

FIRST TRUST FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II

Form N-Q

October 27, 2005

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21539  
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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
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(Exact name of registrant as specified in charter)

1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
-----

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

Registrant's telephone number, including area code: 630-241-4141  
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Date of fiscal year end: MAY 31  
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Date of reporting period: AUGUST 31, 2005  
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Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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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  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                                  | DESCRIPTION o  | BANK LOAN<br>RATINGS+ |       | COUPON        | STATED<br>MATURITY* |
|---|--|-----------------------|-------|---------------|---------------------|
|   |  | MOODY'S               | S&P   |               |                     |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - 151.0% |  |                       |       |               |                     |
| AEROSPACE & DEFENSE - 3.8%                          |  |                       |       |               |                     |
| AEROSPACE & DEFENSE - 3.8%                          |  |                       |       |               |                     |
| \$ 3,288,889  | Hexcel Corp. ....  | B2                    | B+    | 5.25%-5.56%   | 3/01/12             |
| 2,952,632   | Hunter Defense Holdings, Inc. ....                         | NR(a)                 | NR(a) | 6.63%         | 3/10/11             |
| 2,032,936   | K&F Industries, Inc. ....                                  | B2                    | B+    | 6.15%-6.17%   | 11/18/12            |
| 1,000,000   | Mid-Western Aircraft Systems, Inc.                         | B1                    | BB-   | 5.96%         | 12/31/11            |
| 2,732,484   | MRO Acquisition Corp. ....                                 | B1                    | B+    | 6.57%         | 8/27/10             |
| 3,323,077   | Standard Aero Holdings, Inc. ....                          | B2                    | B+    | 5.72%-5.92%   | 8/24/12             |
| 3,100,000   | Vought Aircraft Industries, Inc. .                         | Ba3                   | B+    | 5.84%         | 12/22/10            |
| TOTAL AEROSPACE & DEFENSE                           |  |                       |       |               |                     |
| AIR FREIGHT & LOGISTICS - 1.2%                      |  |                       |       |               |                     |
| AIR FREIGHT & LOGISTICS - 1.2%                      |  |                       |       |               |                     |
| 5,942,625   | United Air Lines Inc.<br>(Debtor in Possession) (f) ....   | NR(a)                 | BB    | 7.96%         | 12/30/05            |
| TOTAL AIR FREIGHT & LOGISTICS                       |  |                       |       |               |                     |
| AUTO COMPONENTS - 3.6%                              |  |                       |       |               |                     |
| AUTO PARTS & EQUIPMENT - 3.6%                       |  |                       |       |               |                     |
| 3,000,000   | Collins & Aikman Corp.,<br>(Debtor in Possession) (f) .... | NR                    | NR    | 6.44%-6.69%   | 5/17/07             |
| 6,000,000   | Environmental Systems Products<br>Holdings Inc. (c) .....  | Caa1                  | NR(a) | 13.66%-13.86% | 12/12/10            |
| 1,995,000   | MetoKote Corp. ....  | B2                    | B+    | 6.49%-6.68%   | 11/27/11            |
| 6,467,500   | TRW Automotive Inc. ....                                   | Ba2                   | BB+   | 5.25%         | 6/30/12             |
| TOTAL AUTO COMPONENTS                               |  |                       |       |               |                     |
| BEVERAGES - 0.2%                                    |  |                       |       |               |                     |
| SOFT DRINKS - 0.2%                                  |  |                       |       |               |                     |
| 1,000,000   | Culligan Corp. ....  | B1                    | B+    | 6.07%         | 9/30/11             |
| TOTAL BEVERAGES                                     |  |                       |       |               |                     |
| BUILDING PRODUCTS - 3.4%                            |  |                       |       |               |                     |
| BUILDING PRODUCTS - 3.4%                            |  |                       |       |               |                     |
| 4,987,500   | Custom Building Products .....                             | NR(a)                 | NR(a) | 5.74%-8.58%   | 10/20/11            |
| 2,420,865   | Headwaters Inc. ....                                       | B1                    | B+    | 5.87%-7.75%   | 4/30/11             |
| 1,666,667   | Headwaters Inc. (c) .....                                  | B3                    | B-    | 9.02%         | 9/01/12             |
| 965,000   | NCI Building Systems, Inc. ....                            | Ba2                   | BB    | 5.42%-5.67%   | 6/18/10             |

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|           |                                   |        |        |             |          |
|-----------|-----------------------------------|--------|--------|-------------|----------|
| 4,389,867 | PGT Industries, Inc. ....         | NR (a) | NR (a) | 6.58%-6.76% | 1/29/10  |
| 1,000,000 | South Edge, LLC .....             | NR (a) | NR (a) | 5.56%       | 10/31/09 |
| 997,500   | Stile U.S. Acquisition Corp. .... | B2     | BB-    | 5.49%-5.66% | 4/06/13  |

TOTAL BUILDING PRODUCTS

|                              |   |    |     |       |          |
|------------------------------|---|----|-----|-------|----------|
| CHEMICALS - 2.3%             |   |    |     |       |          |
| DIVERSIFIED CHEMICALS - 2.3% |   |    |     |       |          |
| 5,000,000                    | BCP Crystal US Holdings Corp. ....          | B1 | B+  | 5.65% | 1/26/09  |
| 6,000,000                    | Brenntag Holding GmbH &<br>Company KG ..... | B1 | BB- | 6.81% | 12/09/11 |

