corp. (h) | Ba2 | B+ | 1.00% (i)-7.3% |
| 1,950,522 | Vanguard Health Systems, Inc. | Ba3 | B+ | 7.61% |
| | METAL & GLASS CONTAINERS - 1.8% | | | |
| 854,852 | Captive Plastics, Inc. | NR(e) | NR(e) | 8.11% |
| 7,331,250 | Owens-Illinois Group, Inc. | Ba2 | BB | 6.86% |
| | MOVIES & ENTERTAINMENT - 5.0% | | | |
| 4,826,500 | AMC Entertainment, Inc. | Ba1 | BB- | 7.32% |
| 1,412,008 | Deluxe Entertainment Services Group, Inc. | B1 | B | 7.61% |
| 5,000,000 | Discovery Communications Holding, LLC | NR(e) | NR | 7.36% |
| 2,000,000 | National CineMedia, LLC | B1 | B+ | 7.11% |
| 9,650,618 | WGM Acquisition Corp. | Ba2 | BB- | 7.36%-7.54% |
| | MULTI - UTILITIES - 0.4% | | | |
| 1,998,435 | KGEN, LLC | Ba3 | BB | 7.13% |

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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|-------------------------------------------------------|-------------|-------|-------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| | OFFICE SERVICES & SUPPLIES - 1.2% | | | |
| \$ 2,925,397 | Emdeon Business Services, LLC | B1 | BB- | 7.61% |
| 1,050,147 | Pike Electric, Inc. | NR(e) | NR(e) | 7.13% |
| 1,475,882 | Pike Electric, Inc. | NR(e) | NR(e) | 6.88% |
| | OIL & GAS EQUIPMENT & SERVICES - 1.5% | | | |
| 6,901,210 | Targa Resources, Inc. | Ba3 | B+ | 7.35%-7.54% |
| | OIL & GAS EXPLORATION & PRODUCTION - 3.1% | | | |
| 8,361,992 | ATP Oil & Gas Corp. | NR | NR | 8.82%-8.89% |
| 4,365,298 | Plains Resources, Inc. | Ba2 | BB | 6.95% |
| 1,404,484 | SemCrude, L.P. | Ba2 | B+ | 7.11% |
| | OIL & GAS REFINING, MARKETING & TRANSPORTATION - 4.5% | | | |
| 989,999 | Alon USA, Inc. | B1 | BB | 7.61%-7.82% |
| 223,333 | Calumet Lubricants Company, L.P. | B1 | BB- | 8.71%-8.86% |
| 6,890,593 | Eagle Rock Gas Gathering & Processing, Ltd. | NR | NR | 8.11% |
| 3,000,000 | El Paso Corp. | Ba3 | B+ | 7.12% |
| 4,000,000 | Energy Transfer Equity, L.P. | Ba2 | NR | 7.11% |
| 5,571,429 | Western Refining Company, L.P. | B1 | BB+ | 7.07% |
| | OIL & GAS STORAGE & TRANSPORTATION - 0.8% | | | |
| 3,618,182 | Kinder Morgan, Inc. | Ba2 | BB- | 7.07%-7.12% |
| | PACKAGED FOODS & MEATS - 1.9% | | | |
| 7,119,939 | OSI Group, LLC | NR(e) | NR(e) | 7.36% |
| 574,549 | THL Food Products Company | Ba3 | BB- | 7.36% |
| 995,000 | Weight Watchers International, Inc. | Ba1 | BB+ | 6.88% |
| | PAPER PACKAGING - 1.5% | | | |
| 496,936 | Boise Cascade, LLC | Ba2 | BB+ | 6.88%-7.09% |
| 1,745,624 | Graham Packaging Holdings Company | B1 | B+ | 7.63% |
| 1,000,000 | Graphic Packaging International, Inc. | Ba2 | BB- | 7.36%-7.51% |

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| | | | | |
|-----------|--------------------|-----|-----|-------|
| 1,965,000 | Pregis Corp. | Ba2 | BB- | 7.61% |
| 1,496,250 | Tegrant Corp. | NR | NR | 8.11% |

| | | | | |
|-----------------------|-------------------|-----|-----|-------|
| PAPER PRODUCTS - 0.6% | | | | |
| 2,700,000 | Domtar Corp. | Ba1 | BB+ | 6.93% |

