

FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
Form N-Q
April 28, 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: FEBRUARY 28, 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.

The Schedule(s) of Investments is attached herewith.

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS

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FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION ○ | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|---|---|-----------------------|-------|---------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - 149.1% | | | | | |
| AEROSPACE & DEFENSE - 4.0% | | | | | |
| AEROSPACE & DEFENSE - 4.0% | | | | | |
| \$ 3,288,889 | Hexcel Corp. | B2 | B+ | 6.31%-6.50% | 3/01/12 |
| 3,010,274 | Hunter Defense Holdings, Inc. ... | NR(a) | NR(a) | 7.63%-9.50% | 3/10/11 |
| 1,952,689 | K&F Industries, Inc. | B2 | B+ | 6.86%-6.87% | 11/18/12 |
| 995,000 | Mid-Western Aircraft Systems, Inc. | B1 | BB- | 6.85% | 12/31/11 |
| 2,732,484 | MRO Acquisition Corp. | B1 | B+ | 7.48% | 8/27/10 |
| 4,082,621 | Standard Aero Holdings, Inc. | B2 | B+ | 6.83%-6.96% | 8/24/12 |
| 3,100,000 | Vought Aircraft Industries, Inc. | Ba3 | B+ | 6.89% | 12/22/10 |
| TOTAL AEROSPACE & DEFENSE | | | | | |
| AIR FREIGHT & LOGISTICS - 1.4% | | | | | |
| AIR FREIGHT & LOGISTICS - 1.4% | | | | | |
| 6,562,500 | United Air Lines, Inc. | B1 | B+ | 8.63% | 2/01/12 |
| TOTAL AIR FREIGHT & LOGISTICS | | | | | |
| AUTO COMPONENTS - 3.7% | | | | | |
| AUTO PARTS & EQUIPMENT - 3.7% | | | | | |
| 5,000,000 | Axletech International Holdings, Inc. (c) | Caa1 | B- | 10.95% | 4/21/13 |
| 6,000,000 | Environmental Systems Products Holdings Inc. (c) ... | Caa1 | NR(a) | 14.53%-14.81% | 12/12/10 |
| 6,435,000 | TRW Automotive Inc. | Ba2 | BB+ | 6.25% | 6/30/12 |
| TOTAL AUTO COMPONENTS | | | | | |
| BEVERAGES - 0.2% | | | | | |
| SOFT DRINKS - 0.2% | | | | | |
| 990,000 | Culligan Corp. | B1 | B+ | 7.07% | 9/30/11 |
| TOTAL BEVERAGES | | | | | |
| BUILDING PRODUCTS - 2.8% | | | | | |
| BUILDING PRODUCTS - 2.8% | | | | | |
| 4,749,921 | Custom Building Products | NR(a) | NR(a) | 6.78%-6.86% | 10/20/11 |
| 2,271,275 | Headwaters Inc. | B1 | B+ | 6.86% | 4/30/11 |
| 960,000 | NCI Building Systems, Inc. | Ba2 | BB | 5.95%-6.32% | 6/18/10 |
| 4,240,266 | PGT Industries, Inc. | NR(a) | NR(a) | 7.75% | 2/14/12 |
| 1,000,000 | South Edge, LLC | NR(a) | NR(a) | 6.57% | 10/31/09 |
| TOTAL BUILDING PRODUCTS | | | | | |
| CAPITAL MARKETS - 1.8% | | | | | |
| ASSET MANAGEMENT & CUSTODY BANKS - 1.4% | | | | | |
| 6,500,000 | LPL Holdings, Inc. | B2 | B | 7.77%-8.13% | 6/28/13 |
| INVESTMENT BANKING & BROKERAGE - 0.4% | | | | | |
| 2,000,000 | Ameritrade Holding Corp. | Ba1 | BB | 6.08% | 12/31/12 |

TOTAL CAPITAL MARKETS

See Notes to Quarterly Portfolio of Investments

Page 1

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|---|-----------------------|--------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| CHEMICALS - 5.4% | | | | | |
| COMMODITY CHEMICALS - 1.3% | | | | | |
| \$ 2,500,000 | Basell USA, Inc. | Ba3 | B+ | 7.31% | 8/01/13 |
| 2,500,000 | Basell USA, Inc. | Ba3 | B+ | 7.67% | 8/01/14 |
| 500,000 | INEOS Group Ltd. | Ba3 | B+ | 6.83% | 12/16/13 |
| 500,000 | INEOS Group Ltd. | Ba3 | B+ | 7.33% | 12/16/15 |
| DIVERSIFIED CHEMICALS - 4.1% | | | | | |
| 5,000,000 | BCP Crystal US Holdings Corp. ... | B1 | BB- | 6.62% | 1/26/09 |
| 5,625,455 | Brenntag Holding GmbH & Company KG | B2 | B+ | 7.07% | 1/18/14 |
| 1,374,545 | Brenntag Holding GmbH & Company KG | B2 | B+ | 7.07% | 2/01/14 |
| 4,000,000 | Brenntag Holding GmbH & Company KG(c) | B3 | B+ | 10.92% | 7/23/15 |
| 3,419,105 | Huntsman International, LLC | Ba3 | BB- | 6.32% | 8/16/12 |
| TOTAL CHEMICALS | | | | | |
| COMMERCIAL SERVICES & SUPPLIES - 10.6% | | | | | |
| DIVERSIFIED COMMERCIAL & PROFESSIONAL SERVICES - 5.2% | | | | | |
| 1,000,000 | Acosta, Inc. | NR (a) | NR (a) | 6.82%-6.83% | 12/06/12 |
| 2,953,488 | Affinion Group, Inc. | B1 | B+ | 7.32%-7.50% | 10/17/12 |
| 1,987,425 | Ashtead Group PLC | Ba3 | BB | 6.50% | 11/12/09 |
| 2,000,000 | Clarke American Corp. | B1 | B+ | 7.75%-7.92% | 12/15/11 |
| 6,500,000 | IAP Worldwide Services, Inc. | B2 | B+ | 7.63% | 12/30/12 |
| 4,000,000 | IAP Worldwide Services, Inc. (c) | B3 | B- | 12.63% | 6/30/13 |
| 2,631,138 | N.E.W. Customer Service Companies, Inc. | NR (a) | NR (a) | 7.31%-7.75% | 7/01/11 |
| 2,956,250 | United Rentals, Inc. | B2 | BB- | 6.11%-6.86% | 2/14/11 |
| 952,944 | Western Inventory Service, Ltd. . | NR | NR | 7.39%-9.25% | 3/31/11 |
| ENVIRONMENTAL & FACILITIES SERVICES - 1.7% | | | | | |
| 2,412,385 | Duratek, Inc. | B1 | BB- | 7.81%-7.94% | 12/16/09 |