TOTAL CHEMICALS

See Notes to Quarterly Portfolio of Investments

Page 1

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                                     | DESCRIPTION o                                   | BANK LOAN<br>RATINGS+ |        | COUPON      | STATED<br>MATURITY* |
|--|---|-----------------------|--------|-------------|---------------------|
|  |   | MOODY'S               | S&P    |             |                     |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED |   |                       |        |             |                     |
| COMMERCIAL SERVICES & SUPPLIES - 10.5%                 |   |                       |        |             |                     |
| DIVERSIFIED COMMERCIAL SERVICES - 4.6%                 |   |                       |        |             |                     |
| \$ 11,000,000  | IAP Worldwide Services, Inc. ....               | B1                    | B+     | 6.31%       | 3/30/11             |
| 4,000,000  | IAP Worldwide Services, Inc. (c) .              | B2                    | B-     | 9.31%       | 3/30/12             |
| 2,972,727  | N.E.W. Customer Service<br>Companies, Inc. .... | NR (a)                | NR (a) | 6.88%-7.06% | 7/01/11             |
| 2,968,750  | United Rentals, Inc. ....                       | B1                    | BB     | 5.59-5.92%  | 2/14/11             |
| 981,308  | Western Inventory Service, Ltd. ..              | B2                    | B      | 6.40%-8.25% | 3/31/11             |
| ENVIRONMENTAL SERVICES - 1.9%                          |   |                       |        |             |                     |
| 2,941,590  | Duratek, Inc. ....                              | B1                    | BB-    | 6.55-6.75%  | 12/16/09            |
| 6,281,053  | Envirocare of Utah, LLC .....                   | NR (a)                | NR (a) | 6.11%       | 4/13/10             |
| OFFICE SERVICES & SUPPLIES - 4.0%                      |   |                       |        |             |                     |
| 3,240,149  | Infrasource Inc. ....                           | Ba3                   | BB-    | 6.24%       | 9/30/10             |
| 5,922,173  | Monitronics International, Inc. ..              | B1                    | B+     | 7.25-7.39%  | 8/26/09             |
| 4,159,877  | Pike Electric, Inc. ....                        | NR (a)                | NR (a) | 5.81%-5.88% | 7/01/12             |
| 4,950,000  | Quanta Services Inc. ....                       | Ba3                   | BB-    | 6.43%-6.47% | 6/19/08             |
| 958,333  | TRM Corp. ....                                  | B2                    | B+     | 7.40%-7.52% | 11/19/10            |



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|   |   |    |     |             |          |
|---|---|----|-----|-------------|----------|
| DIVERSIFIED TELECOMMUNICATION SERVICES - 1.9% |   |    |     |             |          |
| INTEGRATED TELECOMMUNICATION SERVICES - 1.9%  |   |    |     |             |          |
| 1,000,000                                     | Hawaiian Telecom<br>Communications, Inc. .... | B1 | B+  | 5.73%       | 10/31/12 |
| 6,000,000                                     | NTL Investment Holdings Ltd. ....             | B1 | BB- | 6.41%       | 5/10/12  |
| 1,995,000                                     | Telcordia Technologies, Inc. ....             | B1 | B+  | 6.51%-6.61% | 9/15/12  |

TOTAL DIVERSIFIED TELECOMMUNICATION SERVICES

|                           |  |     |     |             |          |
|---------------------------|--|-----|-----|-------------|----------|
| ELECTRIC UTILITIES - 7.2% |  |     |     |             |          |
| ELECTRIC UTILITIES - 7.2% |  |     |     |             |          |
| 6,280,919                 | Allegheny Energy Supply Inc. ....          | Ba2 | BB  | 5.34%-5.36% | 3/08/11  |
| 933,249                   | Cogentrix Delaware Holdings, Inc.          | Ba2 | BB+ | 5.24%       | 4/14/12  |
| 3,577,236                 | Covanta Energy Corp. ....                  | B1  | B+  | 6.46%       | 6/30/12  |
| 4,422,764                 | Covanta Energy Corp. ....                  | B1  | B+  | 6.36%       | 6/24/12  |
| 6,500,972                 | Midwest Generation, LLC .....              | Ba3 | BB- | 5.39%-5.50% | 4/27/11  |
| 7,977,500                 | NRG Energy, Inc. ....                      | Ba3 | BB  | 5.26%-5.37% | 12/24/11 |
| 2,148,408                 | Riverside Energy Center, LLC ....          | Ba3 | BB- | 7.93%       | 6/24/11  |
| 1,656,670                 | Rocky Mountain Energy Center,<br>LLC ..... | Ba3 | BB- | 7.93%       | 6/24/11  |
| 995,731                   | Texas Genco, LLC .....                     | Ba2 | BB  | 5.41%-5.67% | 12/14/11 |

TOTAL ELECTRIC UTILITIES

|  |   |    |      |       |         |
|--|---|----|------|-------|---------|
| ELECTRICAL EQUIPMENT - 1.2%              |   |    |      |       |         |
| ELECTRICAL COMPONENTS & EQUIPMENT - 1.2% |   |    |      |       |         |
| 3,000,000                                | Penn Engineering & Manufacturing<br>Corp. ....      | B2 | B    | 5.97% | 5/25/11 |
| 3,000,000                                | Penn Engineering & Manufacturing<br>Corp. (c) ..... | B3 | CCC+ | 9.47% | 5/25/12 |

TOTAL ELECTRICAL EQUIPMENT

|   |                                |     |    |       |         |
|---|--------------------------------|-----|----|-------|---------|
| ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.6% |                                |     |    |       |         |
| ELECTRONIC EQUIPMENT MANUFACTURERS - 0.4% |                                |     |    |       |         |
| 1,926,477                                 | VeriFone, Inc. ....            | B1  | B+ | 5.68% | 6/30/11 |
| Electronic Manufacturing Services - 0.2%  |                                |     |    |       |         |
| 1,000,000                                 | Cinram International Inc. .... | Ba3 | BB | 6.12% | 9/30/09 |