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)
 AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|------------------------------------------------------------|---------------------------------------------------------|-------------|-------|-------------|
| | | MOODY'S | S&P | |
| SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | | |
| PHARMACEUTICALS - 3.3% | | | | |
| \$ 4,000,000 | Cardinal Health 409, Inc. | Ba3 | BB- | 7.61% |
| 1,983,333 | Graceway Pharmaceuticals, LLC | Ba3 | BB | 8.11% |
| 8,478,750 | Royalty Pharma Finance Trust | Baa2 | BBB- | 6.84% |
| 563,780 | Steifel Laboratories, Inc. | Ba3 | B+ | 7.61% |
| 431,220 | Stiefel Laboratories, Inc. (h) | Ba3 | B+ | 7.61% |
| PUBLISHING - 10.0% | | | | |
| 4,000,000 | CBD Media, LLC | Ba3 | B | 8.07% |
| 182,302 | Cenveo Corp. (h) | Ba3 | BB- | 7.11% |
| 5,369,302 | Cenveo Corp. | Ba3 | BB- | 7.11% |
| 675,931 | Dex Media West, Inc. | Ba1 | BB+ | 7.08%-7.09% |
| 4,005,435 | Gatehouse Media, Inc. | B1 | BB- | 7.51% |
| 1,494,565 | Gatehouse Media, Inc. (h) | B1 | BB- | 7.36%-7.51% |
| 9,950,000 | Idearc, Inc. | Ba2 | BBB- | 7.36% |
| 3,945,061 | Media News Group, Inc. | Ba2 | BB- | 6.59% |
| 1,980,000 | Media News Group, Inc. | Ba2 | BB- | 7.09% |
| 997,500 | Reader's Digest Association (The), Inc. | B1 | B+ | 7.35%-7.38% |
| 6,376,656 | RH Donnelley, Inc. | Ba1 | BB | 6.86%-7.05% |
| 3,492,474 | Riverdeep Interactive Learning USA, Inc. | B1 | B | 8.11% |
| 1,717,147 | WCP Exposition Services Operating Company, LLC | NR | NR | 8.86% |
| 952,500 | Wenner Media, LLC | NR(e) | NR(e) | 7.11% |
| 1,000,000 | Yell Group PLC | Ba3 | BB- | 7.57% |
| RAILROADS - 0.3% | | | | |
| 1,500,000 | Railamerica Transportation Corp. | NR | NR | 7.81% |
| REAL ESTATE MANAGEMENT & DEVELOPMENT - 2.2% | | | | |
| 2,125,000 | LNR Property Corp. | B2 | B+ | 8.11% |

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| | | | | |
|-----------|--------------------------------------------------------------|-------|-------|-------|
| 4,500,000 | LNR Property Corp. | B2 | B+ | 8.11% |
| 994,962 | Mattamy Funding Partnership | NR(e) | NR(e) | 7.81% |
| 1,488,750 | Shea Capital I, LLC | NR(e) | NR(e) | 7.36% |
| 1,000,000 | Tishman Speyer Real Estate D.C. Area Portfolio, L.P. | Ba2 | BB- | 7.08% |
| | RETAIL REITS - 2.1% | | | |
| 6,046,709 | Capital Automotive, L.P. | Ba1 | BB+ | 7.07% |
| 1,394,737 | General Growth Properties, Inc. | Ba2 | BB+ | 6.58% |
| 2,000,000 | Macerich Partnership (The), L.P. | NR(e) | NR(e) | 6.88% |
| | SEMICONDUCTORS - 1.8% | | | |
| 8,457,500 | Freescale Semiconductors, Inc. | Baa3 | BB+ | 7.11% |