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| | | | | | |
|-----------|-----------------------------------|-------|-------|-------------|----------|
| 5,821,464 | Envirocare of Utah, LLC | NR(a) | NR(a) | 7.38% | 4/13/10 |
| | OFFICE SERVICES & SUPPLIES - 3.7% | | | | |
| 3,223,743 | Infrasource Inc. | Ba3 | BB- | 7.53% | 9/30/10 |
| 4,877,087 | Monitronics International, Inc. . | B1 | B+ | 8.24%-8.32% | 8/26/09 |
| 3,824,673 | Pike Electric, Inc. | NR(a) | NR(a) | 6.13% | 7/01/12 |
| 4,900,000 | Quanta Services Inc. | Ba3 | BB- | 7.50% | 6/19/08 |
| 684,852 | TRM Corp. | B2 | B+ | 8.57%-8.61% | 11/19/10 |

TOTAL COMMERCIAL SERVICES & SUPPLIES

Page 2 See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|-----------------------|-------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| | COMMUNICATIONS EQUIPMENT - 0.2% | | | | |
| | COMMUNICATIONS EQUIPMENT - 0.2% | | | | |
| \$ 1,000,000 | Sorenson Communications, Inc. ... | NR(a) | NR(a) | 7.49% | 11/15/12 |
| | TOTAL COMMUNICATIONS EQUIPMENT | | | | |
| | CONTAINERS & PACKAGING - 4.6% | | | | |
| | METAL & GLASS CONTAINERS - 1.8% | | | | |
| 734,667 | BWAY Corp. | B1 | B+ | 6.81% | 6/30/11 |
| 997,500 | Captive Plastics, Inc. | NR(a) | B- | 7.50% | 8/16/11 |
| 4,776,720 | Owens-Illinois Group, Inc. | B1 | BB- | 6.36% | 4/01/07 |
| 2,082,188 | Owens-Illinois Group, Inc. | B1 | BB- | 6.35%-6.39% | 4/01/08 |
| | PAPER PACKAGING - 2.8% | | | | |
| 1,364,448 | Boise Cascade, LLC | Ba3 | BB | 6.28%-6.38% | 10/28/11 |
| 3,960,000 | Graham Packaging Holdings Company | B2 | B | 6.75%-6.94% | 10/07/11 |
| 6,000,000 | Graham Packaging Holdings Company (c) | B3 | CCC+ | 8.81% | 4/07/12 |
| 1,995,000 | Pregis Corp. | B1 | B+ | 6.82% | 10/12/12 |
| | TOTAL CONTAINERS & PACKAGING | | | | |
| | DIVERSIFIED CONSUMER SERVICES - 0.3% | | | | |

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| | | | | | |
|---|---|-------|-------|-------------|----------|
| SPECIALIZED CONSUMER SERVICES - 0.3% | | | | | |
| 1,646,110 | Coinstar, Inc. | Ba3 | BB- | 6.55% | 7/01/11 |
| TOTAL DIVERSIFIED CONSUMER SERVICES | | | | | |
| DIVERSIFIED TELECOMMUNICATION SERVICES - 1.7% | | | | | |
| INTEGRATED TELECOMMUNICATION SERVICES - 1.7% | | | | | |
| 6,000,000 | NTL Investment Holdings Ltd. | B1 | BB- | 7.57% | 5/10/12 |
| 1,985,000 | Telcordia Technologies, Inc. | B1 | B+ | 7.22%-7.31% | 9/15/12 |
| TOTAL DIVERSIFIED TELECOMMUNICATION SERVICES | | | | | |
| ELECTRIC UTILITIES - 8.4% | | | | | |
| ELECTRIC UTILITIES - 8.4% | | | | | |
| 6,027,909 | Allegheny Energy Supply Inc. | Ba2 | BBB- | 5.51%-6.16% | 3/08/11 |
| 1,000,000 | Astoria Generating Company Acquisitions, LLC (c) | B3 | B | 8.32% | 8/23/13 |
| 329,787 | Calpine Corp., (Debtor in Possession) (g) ... | NR(a) | NR(a) | 6.81% | 12/20/07 |
| 829,787 | Calpine Corp., (Debtor in Possession) (c) (g) | NR(a) | NR(a) | 8.66% | 12/20/07 |
| 840,426 | Calpine Corp., (Revolving Credit) (Debtor in Possession) (g) ... | NR(a) | NR(a) | 0.75% | 12/20/07 |
| 493,203 | Cogentrix Delaware Holdings, Inc. | Ba2 | BB+ | 6.28% | 4/14/12 |
| 7,405,691 | Covanta Energy Corp. | B1 | B+ | 7.52%-7.58% | 6/24/12 |
| 997,500 | LSP Kendall Energy, LLC | B1 | B | 6.53% | 10/07/13 |
| 6,464,151 | Midwest Generation, LLC | Ba3 | BB- | 6.28%-6.50% | 4/27/11 |
| 1,000,000 | Mirant North America, LLC | Ba3 | BB- | 6.32% | 1/03/13 |