TOTAL ELECTRONIC EQUIPMENT & INSTRUMENTS

|                                       |                              |    |    |             |          |
|---------------------------------------|------------------------------|----|----|-------------|----------|
| ENERGY EQUIPMENT & SERVICES - 1.2%    |                              |    |    |             |          |
| OIL & GAS EQUIPMENT & SERVICES - 1.2% |                              |    |    |             |          |
| 5,572,941                             | Ferrell Companies, Inc. .... | NR | NR | 6.93%-9.00% | 12/17/11 |

TOTAL ENERGY EQUIPMENT & SERVICES

See Notes to Quarterly Portfolio of Investments

Page 3

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PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                                     | DESCRIPTION o                              | BANK LOAN<br>RATINGS+ |        | COUPON      | STATED<br>MATURITY* |
|--|--|-----------------------|--------|-------------|---------------------|
|  |  | MOODY'S               | S&P    |             |                     |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED |  |                       |        |             |                     |
| FOOD & STAPLES RETAILING - 1.9%                        |  |                       |        |             |                     |
| DRUG RETAIL - 0.8%                                     |  |                       |        |             |                     |
| \$ 3,935,126   | The Jean Coutu Group (PJC) Inc. ..         | B1                    | BB-    | 5.94%       | 7/30/11             |
| Food Distributors - 1.1%                               |  |                       |        |             |                     |
| 1,975,000  | Golden State Foods Corp. ....              | NR (a)                | NR (a) | 5.43%       | 2/25/11             |
| 3,000,000  | Nash Finch Company .....                   | B1                    | B+     | 5.88%       | 11/12/10            |
| TOTAL FOOD & STAPLES RETAILING                         |  |                       |        |             |                     |
| FOOD PRODUCTS - 6.1%                                   |  |                       |        |             |                     |
| AGRICULTURAL PRODUCTS - 1.9%                           |  |                       |        |             |                     |
| 2,000,000  | Chiquita Brands, L.L.C. ....               | B1                    | BB-    | 6.19%       | 6/28/12             |
| 7,000,000  | Dole Food Company, Inc. (c) .....          | B3                    | B      | 8.69%       | 7/22/10             |
| PACKAGED FOODS & MEATS - 4.2%                          |  |                       |        |             |                     |
| 7,922,226  | Keystone Foods Holdings LLC .....          | NR (a)                | NR (a) | 5.25%-5.44% | 6/16/11             |
| 8,939,962  | OSI Group LLC .....                        | NR (a)                | NR (a) | 5.49%       | 9/02/11             |
| 3,000,000  | THL Food Products Company (d) ....         | B2                    | B-     | 6.59%       | 11/21/11            |
| TOTAL FOOD PRODUCTS                                    |  |                       |        |             |                     |
| HEALTH CARE PROVIDERS & SERVICES - 8.7%                |  |                       |        |             |                     |
| HEALTH CARE FACILITIES - 1.4%                          |  |                       |        |             |                     |
| 957,500  | Lifepoint Hospitals, Inc. ....             | Ba3                   | BB     | 5.20%       | 4/15/12             |
| 5,985,000  | Select Medical Corp. ....                  | B1                    | BB-    | 5.36%-7.25% | 2/24/12             |
| HEALTH CARE SERVICES - 5.3%                            |  |                       |        |             |                     |
| 5,935,050  | CHS/Community Health<br>Systems, Inc. .... | Ba3                   | BB-    | 5.42%-5.61% | 8/19/11             |
| 5,000,000  | DaVita Inc. ....                           | B1                    | BB-    | TBA         | 5/20/12             |
| 2,846,945  | Team Health, Inc. ....                     | B1                    | B+     | 6.24%       | 3/23/11             |
| 6,478,687  | US Oncology Holdings, Inc. ....            | B1                    | B+     | 6.13%-6.63% | 8/20/11             |
| 5,080,100  | VWR International, Inc. ....               | B2                    | B+     | 6.14%       | 4/07/11             |

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|                            |                                    |    |    |       |         |
|----------------------------|------------------------------------|----|----|-------|---------|
| MANAGED HEALTH CARE - 2.0% |                                    |    |    |       |         |
| 4,450,038                  | IASIS Healthcare Corp. ....        | B1 | B+ | 5.77% | 6/22/11 |
| 2,970,000                  | Medcath Holdings Corp. ....        | B2 | B+ | 5.88% | 6/30/11 |
| 1,985,000                  | Vanguard Health Systems, Inc. .... | B2 | B  | 6.74% | 9/23/11 |

TOTAL HEALTH CARE PROVIDERS & SERVICES

|                                      |                               |     |    |             |          |
|--------------------------------------|-------------------------------|-----|----|-------------|----------|
| HOTELS, RESTAURANTS & LEISURE - 8.6% |                               |     |    |             |          |
| CASINOS & GAMING - 5.3%              |                               |     |    |             |          |
| 5,940,000                            | Boyd Gaming Corp. ....        | Ba2 | BB | 4.88%-4.99% | 6/30/11  |
| 2,000,000                            | CCM Merger, Inc. ....         | B1  | B+ | 5.64%-5.84% | 10/21/12 |
| 4,018,535                            | Global Cash Access, Inc. .... | B2  | B+ | 5.92%       | 3/10/10  |

