

FIRST TRUST ENHANCED EQUITY INCOME FUND
Form N-Q
November 19, 2018

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 811-21586

First Trust Enhanced Equity Income Fund
(Exact name of registrant as specified in charter)

120 East Liberty Drive, Suite 400
Wheaton, IL 60187
(Address of principal executive offices)

W. Scott Jardine, Esq.
First Trust Portfolios L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187
(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 765-8000

Date of fiscal year end: December 31

Date of reporting period: September 30, 2018

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

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

Item 1. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

First Trust Enhanced Equity Income Fund (FFA)

Portfolio of Investments

September 30, 2018 (Unaudited)

Shares	Description	Value
COMMON STOCKS – 93.0%		
Aerospace & Defense – 1.8%		
29,000	Raytheon Co. (a)	\$5,993,140
Air Freight & Logistics – 1.6%		
22,000	FedEx Corp. (a)	5,297,380
Automobiles – 1.0%		
95,000	General Motors Co. (a)	3,198,650
Banks – 6.6%		
94,000	JPMorgan Chase & Co. (a)	10,606,960
200,000	KeyCorp (a)	3,978,000
55,000	SunTrust Banks, Inc.	3,673,450
12,000	SVB Financial Group (a) (b)	3,729,960
		21,988,370
Beverages – 3.0%		
20,000	Constellation Brands, Inc., Class A (a)	4,312,400
50,000	PepsiCo, Inc. (a)	5,590,000
		9,902,400
Biotechnology – 1.1%		
42,500	Celgene Corp. (b)	3,803,325
Capital Markets – 1.2%		
80,000	Charles Schwab (The) Corp. (a)	3,932,000
Chemicals – 1.5%		
75,000	DowDuPont, Inc.	4,823,250
Communications Equipment – 2.9%		

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

127,500	Cisco Systems, Inc.	6,202,875
15,000	Palo Alto Networks, Inc. (b)	3,378,900
	Containers & Packaging – 0.8%	9,581,775
50,000	WestRock Co. (a)	2,672,000
	Diversified Telecommunication Services – 1.9%	
190,000	AT&T, Inc. (a)	6,380,200
	Electric Utilities – 2.5%	
100,000	Exelon Corp. (a)	4,366,000
135,000	PPL Corp. (a)	3,950,100
	Energy Equipment & Services – 1.9%	8,316,100
35,000	Schlumberger Ltd. (a)	2,132,200
137,500	TechnipFMC PLC (a)	4,296,875
	Entertainment – 4.4%	6,429,075
32,500	Activision Blizzard, Inc. (a)	2,703,675
115,000	Cinemark Holdings, Inc.	4,623,000
33,000	Electronic Arts, Inc. (a) (b)	3,976,170
135,000	Lions Gate Entertainment Corp., Class B (a)	3,145,500
	Food & Staples Retailing – 1.5%	14,448,345
21,000	Costco Wholesale Corp. (a)	4,932,480

See Notes to Portfolio of Investments

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

First Trust Enhanced Equity Income Fund (FFA)

Portfolio of Investments (Continued)

September 30, 2018 (Unaudited)

Shares	Description	Value
COMMON STOCKS (Continued)		
	Health Care Providers & Services – 2.5%	
31,600	UnitedHealth Group, Inc.	\$8,406,864
	Hotels, Restaurants & Leisure – 3.8%	
105,000	Carnival Corp. (a)	6,695,850
52,000	Restaurant Brands International, Inc.	3,082,560
40,000	Six Flags Entertainment Corp. (a)	2,792,800
		12,571,210
	Industrial Conglomerates – 1.8%	
35,000	Honeywell International, Inc. (a)	5,824,000
	Insurance – 4.3%	
67,500	Arthur J. Gallagher & Co.	5,024,700
39,000	Chubb, Ltd.	5,211,960
40,000	Prudential Financial, Inc. (a)	4,052,800
		14,289,460
	Interactive Media & Services – 2.1%	
4,000	Alphabet, Inc., Class C (a) (b)	4,773,880
14,000	Facebook, Inc., Class A (b)	2,302,440
		7,076,320
	Internet & Direct Marketing Retail – 1.0%	
21,000	Alibaba Group Holding Ltd., ADR (a) (b)	3,459,960
	IT Services – 0.8%	
32,000	PayPal Holdings, Inc. (a) (b)	2,810,880
	Life Sciences Tools & Services – 2.4%	
32,500	Thermo Fisher Scientific, Inc. (a)	7,932,600
	Machinery – 2.6%	
22,000	Caterpillar, Inc. (a)	3,354,780
35,000	Stanley Black & Decker, Inc. (a)	5,125,400
		8,480,180