See Notes to Quarterly Portfolio of Investments

Page 3

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
PORTFOLIO OF INVESTMENTS - (CONTINUED)
FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION o | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|-----------------------|-----|-------------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| ELECTRIC UTILITIES - (CONTINUED) | | | | | |
| ELECTRIC UTILITIES - (CONTINUED) | | | | | |
| \$ 9,000,000 | NRG Energy, Inc. | Ba2 | BB- | 6.57%-6.62% | 2/01/13 |
| 2,137,267 | Riverside Energy Center, LLC | B1 | B | 8.92% | 6/24/11 |
| 1,648,661 | Rocky Mountain Energy Center, LLC | B1 | B | 8.92% | 6/24/11 |
| 2,000,000 | Wolf Hollow I, L.P. (c) | B2 | B | 9.00% | 12/22/12 |
| TOTAL ELECTRIC UTILITIES | | | | | |
| ELECTRICAL EQUIPMENT - 1.1% | | | | | |
| ELECTRICAL COMPONENTS & EQUIPMENT - 1.1% | | | | | |
| 2,304,246 | Penn Engineering & Manufacturing Corp. | B2 | B | 7.03%-7.11% | 5/25/11 |

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| | | | | | |
|---|--|--------|--------|-------------|----------|
| 3,000,000 | Penn Engineering & Manufacturing Corp. (c) | B3 | CCC+ | 10.53% | 5/25/12 |
| TOTAL ELECTRICAL EQUIPMENT | | | | | |
| ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.6% | | | | | |
| ELECTRONIC EQUIPMENT MANUFACTURERS - 0.4% | | | | | |
| 1,916,747 | VeriFone, Inc. | B1 | BB- | 6.42% | 6/30/11 |
| ELECTRONIC MANUFACTURING SERVICES - 0.2% | | | | | |
| 924,046 | Cinram International Inc. | Ba3 | BB | 6.66% | 9/30/09 |
| TOTAL ELECTRONIC EQUIPMENT & INSTRUMENTS | | | | | |
| ENERGY EQUIPMENT & SERVICES - 2.1% | | | | | |
| OIL & GAS EQUIPMENT & SERVICES - 2.1% | | | | | |
| 3,000,000 | Key Energy Services, Inc. | B1 | B- | 7.52%-7.78% | 6/30/12 |
| 6,985,887 | Targa Resources, Inc. | Ba3 | B+ | 6.78%-7.23% | 10/31/12 |
| TOTAL ENERGY EQUIPMENT & SERVICES | | | | | |
| FOOD & STAPLES RETAILING - 1.8% | | | | | |
| DRUG RETAIL - 0.8% | | | | | |
| 3,839,764 | The Jean Coutu Group (PJC) Inc. | B1 | BB- | 6.94% | 7/30/11 |
| FOOD DISTRIBUTORS - 1.0% | | | | | |
| 1,965,000 | Golden State Foods Corp. | NR (a) | NR (a) | 6.42% | 2/25/11 |
| 3,000,000 | Nash Finch Company | B1 | B+ | 6.88% | 11/12/10 |
| TOTAL FOOD & STAPLES RETAILING | | | | | |
| FOOD PRODUCTS - 6.1% | | | | | |
| AGRICULTURAL PRODUCTS - 2.1% | | | | | |
| 1,990,000 | Chiquita Brands, L.L.C. | B1 | BB- | 6.61% | 6/28/12 |
| 7,000,000 | Dole Food Company, Inc. (c) | B3 | B | 9.44% | 7/22/10 |
| 1,000,000 | Wm. Bolthouse Farms, Inc. | B2 | B+ | 7.13% | 12/16/12 |

Page 4

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

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

SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED

FOOD PRODUCTS (CONTINUED)
 PACKAGED FOODS & MEATS - 4.0%

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| | | | | | | |
|----|-----------|-----------------------------------|--------|--------|-------------|----------|
| \$ | 7,888,348 | Keystone Foods Holdings LLC | NR (a) | NR (a) | 6.31%-6.38% | 6/16/11 |
| | 8,894,925 | OSI Group LLC | NR (a) | NR (a) | 6.53% | 9/02/11 |
| | 2,000,000 | THL Foods Products Company | B1 | B+ | 6.50%-6.67% | 11/21/10 |

TOTAL FOOD PRODUCTS

HEALTH CARE PROVIDERS & SERVICES - 8.3%

HEALTH CARE FACILITIES - 0.8%

| | | | | | | |
|--|-----------|--------------------------------|-----|-----|-------------|---------|
| | 911,291 | Lifepoint Hospitals, Inc. | Ba3 | BB | 6.19% | 4/15/12 |
| | 2,960,088 | Select Medical Corp. | B1 | BB- | 6.32%-8.25% | 2/24/12 |