Page 4 See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                                     | DESCRIPTION o                                 | BANK LOAN<br>RATINGS+ |       | COUPON      | STATED<br>MATURITY* |
|--|---|-----------------------|-------|-------------|---------------------|
|  |   | MOODY'S               | S&P   |             |                     |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED |   |                       |       |             |                     |
| HOTELS, RESTAURANTS & LEISURE - (CONTINUED)            |   |                       |       |             |                     |
| CASINOS & GAMING - (CONTINUED)                         |   |                       |       |             |                     |
| \$ 7,960,000   | Marina District Finance<br>Company, Inc. .... | NR                    | NR    | 5.13%-5.24% | 10/20/11            |
| 2,000,000  | Penn National Gaming, Inc. ....               | Ba3                   | BB-   | TBA         | 5/05/12             |
| 1,538,367  | Pinnacle Entertainment, Inc. ....             | B1                    | BB-   | 1.00%-6.67% | 8/27/10             |
| 2,000,000  | Seminole Tribe of Florida ....                | NR(a)                 | NR(a) | 5.81%       | 9/30/11             |
| HOTELS, RESORTS & CRUISE LINES - 1.9%                  |   |                       |       |             |                     |
| 291,111  | CNL Hospitality Partners, LP ....             | NR(a)                 | NR(a) | 6.07%       | 10/13/06            |
| 9,000,403  | OpBiz, LLC ....                               | B3                    | B-    | 6.50%-7.50% | 8/31/10             |
| LEISURE FACILITIES - 1.4%                              |   |                       |       |             |                     |
| 6,876,456  | American Skiing Company ....                  | NR                    | NR    | 7.99%-8.10% | 11/24/10            |
| TOTAL HOTELS, RESTAURANTS & LEISURE                    |   |                       |       |             |                     |
| HOUSEHOLD DURABLES - 5.2%                              |   |                       |       |             |                     |
| HOMEBUILDING - 4.5%                                    |   |                       |       |             |                     |

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|            |  |       |       |             |          |
|------------|--|-------|-------|-------------|----------|
| 2,038,576  | Kyle Acquisition Group, LLC .....                          | NR(a) | NR(a) | 6.50%       | 7/20/08  |
| 2,775,964  | Kyle Acquisition Group, LLC .....                          | NR(a) | NR(a) | 6.50%       | 7/20/10  |
| 11,617,669 | Lake at Las Vegas Joint Venture ..                         | B2    | B+    | 6.16%-6.51% | 11/01/09 |
| 1,000,000  | Technical Olympic USA, Inc. ....                           | NR(a) | NR    | 6.56%       | 7/05/08  |
| 4,000,000  | Technical Olympic USA, Inc.,<br>(Mezzanine Debt) (c) ..... | NR(a) | NR    | 9.06%       | 7/06/09  |

HOUSEWARES & SPECIALTIES - 0.7%

|           |                            |    |    |             |          |
|-----------|----------------------------|----|----|-------------|----------|
| 1,216,627 | Prestige Brands, Inc. .... | B1 | B  | 5.18%-7.75% | 4/06/11  |
| 2,316,237 | Visant Holding Corp. ....  | B1 | B+ | 5.75%-5.94% | 10/04/11 |

TOTAL HOUSEHOLD DURABLES

INDUSTRIAL CONGLOMERATES - 1.5%

Industrial Conglomerates - 1.5%

|           |                                    |       |       |             |          |
|-----------|------------------------------------|-------|-------|-------------|----------|
| 2,985,000 | Goodman Global Holdings, Inc. .... | B2    | B+    | 5.88%       | 12/23/11 |
| 982,964   | Rexnord Corp. ....                 | B1    | B+    | 5.75%-6.21% | 12/31/11 |
| 2,970,000 | Roller Bearing Corp. ....          | NR(a) | NR(a) | 8.00%       | 7/01/11  |

TOTAL INDUSTRIAL CONGLOMERATES

INSURANCE - 0.9%

Life & Health Insurance - 0.9%

|           |                    |    |     |       |         |
|-----------|--------------------|----|-----|-------|---------|
| 4,376,836 | Conseco, Inc. .... | B2 | BB- | 5.57% | 6/22/10 |
|-----------|--------------------|----|-----|-------|---------|

TOTAL INSURANCE

INTERNET SOFTWARE & SERVICES - 1.3%

Internet Software & Services - 1.3%

|           |                                |    |    |       |         |
|-----------|--------------------------------|----|----|-------|---------|
| 6,000,000 | SunGard Data Systems Inc. .... | B1 | B+ | 6.28% | 2/11/13 |
|-----------|--------------------------------|----|----|-------|---------|