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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)
AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|--------------------|------------------------------------------------------------|-------------|-------|-------------|
| ----- | ----- | MOODY'S | S&P | ----- |
| | SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) - (CONTINUED) | | | |
| | SPECIALIZED CONSUMER SERVICES - 1.5% | | | |
| \$ 1,487,949 | Coinstar, Inc. | Ba3 | BB- | 7.36% |
| 5,409,216 | RMK Acquisition Corporation | Ba3 | BB- | 7.36% |
| | SPECIALIZED FINANCE - 1.8% | | | |
| 3,000,000 | J.G. Wentworth, LLC | B2 | B+ | 7.61% |
| 5,431,250 | Peach Holdings, Inc. | B2 | B | 9.11% |
| | SPECIALTY CHEMICALS - 1.2% | | | |
| 5,491,250 | Celanese Holdings, LLC | Ba3 | BB | 7.07%-7.11% |
| | SPECIALTY STORES - 2.4% | | | |
| 1,209,688 | Dollarama Group L.P. | Ba1 | BB- | 7.11% |
| 4,565,919 | Harbor Freight Tools USA, Inc. | NR(e) | NR(e) | 7.61% |
| 1,994,975 | Michael Stores, Inc. | B2 | B | 7.63%-7.69% |
| 3,491,250 | Yankee Candle Company | Ba3 | BB- | 7.36% |
| | (The), Inc. | | | |
| | SYSTEM SOFTWARE - 0.4% | | | |
| 1,939,018 | Intergraph Corp. | B1 | B | 7.03%-7.51% |

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| | | | | |
|-----------|----------------------------------------------------------|-------|-------|-------------|
| | TECHNOLOGY DISTRIBUTORS - 1.6% | | | |
| 3,266,666 | H3C Holdings Limited | NR(e) | NR(e) | 8.37% |
| 4,554,000 | Sensata Technologies Finance Company, LLC | NR(e) | NR(e) | 7.09%-7.11% |
| | TRUCKING - 2.5% | | | |
| 3,378,033 | Hertz (The) Corp. | Ba1 | BB+ | 7.08%-7.11% |
| 6,965,000 | OshKosh Truck Corp. | Ba3 | BBB- | 7.11% |
| 1,325,581 | Swift Transportation | B1 | BB- | 8.38% |
| | WIRELESS TELECOMMUNICATION SERVICES - 2.9% | | | |
| 997,500 | American Cellular Corp. | B1 | B- | 7.36% |
| 1,000,000 | Asurion Corp. | NR(e) | NR(e) | 8.36% |
| 1,241,400 | Clearwire Corp. (h) | NR | NR | 11.62% |
| 758,600 | Clearwire Corp. | NR | NR | 11.33% |
| 1,496,250 | Crown Castle Operating Company | Ba3 | BB+ | 6.82%-6.84% |
| 4,750,000 | Intelsat (Bermuda), Ltd. (k) | B2 | B | 7.86% |
| 2,800,000 | Windstream Corp. | Baa3 | BBB- | 6.86% |
| | TOTAL SENIOR FLOATING-RATE TERM LOAN INTERESTS (d) | | | |
| | (Cost \$731,367,295) | | | |

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)
AUGUST 31, 2007 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION (a) | RATINGS (b) | | COUPON |
|--------------------|-------------------------------------------------------------------------|-------------|------|--------|
| | | MOODY'S | S&P | |
| | SENIOR FLOATING RATE NOTES - 1.5% | | | |
| \$ 5,000,000 | BROADCASTING & CABLE TV - 1.1% Paxson Communications Corp. (l) | B1 | CCC+ | 8.61% |
| 650,000 | ELECTRICAL COMPONENTS & EQUIPMENT - 0.1% NXP B.V. | Ba2 | BB+ | 8.11% |
| 1,225,000 | LEISURE FACILITIES - 0.3% HRP Myrtle Beach (l) | B2 | B+ | 10.07% |
| | TOTAL SENIOR FLOATING RATE NOTES | | | |
| | (Cost \$6,877,250) | | | |
| | NOTE - 0.1% | | | |
| | HOMEBUILDING - 0.1% | | | |

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| | | | | |
|---------|---------------------------|----|----|--------|
| 727,273 | TOUSA, Inc. (j) (1) | NR | NR | 14.75% |
| | TOTAL NOTE | | | |
| | (Cost \$727,273) | | | |

SHARES

PREFERRED STOCK - 0.6%

| | |
|-------|----------------------------------------------------------------------------------|
| | HOMEBUILDING - 0.6% |
| 4,273 | TOUSA, Inc. (8.0% Series A Convertible Payment-in-Kind Preferred Stock (1) |
| | TOTAL PREFERRED STOCK |
| | (Cost \$4,272,727) |