HEALTH CARE SERVICES - 5.9%

| | | | | | | |
|--|-----------|--|-----|-----|-------------|----------|
| | 5,905,151 | CHS/Community Health Systems, Inc. | Ba3 | BB- | 6.36%-6.56% | 8/19/11 |
| | 4,791,912 | DaVita Inc. | B1 | BB- | 6.54%-7.05% | 10/05/12 |
| | 320,513 | Matria Healthcare, Inc. | B1 | BB- | 7.02% | 1/19/07 |
| | 679,487 | Matria Healthcare, Inc. | B1 | BB- | 6.82%-7.02% | 1/19/12 |
| | 1,908,046 | Per-Se Technologies, Inc. | B1 | B+ | 6.79% | 1/06/13 |
| | 3,000,000 | Team Finance, LLC | B2 | B+ | 7.07%-7.27% | 11/23/12 |
| | 6,444,775 | US Oncology Holdings, Inc. | B1 | B+ | 6.91%-7.02% | 8/20/11 |
| | 5,080,100 | VWR International, Inc. | B2 | B+ | 7.12% | 4/07/11 |

MANAGED HEALTH CARE - 1.6%

| | | | | | | |
|--|-----------|-----------------------------------|----|----|-------------|---------|
| | 4,427,563 | IASIS Healthcare Corp. | B1 | B+ | 6.78%-6.79% | 6/22/11 |
| | 1,215,000 | Medcath Holdings Corp. | B2 | B+ | 7.10%-8.75% | 6/30/11 |
| | 1,980,038 | Vanguard Health Systems, Inc. ... | B2 | B | 6.77%-6.95% | 9/23/11 |

TOTAL HEALTH CARE PROVIDERS & SERVICES

HOTELS, RESTAURANTS & LEISURE - 7.0%

CASINOS & GAMING - 4.4%

| | | | | | | |
|--|-----------|-----------------------------------|-----|-----|-------------|----------|
| | 5,910,000 | Boyd Gaming Corp. | Ba2 | BB | 5.70%-6.03% | 6/30/11 |
| | 2,987,497 | CCM Merger, Inc. | B1 | B+ | 6.45%-6.80% | 10/21/12 |
| | 3,243,495 | Global Cash Access, Inc. | Ba3 | B+ | 6.86% | 3/10/10 |
| | 6,000,000 | MGM Mirage | Ba2 | BB | 6.28% | 11/22/09 |
| | 1,995,000 | Penn National Gaming, Inc. | Ba3 | BB- | 6.26%-6.46% | 10/03/12 |
| | 1,000,000 | Pinnacle Entertainment, Inc. | B1 | BB- | 6.57% | 12/14/11 |

HOTELS, RESORTS & CRUISE LINES - 1.0%

| | | | | | | |
|--|-----------|------------------|----|----|-------|---------|
| | 4,769,624 | OpBiz, LLC | B3 | B- | 5.78% | 8/31/10 |
|--|-----------|------------------|----|----|-------|---------|

LEISURE FACILITIES - 1.4%

| | | | | | | |
|--|-----------|-------------------------------|----|----|-------------|----------|
| | 6,841,406 | American Skiing Company | NR | NR | 9.06%-9.18% | 11/24/10 |
|--|-----------|-------------------------------|----|----|-------------|----------|

RESTAURANTS - 0.2%

| | | | | | | |
|--|-----------|---------------------------|----|----|-------|---------|
| | 1,000,000 | Dunkin' Brands, Inc. | B2 | B+ | 7.06% | 2/15/13 |
|--|-----------|---------------------------|----|----|-------|---------|

TOTAL HOTELS, RESTAURANTS & LEISURE

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 PORTFOLIO OF INVESTMENTS - (CONTINUED)
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| PRINCIPAL VALUE | DESCRIPTION | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|-----------------------|--------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| | HOUSEHOLD DURABLES - 2.7% | | | | |
| | HOMEBUILDING - 2.2% | | | | |
| \$ 2,038,576 | Kyle Acquisition Group, LLC | NR (a) | NR (a) | 6.63% | 7/20/08 |
| 2,775,964 | Kyle Acquisition Group, LLC | NR (a) | NR (a) | 6.63% | 7/20/10 |
| 1,000,000 | Technical Olympic USA, Inc. | NR (a) | NR | 7.75% | 8/01/08 |
| 5,000,000 | Technical Olympic USA, Inc., (Mezzanine Debt) (c) | NR (a) | NR | 10.25% | 8/01/09 |
| | HOUSEWARES & SPECIALTIES - 0.5% | | | | |
| 2,288,212 | Jostens IH Corp. | B1 | B+ | 6.78% | 10/04/11 |
| | TOTAL HOUSEHOLD DURABLES | | | | |
| | INDUSTRIAL CONGLOMERATES - 1.4% | | | | |
| | INDUSTRIAL CONGLOMERATES - 1.4% | | | | |
| 2,668,929 | Goodman Global Holdings, Inc. ... | B2 | B+ | 6.94% | 12/23/11 |
| 997,500 | Mueller Group, Inc. | B2 | B+ | 6.47%-7.06% | 10/03/12 |
| 925,043 | Rexnord Corp. | B1 | B+ | 6.78%-6.93% | 12/31/11 |
| 1,907,617 | Roller Bearing Corp. | NR (a) | NR (a) | 7.32% | 7/01/11 |
| | TOTAL INDUSTRIAL CONGLOMERATES | | | | |
| | INSURANCE - 0.9% | | | | |
| | LIFE & HEALTH INSURANCE - 0.9% | | | | |
| 4,354,956 | Conseco, Inc. | B2 | BB- | 6.57% | 6/22/10 |
| | TOTAL INSURANCE | | | | |
| | INTERNET SOFTWARE & SERVICES - 1.9% | | | | |
| | INTERNET SOFTWARE & SERVICES - 1.9% | | | | |
| 8,962,481 | SunGard Data Systems Inc. | B1 | B+ | 7.22% | 2/11/13 |
| | TOTAL INTERNET SOFTWARE & SERVICES | | | | |
| | IT SERVICES - 4.9% | | | | |
| | DATA PROCESSING & OUTSOURCED SERVICES - 0.6% | | | | |
| 992,500 | Fidelity National Information Solutions, Inc. | Ba3 | BB | 6.07% | 3/09/11 |
| 1,902,703 | Fidelity National Information Solutions, Inc. | Ba3 | BB | 6.32% | 3/09/13 |
| | IT CONSULTING & OTHER SERVICES - 4.3% | | | | |