TOTAL INTERNET SOFTWARE & SERVICES

See Notes to Quarterly Portfolio of Investments

Page 5

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

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

SENIOR FLOATING RATE TERM LOAN INTERESTS\*\* - CONTINUED

IT SERVICES - 4.0%

DATA PROCESSING & OUTSOURCED SERVICES - 0.6%

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|    |            |   |       |     |             |          |
|----|------------|---|-------|-----|-------------|----------|
| \$ | 997,500    | Fidelity National Information Solutions, Inc. ....  | Ba3   | BB  | 5.07%       | 3/09/11  |
|    | 1,913,514  | Fidelity National Information Solutions, Inc. ....  | Ba3   | BB  | 5.32%       | 3/09/13  |
|    |            | IT CONSULTING & OTHER SERVICES - 3.4%               |       |     |             |          |
|    | 4,138,801  | Alion Science and Technology Corp. ....             | B1    | B+  | 5.63%-5.74% | 8/02/09  |
|    | 997,475    | CACI International Inc. ....                        | Ba2   | BB  | 4.87%-5.04% | 5/03/11  |
|    | 8,977,500  | DynCorp International LLC ....                      | B2    | B+  | 6.06%       | 2/11/11  |
|    | 2,125,000  | Wyle Laboratories, Inc. (c) ....                    | NR(a) | B-  | 10.21%      | 7/28/11  |
|    |            | TOTAL IT SERVICES                                   |       |     |             |          |
|    |            | LEISURE EQUIPMENT & PRODUCTS - 0.8%                 |       |     |             |          |
|    |            | LEISURE PRODUCTS - 0.8%                             |       |     |             |          |
|    | 4,000,000  | Brooklyn Basketball, LLC (d) ....                   | NR    | NR  | 7.19%       | 6/16/08  |
|    |            | TOTAL LEISURE EQUIPMENT & PRODUCTS                  |       |     |             |          |
|    |            | MACHINERY - 1.7%                                    |       |     |             |          |
|    |            | CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS - 0.4% |       |     |             |          |
|    | 2,007,500  | Ashtead Group PLC ....                              | Ba3   | BB- | 6.06%       | 11/12/09 |
|    |            | INDUSTRIAL MACHINERY - 1.3%                         |       |     |             |          |
|    | 1,000,000  | Invensys International Holdings Ltd. (c) ....       | B1    | B+  | 8.53%       | 12/05/09 |
|    | 4,943,210  | Invensys International Holdings Ltd. ....           | Ba3   | B+  | 6.88%       | 9/05/09  |
|    |            | TOTAL MACHINERY                                     |       |     |             |          |
|    |            | MEDIA - 25.1%                                       |       |     |             |          |
|    |            | ADVERTISING - 0.4%                                  |       |     |             |          |
|    | 2,169,122  | Adams Outdoor Advertising, LP ....                  | B1    | B+  | 5.54%-5.64% | 10/18/12 |
|    |            | BROADCASTING & CABLE TV - 13.6%                     |       |     |             |          |
|    | 3,960,000  | Bragg Communications, Inc. ....                     | NR(a) | NR  | 6.36%       | 8/31/11  |
|    | 17,380,000 | Century Cable Holdings, LLC ....                    | NR    | NR  | 8.50%       | 6/30/09  |
|    | 12,983,858 | Charter Communications Operating, LLC ....          | B2    | B   | 6.68%       | 4/27/10  |
|    | 1,333,333  | DIRECTV Holdings LLC ....                           | Ba1   | BB  | 5.09%       | 4/13/13  |
|    | 947,724    | Mediacom Illinois, LLC, (Revolving Credit) ....     | Ba3   | BB- | 0.63%-6.75% | 9/30/11  |
|    | 138,889    | MMC Georgia LLC, (Revolving Credit) ....            | Ba3   | BB- | 0.50%-4.82% | 3/31/10  |
|    | 2,982,513  | NEP Supershooters, L.P. ....                        | B1    | B   | 6.99%       | 2/03/11  |
|    | 6,008,886  | PanAmSat Corp. ....                                 | B1    | BB+ | 5.65%       | 8/20/11  |

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Page 6

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                                     | DESCRIPTION                                      | BANK LOAN<br>RATINGS+ |       | COUPON      | STATED<br>MATURITY* |
|--|--|-----------------------|-------|-------------|---------------------|
|  |  | MOODY'S               | S&P   |             |                     |
| SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED |  |                       |       |             |                     |
| MEDIA - (continued)                                    |  |                       |       |             |                     |
| BROADCASTING & CABLE TV - (CONTINUED)                  |  |                       |       |             |                     |
| \$ 1,000,000   | Patriot Media & Communications,<br>LLC (c) ..... | B3                    | B-    | TBA         | 7/15/13             |
| 2,493,750  | Rainbow Media Holdings LLC .....                 | B1                    | B+    | 6.44%-6.63% | 3/31/12             |
| 4,500,000  | Raycom Media, Inc. ....                          | NR                    | NR    | 5.50%       | 4/06/12             |
| 3,000,000  | Raycom Media, Inc. ....                          | NR                    | NR    | 5.31%       | 10/06/11            |
| 5,000,000  | UPC Distribution Holding B.V. ....               | B1                    | B     | 6.25%       | 9/30/12             |
| 4,000,000  | UPC Distribution Holding B.V. ....               | B1                    | B     | 7.19%       | 12/31/11            |
| MOVIES & ENTERTAINMENT - 6.0%                          |  |                       |       |             |                     |
| 1,000,000  | Hit Entertainment, Inc. (c) .....                | B2                    | CCC+  | 9.17%       | 8/11/13             |
| 6,893,611  | Loews Cineplex Entertainment<br>Corp. ....       | B1                    | B     | 5.80%-5.97% | 6/30/11             |
| 7,000,000  | Metro-Goldwyn-Mayer<br>Holdings II, Inc. ....    | NR(a)                 | NR(a) | 5.74%       | 4/08/12             |
| 3,830,003  | Regal Cinemas Corp. ....                         | Ba3                   | BB-   | 5.49%       | 11/10/10            |
| 9,884,049  | WMG Acquisition Corp. ....                       | B1                    | B+    | 5.52%-5.86% | 3/01/11             |
| PUBLISHING - 5.1%                                      |  |                       |       |             |                     |
| 5,490,196  | CBD Media, LLC .....                             | B1                    | B     | 6.06%       | 12/31/09            |
| 2,134,394  | Freedom Communications, Inc. ....                | Ba3                   | BB    | 4.83%       | 5/18/12             |
| 1,989,950  | Media News Group, Inc. ....                      | Ba3                   | BB    | 5.17%       | 12/30/10            |
| 1,000,000  | New Publishing Acquisition,<br>Inc. (c) .....    | NR(a)                 | NR(a) | 9.82%       | 2/05/13             |
| 4,000,000  | Newspaper Holdings, Inc. ....                    | NR                    | NR    | 5.13%-5.19% | 8/24/11             |
| 1,985,000  | Nexstar Broadcasting, Inc. ....                  | Ba3                   | B+    | 5.24%       | 10/01/12            |
| 5,832,259  | RH Donnelley Inc. ....                           | Ba3                   | BB    | 5.11%-5.30% | 6/30/11             |
| 2,000,000  | WCP Exposition Services, LLC .....               | NR                    | NR    | 9.00%       | 8/11/11             |