COMMON STOCKS AND RIGHTS - 0.0%

| | |
|-----|---------------------------------------------------|
| | PACKAGED FOODS AND MEATS - 0.0% |
| 690 | Atkins Nutritionals Holdings - Common Stock |
| 690 | Atkins Nutritionals Holdings - Rights |
| | TOTAL COMMON STOCKS AND RIGHTS |
| | (Cost \$36,259) |

CLOSED-END FUND - 0.2%

| | |
|---------|-----------------------------------------|
| | ASSET MANAGEMENT & CUSTODY BANKS - 0.2% |
| 113,300 | ING Prime Rate Trust |
| | TOTAL CLOSED-END FUND |
| | (Cost \$711,030) |

PRINCIPAL
VALUE

REPURCHASE AGREEMENT - 3.4%

| | |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 15,100,000 | Agreement with Deutsche Bank, 5.15% dated 8/31/07, to be repurchased at \$15,108,641 on 9/04/07, collateralized by \$15,402,000 Federal Home Loan Mortgage Corp., 6.125% due 5/23/16 (Cost \$15,100,000) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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, 2007 (UNAUDITED)

| |
|-------------------------------------------------|
| TOTAL INVESTMENTS - 163.5% |
| (Cost \$759,091,834) (m) |
| NET OTHER ASSETS AND LIABILITIES - (2.4)% |

LOAN OUTSTANDING - (38.6)%
 AUCTION MARKET PREFERRED SHARES, AT LIQUIDATION VALUE - (22.5)%
 NET ASSETS APPLICABLE TO COMMON SHARES - 100.0%

-
- (a) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common Shares.
 - (b) Ratings below Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Ratings Group are considered to be below investment grade.
 - (c) Senior Loans generally are subject to mandatory and/or optional prepayment. Prepayments of Senior Loans may occur because of the mandatory prepayment conditions or because there may be significant economic incentives for a borrower to optionally prepay. As a result, the actual remaining maturity of Senior Loans may be substantially less than the stated maturities shown. Senior Loans generally have maturities that range from five to eight years; however, the Fund estimates that refinancing and prepayments result in an average maturity of the Senior Loans held in its portfolio to be approximately 18-30 months.
 - (d) Senior Loans in which the Fund invests generally pay interest at rates which are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more major United States banks or (iii) the certificate of deposit rate.
 - (e) This Senior Loan Interest was privately rated upon issuance. The rating agency does not provide ongoing surveillance on the rating.
 - (f) This Senior Loan Interest was purchased subsequent to the borrower's filing for protection in federal bankruptcy court and has priority over other debt holders.
 - (g) This issue is secured by a second lien on the issuer's assets.
 - (h) Delayed Draw Loan (See Note 1E)
 - (i) Represents commitment fee rate on delayed draw loans.
 - (j) This security is a Senior Subordinated Payment-in-Kind Election Note whereby 1.00% of interest per annum will be paid in cash and 13.75% of interest per annum shall be paid by the issuer, at its option (i) entirely in cash, (ii) entirely in Payment-in-Kind interest or (iii) a combination thereof. Interest is paid semi-annually and the first interest payment date is January 15, 2008.
 - (k) This issue is unsecured.
 - (l) Securities are restricted and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. Prior to registration, restricted securities may be resold in transactions exempt from registration. (See Note 1F).
 - (m) Aggregate cost for federal income tax and financial reporting purposes.
 - (n) Revolving Credit Agreement
 - (o) Debtor-In-Possession Loan
 - NR Not rated

CREDIT DEFAULT SWAP CONTRACTS OUTSTANDING

The Fund maintains \$6,250,000 in cash or cash equivalents for the following credit default swap contracts outstanding as of August 31, 2007 (See Note 1B):

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| REFERENCE ENTITY | BUY/SELL PROTECTION | COUNTERPARTY | NOTIONAL AMOUNT | (PAY)/RECEIVE FIXED RATE | EXPIRATION DATE | UNREA APPREC (DEPRE |
|---------------------|------------------------|--------------|--------------------------------|-----------------------------|--------------------|---------------------------|
| B&G Foods, Inc. | Sell | Lehman | \$ 2,250,000 | 1.27% | 06/20/12 | \$ (2 |
| Dresser, Inc. | Sell | Lehman | 4,000,000 | 1.65% | 06/20/12 | (8 |
| | | | ----- \$ 6,250,000 ===== | | | ----- \$ (11 ===== |