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| | | | | | |
|-----------|---|-------|-------|-------------|---------|
| 3,120,522 | Alion Science and Technology Corp. | B1 | B+ | 6.45% | 8/02/09 |
| 916,230 | Apptis (DE), Inc. | B2 | B+ | 7.86% | 1/05/10 |
| 992,424 | CACI International Inc. | Ba2 | BB | 5.43%-6.14% | 5/03/11 |
| 8,932,500 | DynCorp International LLC | B2 | B+ | 6.81%-7.44% | 2/11/11 |
| 1,777,778 | Vertafore, Inc. | NR(a) | NR(a) | 7.11%-7.31% | 1/31/12 |
| 1,488,750 | Wyle Laboratories, Inc. | NR(a) | B+ | 7.33%-7.44% | 1/28/11 |
| 3,125,000 | Wyle Laboratories, Inc. (c) | NR(a) | B- | 11.19% | 7/28/11 |

TOTAL IT SERVICES

Page 6

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION o | MOODY'S | BANK LOAN RATINGS+ S&P | COUPON | STATED MATURITY* |
|--|---|---------|------------------------|-------------|------------------|
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| MACHINERY - 0.7% | | | | | |
| INDUSTRIAL MACHINERY - 0.7% | | | | | |
| \$ 2,382,023 | Invensys International Holdings Ltd. | Ba3 | B+ | 7.79% | 9/05/09 |
| 1,000,000 | Invensys International Holdings Ltd. (c) | B1 | B+ | 9.43% | 12/05/09 |
| TOTAL MACHINERY | | | | | |
| MEDIA - 25.4% | | | | | |
| ADVERTISING - 0.4% | | | | | |
| 2,050,536 | Adams Outdoor Advertising, LP ... | B1 | B+ | 6.62% | 10/18/12 |
| BROADCASTING & CABLE TV - 13.9% | | | | | |
| 3,940,000 | Bragg Communications, Inc. | NR(a) | NR | 6.81% | 8/31/11 |
| 17,380,000 | Century Cable Holdings, LLC | NR | NR | 9.50% | 6/30/09 |
| 12,983,858 | Charter Communications Operating, LLC | B2 | B | 7.67% | 4/27/10 |
| 1,333,333 | DIRECTV Holdings LLC | Ba1 | BB | 6.04%-6.07% | 4/13/13 |
| 396,013 | MMC Georgia LLC, (Revolving Credit) | Ba3 | BB- | 0.50%-8.00% | 3/31/10 |
| 2,967,525 | NEP Supershooters, L.P. | B1 | B | 8.03% | 2/03/11 |
| 1,000,000 | NextMedia Operating, Inc. (c) ... | B3 | CCC+ | 9.07% | 11/15/13 |
| 5,978,796 | PanAmSat Corp. | B1 | BB+ | 6.49% | 8/20/11 |
| 1,000,000 | Paxson Communications Corp. | B2 | CCC+ | 7.78% | 1/15/12 |
| 2,481,250 | Rainbow Media Holdings LLC | Ba3 | BB+ | 7.38%-7.56% | 3/31/12 |
| 6,500,000 | Raycom Media, Inc. | NR | NR | 6.19% | 1/18/13 |
| 2,000,000 | San Juan Cable, LLC (c) | B2 | B- | 10.34% | 10/14/13 |
| 4,000,000 | UPC Distribution Holding B.V. ... | B1 | B | 8.03% | 12/31/11 |
| 5,000,000 | UPC Distribution Holding B.V. ... | B1 | B | 7.28% | 9/30/12 |

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| | | | | | |
|-------------------------------|--|--------|--------|-------------|----------|
| MOVIES & ENTERTAINMENT - 5.6% | | | | | |
| 4,900,000 | AMC Entertainment, Inc. | Ba3 | B+ | 6.71% | 1/26/13 |
| 1,000,000 | Deluxe Entertainment Services Group, Inc. | B1 | B | 8.33% | 1/28/11 |
| 7,000,000 | Metro-Goldwyn-Mayer Holdings II, Inc. | NR (a) | NR (a) | 6.78% | 4/08/12 |
| 3,810,611 | Regal Cinemas Corp. | Ba3 | BB- | 6.53% | 11/10/10 |
| 9,854,870 | WMG Acquisition Corp. | Ba2 | B+ | 6.37%-6.81% | 3/01/11 |

| | | | | | |
|-------------------|---------------------------------|-----|------|-------------|----------|
| PUBLISHING - 5.5% | | | | | |
| 5,176,471 | CBD Media, LLC | B1 | B | 6.99% | 12/31/09 |
| 883,087 | Dex Media West, Inc. | Ba2 | BB | 0.50%-6.25% | 3/09/10 |
| 1,980,000 | Media News Group, Inc. | Ba3 | BB | 5.85% | 12/30/10 |
| 5,000,000 | Newspaper Holdings, Inc. | NR | NR | 6.19% | 8/24/12 |
| 1,943,783 | Nexstar Broadcasting, Inc. | Ba3 | B+ | 6.28% | 10/01/12 |
| 1,500,000 | PBI Media, Inc. (c) | B3 | CCC+ | 10.67% | 9/30/13 |