TOTAL MEDIA

METALS & MINING - 2.7%

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|           |  |     |        |       |         |
|-----------|--|-----|--------|-------|---------|
|           | ALUMINUM - 1.5%                                      |     |        |       |         |
| 6,923,077 | Novelis Corp. ....                                   | Ba2 | BB-    | 5.46% | 1/07/12 |
|           | Diversified Metals & Mining - 0.6%                   |     |        |       |         |
| 2,985,000 | Murray Energy Corp. and Coal<br>Resources, Inc. .... | B3  | NR (a) | 6.86% | 1/28/10 |
|           | Precious Metals & Minerals - 0.6%                    |     |        |       |         |
| 2,962,500 | Carmeuse Lime, Inc. ....                             | NR  | NR     | 5.50% | 5/02/11 |
|           | TOTAL METALS & MINING                                |     |        |       |         |

|            |  |    |    |        |         |
|------------|--|----|----|--------|---------|
|            | MULTI-UTILITIES & UNREGULATED POWER - 2.7% |    |    |        |         |
|            | MULTI-UTILITIES & UNREGULATED POWER - 2.7% |    |    |        |         |
| 997,500    | KGEN, LLC ....                             | B2 | B  | 6.12%  | 8/05/11 |
| 12,205,083 | KGEN, LLC (c) ....                         | B3 | B- | 12.49% | 8/05/11 |
|            | TOTAL MULTI-UTILITIES & UNREGULATED POWER  |    |    |        |         |

See Notes to Quarterly Portfolio of Investments

Page 7

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE | DESCRIPTION o  | BANK LOAN<br>RATINGS+ |        | COUPON      | STATED<br>MATURITY* |
|--------------------|--|-----------------------|--------|-------------|---------------------|
|                    |  | MOODY'S               | S&P    |             |                     |
|                    | SENIOR FLOATING RATE TERM LOAN INTERESTS** - CONTINUED |                       |        |             |                     |
|                    | MULTILINE RETAIL - 1.1%                                |                       |        |             |                     |
|                    | GENERAL MERCHANDISE STORES - 1.1%                      |                       |        |             |                     |
| \$ 5,129,045       | Savers, Inc. ....                                      | NR (a)                | NR (a) | 5.98%-7.02% | 8/04/09             |
|                    | TOTAL MULTILINE RETAIL                                 |                       |        |             |                     |
|                    | OIL & GAS - 11.1%                                      |                       |        |             |                     |
|                    | OIL & GAS EXPLORATION & PRODUCTION - 6.8%              |                       |        |             |                     |
| 5,985,000          | ATP Oil & Gas Corp. ....                               | NR                    | NR     | 8.99%-9.29% | 4/14/10             |
| 2,000,000          | Carrizo Oil and Gas, Inc. (c) ....                     | NR                    | NR     | 9.65%-9.87% | 7/21/10             |
| 3,000,000          | Complete Production Services, Inc.                     | B2                    | B      | 8.25%       | 8/04/12             |
| 8,000,000          | Kerr-McGee Corp. ....                                  | Ba3                   | BB+    | 6.14%       | 5/24/11             |
| 4,000,000          | Kerr-McGee Corp. ....                                  | Ba3                   | BB+    | 5.85%       | 5/24/07             |
| 1,957,222          | Mainline L.P. ....                                     | Ba3                   | NR (a) | 5.82%       | 12/17/11            |
| 2,878,365          | SemCrude, L.P. ....                                    | Ba3                   | B      | 5.99%-7.50% | 3/16/11             |
| 4,593,371          | Vulcan Energy Corp. ....                               | Ba2                   | BB     | 5.84%-5.86% | 7/23/10             |
|                    | OIL & GAS REFINING, MARKETING & TRANSPORTATION - 4.3%  |                       |        |             |                     |

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|           |                               |     |     |             |          |
|-----------|-------------------------------|-----|-----|-------------|----------|
| 4,250,000 | Alon USA, Inc. ....           | B2  | B   | 10.30%      | 12/16/08 |
| 7,982,775 | El Paso Corp. ....            | B3  | B   | 6.09%       | 11/23/09 |
| 1,000,000 | EPCO Holdings, Inc. ....      | Ba3 | B+  | 5.84%       | 8/18/10  |
| 6,000,000 | Hawkeye Renewables, LLC ....  | B2  | B   | 6.93%       | 1/31/12  |
| 995,000   | Regency Gas Service LLC ....  | B1  | B+  | 6.24%-6.33% | 6/01/10  |
| 750,000   | Western Refining Company .... | B2  | BB- | 6.17%       | 7/27/12  |

TOTAL OIL & GAS

|           |                                |     |    |             |         |
|-----------|--------------------------------|-----|----|-------------|---------|
|           | PAPER & FOREST PRODUCTS - 0.8% |     |    |             |         |
|           | FOREST PRODUCTS - 0.4%         |     |    |             |         |
| 1,680,628 | Koch Cellulose, LLC ....       | Ba3 | BB | 5.01%-5.24% | 5/07/11 |
|           | Paper Products - 0.4%          |     |    |             |         |
| 1,950,101 | Solo Cup Company ....          | B1  | B+ | 5.49%-5.86% | 2/27/11 |

TOTAL PAPER & FOREST PRODUCTS

|           |                          |    |      |       |         |
|-----------|--------------------------|----|------|-------|---------|
|           | PERSONAL PRODUCTS - 0.4% |    |      |       |         |
|           | PERSONAL PRODUCTS - 0.4% |    |      |       |         |
| 2,000,000 | PBM Products, LLC ....   | B3 | CCC+ | 6.67% | 6/16/11 |