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
AUGUST 31, 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 determined daily 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 NAV per Common Share is calculated 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, First Trust Advisors L.P. ("First Trust") may use a fair value method to value the Fund's securities and investments. Additionally, if events occur after the close of the principal market for particular securities (e.g., domestic debt and foreign securities), but before the Fund values its assets, that could materially affect NAV, 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 Senior Floating-Rate Term 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. CREDIT DEFAULT SWAPS:

The Fund may enter into credit default swap contracts for hedging purposes or to gain exposure to a credit in which the Fund may otherwise invest. A credit default swap contract is an agreement between two parties to exchange the credit risk of an issuer. The Fund may be either the buyer or seller in a credit default swap transaction. The "buyer" in a credit default swap contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on the underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation. In exchange, the seller receives the par value of securities of the reference obligor. An event of default may be a grace period extension, obligation acceleration, repudiation/moratorium, or restructuring.

If the Fund is a buyer and no event of default occurs, the Fund will have made a series of periodic payments and recover nothing of monetary value. However, if an event of default occurs, the Fund (if the buyer) will receive the full notional value, or "par value" of the

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

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
AUGUST 31, 2007

reference obligation. Buying a credit default swap contract involves the risk that the contract may expire worthless and the credit risk that the seller may fail to satisfy its payment obligations to the Fund in the event of default. If the Fund is a seller and no event of default occurs, the Fund will have received

a periodic stream of payments over the term of the contract and paid nothing of monetary value. However, if an event of default occurs, the Fund (if the seller) must pay the buyer the full notional value, or "par value," of the reference obligation. In exchange, the Fund receives the par value of securities of the reference obligor. Selling a credit default swap contract involves greater risks than if the Fund had invested in the reference obligation directly. The Fund will segregate assets in the form of cash and/or cash equivalents in an amount equal to the aggregate market value of the credit default swap contracts of which it is a seller. Additionally, the Fund maintains cash and/or cash equivalents for the full notional amount of the credit default swap contracts of which it is a seller. The Fund may only enter into such transactions with counterparties rated A- or higher.

Credit default swap contracts are marked to market daily based upon quotations from brokers or market makers and the change in value, if any, is recorded as unrealized appreciation (depreciation). For a credit default swap contract sold by the Fund, payment of the agreed upon amount made by the Fund in the event of default of the referenced debt obligation is recorded as the cost of the reference debt obligation purchased/received.

C. 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.

D. SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on an 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. At August 31, 2007, the Fund had no when-issued or delayed-delivery purchase commitments.

E. UNFUNDED LOAN COMMITMENTS:

The Fund may enter into certain credit agreements, all or a portion of which may be unfunded. The Fund had unfunded delayed draw loan commitments of approximately \$12,134,524 as of August 31, 2007. The Fund is obligated to fund these loan commitments at the borrower's discretion.

F. RESTRICTED SECURITIES:

The Fund invests in restricted securities, which are securities that cannot be offered for public sale without first being registered under the Securities Act

of 1933, as amended. Prior to registration, restricted securities may only be resold in transactions exempt from registration. The Fund currently holds restricted securities as 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 footnote (See 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.

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

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 AUGUST 31, 2007

| SECURITY | ACQUISITION DATE | PRINCIPAL VALUE | CARRYING VALUE PER SHARE 08/31/07 | CURRENT CARRYING COST | |
|-------------------------------|------------------|-----------------|-----------------------------------|-----------------------|-------|
| HRP Myrtle Beach | 03/23/06 | \$ 1,225,000 | \$ 95.00 | \$ 1,225,000 | \$ |
| Paxson Communications Corp. | 12/19/05 | 5,000,000 | 98.63 | 5,000,000 | |
| TOUSA, Inc. - Note | 07/31/07 | 727,273 | 100.00 | 727,273 | |
| TOUSA, Inc. - Preferred Stock | 07/31/07 | 4,272,727 | 100.00 | 4,272,727 | |
| | | \$ 11,225,000 | | \$ 11,225,000 | \$ |
| | | ===== | | ===== | ===== |

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of August 31, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$38,908 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$34,204,925.

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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 October 23, 2007

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 23, 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 October 26, 2007

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