See Notes to Quarterly Portfolio of Investments

Page 7

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION o | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|-----------------------------------|-----------------------|-----|-------------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| MEDIA - (CONTINUED) | | | | | |
| PUBLISHING - (CONTINUED) | | | | | |
| \$ 1,000,000 | PRIMEDIA Inc. | B2 | B | 6.82% | 9/30/13 |
| 6,802,877 | RH Donnelley Inc. | Ba3 | BB | 6.00%-6.31% | 6/30/11 |
| 1,921,832 | WCP Exposition Services, LLC | NR | NR | 7.72% | 8/29/11 |
| TOTAL MEDIA | | | | | |
| METALS & MINING - 2.4% | | | | | |
| ALUMINUM - 1.2% | | | | | |
| 5,753,846 | Novelis Corp. | Ba2 | BB- | 6.44% | 1/07/12 |
| DIVERSIFIED METALS & MINING - 0.6% | | | | | |
| 3,000,000 | Alpha Natural Resources, LLC | B2 | BB- | 6.32% | 10/26/12 |
| PRECIOUS METALS & MINERALS - 0.6% | | | | | |
| 2,887,500 | Carmeuse Lime, Inc. | NR | NR | 6.38%-6.44% | 5/02/11 |
| TOTAL METALS & MINING | | | | | |

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| | | | | | |
|---|---|-----|-----|--------------|----------|
| MULTI-UTILITIES - 3.0% | | | | | |
| MULTI-UTILITIES - 3.0% | | | | | |
| 992,500 | KGEM, LLC | B2 | B | 7.15% | 8/05/11 |
| 10,535,365 | KGEM, LLC (c) | B3 | B- | 13.53% | 8/05/11 |
| 3,000,000 | Thermal North America, Inc. | Ba3 | BB- | 6.32% | 10/12/13 |
| TOTAL MULTI-UTILITIES | | | | | |
| OIL, GAS & CONSUMABLE FUELS - 10.0% | | | | | |
| OIL & GAS EXPLORATION & PRODUCTION - 3.0% | | | | | |
| 5,955,000 | ATP Oil & Gas Corp. | NR | NR | 9.49%-10.18% | 4/14/10 |
| 1,911,111 | Mainline, L.P. | Ba3 | BB- | 6.88% | 12/17/11 |
| 4,490,659 | Plains Resources Inc. | Ba2 | BB | 6.75% | 8/12/11 |
| 1,903,313 | SemCrude, L.P. | Ba3 | B | 6.74%-6.78% | 3/16/11 |
| OIL & GAS REFINING & MARKETING - 1.6% | | | | | |
| 444,444 | Calumet Lubricants Company | B2 | B+ | 7.83%-7.99% | 12/09/12 |
| 2,000,000 | Coffeyville Resources, LLC (c) .. | B3 | B | 11.31% | 7/08/13 |
| 5,000,000 | Hawkeye Renewables, LLC | B2 | B | 7.84% | 1/31/12 |
| OIL & GAS STORAGE & TRANSPORTATION - 5.4% | | | | | |
| 4,987,500 | Cheniere LNG Holdings, LLC | NR | BB | 6.95% | 8/31/12 |
| 7,000,000 | Eagle Rock Gas Gathering & Processing, Ltd. | NR | NR | 7.03% | 10/01/12 |
| 10,982,775 | El Paso Corp. | B3 | B | 6.35% | 11/23/09 |
| 990,000 | EPCO Holdings, Inc. | Ba3 | B+ | 6.35%-6.61% | 8/18/10 |
| 1,992,500 | Regency Gas Service, LLC | B1 | B+ | 6.78% | 5/30/10 |
| 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)
 FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION o | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|---------------------------------|-----------------------|-----|--------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| PAPER & FOREST PRODUCTS - 3.6% | | | | | |
| FOREST PRODUCTS - 3.2% | | | | | |
| \$ 11,250,000 | Georgia-Pacific Corp. | Ba2 | BB- | 6.56% | 12/20/12 |
| 3,750,000 | Georgia-Pacific Corp. (c) | Ba3 | B+ | 7.56% | 12/20/14 |