TOTAL PERSONAL PRODUCTS

|            |                            |    |   |             |         |
|------------|----------------------------|----|---|-------------|---------|
|            | PHARMACEUTICALS - 2.2%     |    |   |             |         |
|            | PHARMACEUTICALS - 2.2%     |    |   |             |         |
| 10,576,017 | Warner Chilcott Corp. .... | B2 | B | 6.36%-6.46% | 1/18/12 |

TOTAL PHARMACEUTICALS

|            |                                      |     |       |       |         |
|------------|--------------------------------------|-----|-------|-------|---------|
|            | REAL ESTATE - 12.0%                  |     |       |       |         |
|            | REAL ESTATE INVESTMENT TRUSTS - 2.7% |     |       |       |         |
| 922,222    | Maguire Properties, Inc. ....        | Ba2 | BB    | 5.30% | 3/15/10 |
| 10,000,000 | The Macerich Partnership, L.P. ...   | NR  | NR(a) | 5.24% | 4/26/06 |
| 2,000,000  | The Macerich Partnership, L.P. ...   | NR  | NR(a) | 5.17% | 4/26/10 |

Page 8

See Notes to Quarterly Portfolio of Investments

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

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

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 SENIOR FLOATING RATE TERM LOAN INTERESTS\*\* - CONTINUED

| REAL ESTATE MANAGEMENT & DEVELOPMENT - 9.3% |           |   |       |       |             |          |
|---|-----------|---|-------|-------|-------------|----------|
| \$  | 1,901,934 | CB Richard Ellis Services, Inc. ..                    | Ba3   | B+    | 5.30%-7.50% | 3/31/10  |
|   | 7,602,089 | General Growth Properties, Inc. ..                    | Ba2   | BB+   | 5.76%       | 11/12/07 |
|   | 2,985,787 | General Growth Properties, Inc. ..                    | Ba2   | BB+   | 5.67%       | 11/12/08 |
|   | 6,859,790 | LNR Property Corp. ....                               | B2    | B+    | 6.53%-6.71% | 2/03/08  |
| 12,000,000                                  |           | LNR Property Corp.,<br>(Mezzanine Debt) (d) (e) ..... | NR    | NR    | 8.03%-8.21% | 2/03/08  |
|   | 7,000,000 | Palmdale Hills Property, LLC .....                    | B1    | B+    | 6.61%       | 5/19/10  |
|   | 2,000,000 | Palmdale Hills Property, LLC (c) .                    | B2    | B-    | 11.11%      | 5/19/11  |
|   | 1,000,000 | Pivotal Promontory, LLC (c) .....                     | B3    | B-    | 10.20%      | 7/28/11  |
|   | 3,000,000 | Pivotal Promontory, LLC .....                         | B1    | B+    | 6.45%       | 7/28/10  |
|   | 1,000,000 | The Newkirk Master Limited<br>Partnership .....       | NR(a) | NR(a) | 5.57%       | 8/11/08  |

TOTAL REAL ESTATE

SPECIALTY RETAIL - 2.8%

| APPAREL RETAIL - 0.2%   |  |                                    |       |       |             |          |
|-------------------------|--|------------------------------------|-------|-------|-------------|----------|
| 1,000,000               |  | The William Carter Company .....   | B1    | BB    | 5.33%-5.81% | 7/14/12  |
| SPECIALTY STORES - 2.6% |  |                                    |       |       |             |          |
| 1,990,000               |  | Dollarama Group L.P. ....          | NR(a) | NR(a) | 5.93%       | 11/18/11 |
| 7,418,789               |  | Harbor Freight Tools USA, Inc. ... | NR(a) | NR(a) | 5.91%-6.29% | 7/15/10  |
| 3,000,000               |  | TravelCenters of America, Inc. ... | B1    | BB    | 5.26%       | 12/01/11 |

TOTAL SPECIALTY RETAIL

TRANSPORTATION INFRASTRUCTURE - 1.7%

| MARINE PORTS & SERVICES - 1.7% |  |                                 |    |    |             |          |
|--------------------------------|--|---------------------------------|----|----|-------------|----------|
| 4,920,076                      |  | Horizon Lines Holding LLC ..... | B2 | B+ | 5.99%       | 7/07/11  |
| 3,500,000                      |  | Sirva Worldwide, Inc. ....      | B2 | B+ | 6.52%-6.56% | 12/08/10 |

TOTAL TRANSPORTATION INFRASTRUCTURE

WIRELESS TELECOMMUNICATION SERVICES - 4.0%

| WIRELESS TELECOMMUNICATION SERVICES - 4.0% |  |                               |     |      |             |         |
|--|--|-------------------------------|-----|------|-------------|---------|
| 4,000,000                                  |  | AAT Communications Corp. .... | B1  | BB+  | 5.61%       | 7/27/12 |
| 7,980,000                                  |  | American Tower, L.P. ....     | Ba3 | BBB- | 4.90%-7.00% | 8/31/11 |
| 3,000,000                                  |  | MetroPCS Wireless, Inc. ....  | NR  | NR   | 8.25%       | 5/31/11 |
| 4,000,000                                  |  | Nextel Partners, Inc. ....    | Ba3 | B+   | 4.83%       | 5/31/12 |

TOTAL WIRELESS TELECOMMUNICATION SERVICES

TOTAL SENIOR FLOATING RATE TERM LOAN INTERESTS\*\*

(Cost \$728,626,715)

SENIOR FLOATING RATE NOTES - 3.8%

HEALTH CARE PROVIDERS & SERVICES - 0.5%

HEALTH CARE SERVICES - 0.5%

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2,500,000 US Oncology Holdings, Inc. (d) (g) Caa1 B- 5.25% 3/15/15

TOTAL HEALTH CARE PROVIDERS & SERVICES

See Notes to Quarterly Portfolio of Investments

Page 9

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 AUGUST 31, 2005 (UNAUDITED)

| PRINCIPAL<br>VALUE                | DESCRIPTION o   | BANK LOAN<br>RATINGS+ |     | COUPON | STATED<br>MATURITY* |
|-----------------------------------|---|-----------------------|-----|--------|---------------------|
|                                   |   | MOODY'S               | S&P |        |                     |
| SENIOR FLOATING RATE NOTES - 3.8% |   |                       |     |        |                     |
|                                   | HOUSEHOLD DURABLES - 0.6%                                   |                       |     |        |                     |
|                                   | HOMEBUILDING - 0.6%   |                       |     |        |                     |
| \$ 3,000,000                      | Builders Firstsource, Inc. (c) (g)                          | B3                    | B-  | 7.52%  | 2/15/12             |
|                                   | TOTAL HOUSEHOLD DURABLES                                    |                       |     |        |                     |
|                                   | MEDIA - 1.9%  |                       |     |        |                     |
|                                   | BROADCASTING & CABLE TV - 1.9%                              |                       |     |        |                     |
| 3,000,000                         | Intelsat, Ltd. (d) (g) .....                                | B2                    | B+  | 8.70%  | 1/15/12             |
| 6,000,000                         | Paxson Communications Corp. (g) ..                          | B1                    | B   | 6.35%  | 1/15/10             |
|                                   | TOTAL MEDIA   |                       |     |        |                     |
|                                   | PHARMACEUTICALS - 0.8%                                      |                       |     |        |                     |
|                                   | PHARMACEUTICALS - 0.8%                                      |                       |     |        |                     |
| 4,500,000                         | Elan Finance PLC (d) (g) .....                              | B3                    | B   | 7.79%  | 11/15/11            |
|                                   | TOTAL PHARMACEUTICALS .....                                 |                       |     |        |                     |
|                                   | TOTAL SENIOR FLOATING RATE NOTES .....                      |                       |     |        |                     |
|                                   | (Cost \$18,426,994)   |                       |     |        |                     |
|                                   | TOTAL INVESTMENTS - 154.8% .....                            |                       |     |        |                     |
|                                   | (Cost \$747,053,709) (b)                                    |                       |     |        |                     |
|                                   | NET OTHER ASSETS AND LIABILITIES - (2.4)% .....             |                       |     |        |                     |
|                                   | LOAN OUTSTANDING - (31.8)% .....                            |                       |     |        |                     |
|                                   | PREFERRED SHARES, AT LIQUIDATION VALUE - (20.6)% .....      |                       |     |        |                     |
|                                   | NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS - 100.0% ..... |                       |     |        |                     |

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, 2005 (UNAUDITED)

\*\* 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. Senior Loans are generally considered to be restricted in that the Fund ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a Senior Loan.

See Notes to Quarterly Portfolio of Investments

Page 11

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NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED)  
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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
AUGUST 31, 2005

#### 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. The NAV is determined as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time on each day the NYSE is open for trading. Domestic debt securities and foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. The Fund calculates NAV per Common Share by subtracting the Fund's liabilities and the liquidation value of any outstanding Preferred Shares from the Fund's Managed Assets, the average daily gross asset value of the Fund minus the sum of the Fund's accrued and unpaid dividends on any outstanding Preferred Shares and accrued liabilities, 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.

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 NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS - (UNAUDITED) (CONTINUED)  
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FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II  
 AUGUST 31, 2005

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 \$8,589,912 as of August 31, 2005. The Fund is obligated to fund these loan commitments at the borrower's discretion. Net unrealized appreciation of \$111,398 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 |
|-----------------------------|------------------|-----------------|----------------|-----------------------------------|
| Builders Firstsource, Inc.  | 2/8/05           | \$ 3,000,000    | 100.81         | 100.00                            |
| Elan Finance PLC            | 3/2/05           | 3,000,000       | 87.38          | 86.50                             |
| Elan Finance PLC            | 3/31/05          | 1,000,000       | 87.38          | 75.75                             |
| Elan Finance PLC            | 8/9/05           | 500,000         | 87.38          | 90.50                             |
| Intelsat, Ltd.              | 2/14/05          | 3,000,000       | 101.52         | 103.50                            |
| Paxson Communications Corp. | 6/3/04           | 1,000,000       | 100.89         | 100.13                            |
| Paxson Communications Corp. | 6/9/04           | 2,000,000       | 100.89         | 100.25                            |
| Paxson Communications Corp. | 6/16/04          | 1,000,000       | 100.89         | 100.75                            |

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|                             |          |               |        |        |
|-----------------------------|----------|---------------|--------|--------|
| Paxson Communications Corp. | 10/15/04 | 2,000,000     | 100.89 | 100.94 |
| US Oncology Holdings, Inc.  | 8/4/05   | 1,000,000     | 99.16  | 96.50  |
| US Oncology Holdings, Inc.  | 8/5/05   | 1,500,000     | 99.16  | 96.63  |
|                             |          | -----         |        |        |
|                             |          | \$ 19,000,000 |        |        |
|                             |          | =====         |        |        |

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of August 31, 2005, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$5,108,320 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,376,448.

Page 13

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

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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 26, 2005  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

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

Date OCTOBER 26, 2005  
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By (Signature and Title)\* /S/ MARK R. BRADLEY

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

Date OCTOBER 26, 2005  
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\* Print the name and title of each signing officer under his or her signature.