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| | | | | | |
|---|---|--------|--------|-------------|----------|
| PAPER PRODUCTS - 0.4% | | | | | |
| 1,940,202 | Solo Cup Company | B1 | B+ | 7.03% | 2/27/11 |
| TOTAL PAPER & FOREST PRODUCTS | | | | | |
| PHARMACEUTICALS - 0.7% | | | | | |
| PHARMACEUTICALS - 0.7% | | | | | |
| 3,535,568 | Warner Chilcott Corp. | B2 | B | 7.28%-7.44% | 1/18/12 |
| TOTAL PHARMACEUTICALS | | | | | |
| REAL ESTATE - 11.3% | | | | | |
| REAL ESTATE INVESTMENT TRUSTS - 2.1% | | | | | |
| 6,500,000 | Capital Automotive L.P. | Ba1 | BB+ | 6.34% | 12/16/10 |
| 777,368 | Lion Gables Realty, L.P. | Ba2 | BB+ | 6.32% | 9/30/06 |
| 811,111 | Maguire Properties, Inc. | Ba2 | BB | 6.32% | 3/15/10 |
| 2,000,000 | The Macerich Partnership, L.P. .. | NR | NR (a) | 6.13% | 4/26/10 |
| REAL ESTATE MANAGEMENT & DEVELOPMENT - 9.2% | | | | | |
| 1,860,549 | CB Richard Ellis Services, Inc. . | Ba3 | B+ | 6.01%-6.93% | 3/31/10 |
| 9,000,000 | General Growth Properties, Inc. . | Ba2 | BB+ | 5.83% | 2/03/10 |
| 1,000,000 | Kuilima Resort Company (c) | NR (a) | NR (a) | 11.11% | 9/30/11 |
| 6,338,057 | LNR Property Corp. | B2 | B+ | 7.57% | 2/03/08 |
| 10,886,400 | LNR Property Corp., (Mezzanine Debt) (d) (e) | NR | NR | 9.07% | 2/03/08 |
| 4,972,506 | Palmdale Hills Property, LLC | B1 | B+ | 7.61% | 5/19/10 |
| 4,992,500 | Pivotal Promontory, LLC | NR (a) | NR (a) | 7.36% | 8/31/10 |
| 1,500,000 | Shea Capital I, LLC | NR (a) | NR (a) | 6.69% | 10/27/11 |
| 788,784 | The Newkirk Master Limited Partnership | NR (a) | BB+ | 6.38% | 8/11/08 |
| 1,950,000 | The Rhodes Companies, LLC | Ba3 | BB- | 7.75% | 11/21/10 |
| 968,000 | Yellowstone Development, LLC | NR (a) | NR (a) | 6.98% | 9/30/10 |
| TOTAL REAL ESTATE | | | | | |
| ROAD & RAIL - 0.9% | | | | | |
| TRUCKING - 0.9% | | | | | |
| 4,348,889 | The Hertz Corp. | Ba2 | BB | 6.75%-6.96% | 12/21/12 |
| TOTAL ROAD & RAIL | | | | | |
| SPECIALTY RETAIL - 3.3% | | | | | |
| APPAREL RETAIL - 1.4% | | | | | |
| 5,848,101 | The Neiman Marcus Group, Inc. ... | B1 | B+ | 6.95% | 4/06/13 |
| 860,064 | The William Carter Company | B1 | BB | 6.42%-6.54% | 7/14/12 |

See Notes to Quarterly Portfolio of Investments

Page 9

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

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| PRINCIPAL VALUE | DESCRIPTION | BANK LOAN RATINGS+ | | COUPON | STATED MATURITY* |
|--|--|-----------------------|--------|-------------|---------------------|
| | | MOODY'S | S&P | | |
| ----- | | | | | |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED | | | | | |
| SPECIALTY RETAIL - (CONTINUED) | | | | | |
| SPECIALTY STORES - 1.9% | | | | | |
| \$ 1,980,000 | Dollarama Group L.P. | NR (a) | NR (a) | 6.92% | 11/18/11 |
| 3,972,444 | Harbor Freight Tools USA, Inc. .. | NR (a) | NR (a) | 6.82% | 7/15/10 |
| 3,000,000 | TravelCenters of America, Inc. .. | B1 | BB | 6.16%-6.44% | 12/01/11 |
| TOTAL SPECIALTY RETAIL | | | | | |
| TOBACCO - 0.2% | | | | | |
| TOBACCO - 0.2% | | | | | |
| 989,167 | Commonwealth Brands, Inc. | NR (a) | NR (a) | 7.00% | 12/22/12 |
| TOTAL TOBACCO | | | | | |
| TRANSPORTATION INFRASTRUCTURE - 1.4% | | | | | |
| MARINE PORTS & SERVICES - 1.4% | | | | | |
| 4,895,227 | Horizon Lines Holding LLC | B2 | B | 6.78% | 7/07/11 |
| 1,643,541 | Sirva Worldwide, Inc. | B2 | B+ | 8.55%-8.57% | 12/08/10 |
| TOTAL TRANSPORTATION INFRASTRUCTURE | | | | | |
| WIRELESS TELECOMMUNICATION SERVICES - 2.3% | | | | | |
| WIRELESS TELECOMMUNICATION SERVICES - 2.3% | | | | | |
| 4,000,000 | AAT Communications Corp. | B1 | BB+ | 6.56% | 7/27/12 |
| 3,000,000 | MetroPCS Wireless, Inc. | NR | NR | 9.25% | 5/31/11 |
| 4,000,000 | Nextel Partners, Inc. | Ba3 | B+ | 5.91% | 5/31/12 |
| TOTAL WIRELESS TELECOMMUNICATION SERVICES | | | | | |
| Total Senior Floating Rate Term Loan Interests** | | | | | |
| (Cost \$713,996,730) | | | | | |
| SENIOR FLOATING RATE NOTES - 3.1% | | | | | |
| HEALTH CARE PROVIDERS & SERVICES - 0.2% | | | | | |
| HEALTH CARE FACILITIES - 0.2% | | | | | |
| 1,250,000 | Select Medical Holdings Corp. (d) (f) | B1 | NR | 9.93% | 9/15/15 |
| TOTAL HEALTH CARE PROVIDERS & SERVICES | | | | | |
| HOUSEHOLD DURABLES - 0.6% | | | | | |
| HOMEBUILDING - 0.6% | | | | | |
| 3,000,000 | Builders Firstsource, Inc. (c) (f) | B3 | B- | 9.00% | 2/15/12 |
| TOTAL HOUSEHOLD DURABLES | | | | | |
| MEDIA - 1.7% | | | | | |
| BROADCASTING & CABLE TV - 1.7% | | | | | |
| 3,000,000 | Intelsat, Ltd. (d) (f) | B2 | B+ | 9.61% | 1/15/12 |
| 5,000,000 | Paxson Communications Corp. (f) | B2 | CCC+ | 7.78% | 1/15/12 |

TOTAL MEDIA

Page 10

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

| PRINCIPAL VALUE | DESCRIPTION | BANK LOAN RATINGS+ | MOODY'S | S&P | COUPON | STATED MATURITY* |
|--|--|-----------------------|---------|-----|--------|---------------------|
| ----- | | | | | | |
| SENIOR FLOATING RATE NOTES - CONTINUED | | | | | | |
| | PHARMACEUTICALS - 0.6% | | | | | |
| | PHARMACEUTICALS - 0.6% | | | | | |
| \$ 3,000,000 | Elan Finance PLC (d) (f) | B3 | | B | 8.34% | 11/15/11 |
| | TOTAL PHARMACEUTICALS | | | | | |
| | TOTAL SENIOR FLOATING RATE NOTES | | | | | |
| | (Cost \$14,969,956) | | | | | |
| SHARES | | | | | | |
| ----- | | | | | | |
| COMMON STOCKS - 3.3% | | | | | | |
| | CLOSED-END FUNDS - 3.3% | | | | | |
| | OTHER DIVERSIFIED FINANCIAL SERVICES - 3.3% | | | | | |
| 903,900 | ING Prime Rate Trust, | | | | | |
| 1,158,600 | Van Kampen Senior Income Trust, | | | | | |
| | TOTAL CLOSED-END FUNDS | | | | | |
| | TOTAL COMMON STOCKS | | | | | |
| | (Cost \$15,245,029) | | | | | |
| PRINCIPAL VALUE | | | | | | |
| ----- | | | | | | |
| | REPURCHASE AGREEMENT - 2.0% | | | | | |
| | (Cost \$9,600,000) | | | | | |
| 9,600,000 | Agreement with Wachovia Capital Markets, LLC, 4.44% dated 2/28/06, to be repurchased at \$9,601,184 on 3/01/06, collateralized by \$9,600,000 Federal Home Loan Bank, 4.625% due 1/18/08 (Value \$9,842,385) | | | | | |
| | TOTAL INVESTMENTS - 157.5% | | | | | |

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(Cost \$753,811,715) (b)

NET OTHER ASSETS AND LIABILITIES - (0.8)%

LOAN OUTSTANDING - (35.9)%

PREFERRED SHARES, AT LIQUIDATION VALUE - (20.8)%

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS - 100.0%

-
- O All percentages shown in the Portfolio of Investments are based on net assets applicable to Common Shares.
 - (a) This Senior Loan Interest was privately rated upon issuance. The rating agency does not provide ongoing surveillance on the rating.
 - (b) Aggregate cost for federal income tax and financial reporting purposes.
 - (c) This issue is secured by a second lien on the issuer's assets.
 - (d) This issue is unsecured.
 - (e) This issue's security interest is subordinated to other debt holders.
 - (f) Securities are restricted and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended (Note 1E).
 - (g) This borrower has filed for protection in a federal bankruptcy court.
 - + Ratings below Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Ratings Group are considered to be below investment grade.
 - NR Not rated.

See Notes to Quarterly Portfolio of Investments

Page 11

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2006 (UNAUDITED)

- * Senior Loans generally are subject to mandatory and/or optional prepayment. Prepayments of Senior Loans may occur because of the mandatory prepayment conditions and 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.
- ** 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.

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
FEBRUARY 28, 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 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 Managed 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 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
FEBRUARY 28, 2006

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 instructs the custodian to segregate assets of the Fund with a current value at least equal to the amount of its when-issued 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 \$10,970,214 as of February 28, 2006. The Fund is obligated to fund these loan commitments at

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the borrower's discretion. Net unrealized depreciation of \$9,121 from these commitments is included in Net Other Assets and Liabilities.

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. 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 | CARRYING COST AT ACQUISITION DATE | MA V |
|-------------------------------|------------------|-----------------|----------------|-----------------------------------|-------|
| Builders Firstsource, Inc. | 2/8/05 | \$ 3,000,000 | 103.00 | 100.00 | \$ 3 |
| Elan Finance PLC | 3/2/05 | 1,500,000 | 98.38 | 86.50 | 1 |
| Elan Finance PLC | 3/31/05 | 1,000,000 | 98.38 | 75.75 | |
| Elan Finance PLC | 8/9/05 | 500,000 | 98.38 | 90.50 | |
| Intelsat, Ltd. | 2/14/05 | 3,000,000 | 101.88 | 103.50 | 3 |
| Paxson Communications Corp. | 12/19/05 | 5,000,000 | 99.50 | 100.00 | 4 |
| Select Medical Holdings Corp. | 9/16/05 | 250,000 | 85.25 | 100.00 | |
| Select Medical Holdings Corp. | 9/19/05 | 1,000,000 | 85.25 | 100.25 | |
| | | ----- | | | |
| | | \$ 15,250,000 | | | \$ 15 |
| | | ===== | | | ===== |

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of February 28, 2006, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$5,652,002 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,257,048.

Page 14

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 27, 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 APRIL 27, 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 APRIL 27, 2006

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