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

	Media – 0.7%	
39,000	CBS Corp., Class B	2,240,550
	Oil, Gas & Consumable Fuels – 4.7%	
50,000	Chevron Corp.	6,114,000
42,500	Hess Corp. (a)	3,042,150
52,000	Occidental Petroleum Corp. (a)	4,272,840
12,500	Pioneer Natural Resources Co. (a)	2,177,375
		15,606,365
	Pharmaceuticals – 6.4%	
127,000	Merck & Co., Inc.	9,009,380
160,000	Pfizer, Inc.	7,051,200
55,000	Zoetis, Inc.	5,035,800
		21,096,380
	Road & Rail – 2.0%	
45,000	CSX Corp. (a)	3,332,250
28,000	JB Hunt Transport Services, Inc. (a)	3,330,320
		6,662,570
	Semiconductors & Semiconductor Equipment – 5.6%	
93,000	Applied Materials, Inc. (a)	3,594,450

See Notes to Portfolio of Investments

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

First Trust Enhanced Equity Income Fund (FFA)

Portfolio of Investments (Continued)

September 30, 2018 (Unaudited)

Shares	Description	Value
COMMON STOCKS (Continued)		
Semiconductors & Semiconductor Equipment (Continued)		
127,000	Intel Corp. (a)	\$6,005,830
13,000	Lam Research Corp. (a)	1,972,100
100,000	Micron Technology, Inc. (a) (b)	4,523,000
27,000	NXP Semiconductors N.V. (a)	2,308,500
		18,403,880
	Software – 8.6%	
17,000	Adobe Systems, Inc. (a) (b)	4,589,150
158,000	Microsoft Corp.	18,070,460
115,000	Oracle Corp. (a)	5,929,400
		28,589,010
	Specialty Retail – 3.0%	
22,000	Burlington Stores, Inc. (a) (b)	3,584,240
30,000	Home Depot (The), Inc. (a)	6,214,500
		9,798,740
	Technology Hardware, Storage & Peripherals – 5.2%	
76,000	Apple, Inc. (a)	17,156,240
	Tobacco – 1.8%	
100,000	Altria Group, Inc. (a)	6,031,000
	Total Common Stocks	308,134,699
	(Cost \$241,596,431)	
REAL ESTATE INVESTMENT TRUSTS – 2.4%		
Equity Real Estate Investment Trusts – 2.4%		
45,000	Crown Castle International Corp.	5,009,850
40,000	Lamar Advertising Co., Class A	3,112,000
	Total Real Estate Investment Trusts	8,121,850
	(Cost \$6,671,717)	
COMMON STOCKS – BUSINESS DEVELOPMENT COMPANIES - 1.7%		

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

Capital Markets – 1.7%
 325,000 Ares Capital Corp. (a) 5,586,750

(Cost \$5,628,495)

EXCHANGE-TRADED FUNDS – 0.7%
 Capital Markets – 0.7%
 7,500 SPDR® S&P 500® ETF Trust 2,180,400

(Cost \$2,185,970)

Shares	Description	Stated Rate	Stated Maturity (c)	Value
	CONVERTIBLE PREFERRED SECURITIES – 2.0%			
	Health Care Equipment & Supplies – 0.9%			
45,000	Becton Dickinson and Co., Series A	6.13%	05/01/20	2,941,200

See Notes to Portfolio of Investments

Edgar Filing: FIRST TRUST ENHANCED EQUITY INCOME FUND - Form N-Q

First Trust Enhanced Equity Income Fund (FFA)
 Portfolio of Investments (Continued)
 September 30, 2018 (Unaudited)

Shares	Description	Stated Rate	Stated Maturity (c)	Value
CONVERTIBLE PREFERRED SECURITIES (Continued)				
	Oil, Gas & Consumable Fuels – 1.1%			
45,500	Hess Corp.	8.00%	02/01/19	\$3,616,340
	Total Convertible Preferred Securities			6,557,540

(Cost \$5,301,118)

Total Investments – 99.8% 330,581,239

(Cost \$261,383,731) (d)

Number of Contracts	Description	Notional Amount	Exercise Price	Expiration Date	Value
CALL OPTIONS WRITTEN – (0.1)%					
70	Adobe Systems, Inc.	\$1,889,650	\$275.00	Oct 2018	(31,150)
250	Carnival Corp.	1,594,250	67.50	Oct 2018	(3,250)
50	Constellation Brands, Inc., Class A	1,078,100	225.00	Oct 2018	(12,500)
50	Costco Wholesale Corp.	1,174,400	240.00	Oct 2018	(12,900)
150	Hess Corp.	1,073,700	72.50	Oct 2018	(36,750)
75	Hess Corp.	536,850	75.00	Oct 2018	(12,000)
175	JPMorgan Chase & Co.	1,974,700	120.00	Oct 2018	(3,850)
250	Merck & Co., Inc.	1,773,500	72.50	Oct 2018	(10,250)
100	Micron Technology, Inc.	452,300	55.00	Oct 2018	(600)
50	Palo Alto Networks, Inc.	1,126,300	240.00	Oct 2018	(6,250)
100	PayPal Holdings, Inc.	878,400	95.00	Oct 2018	(3,700)
400	Pfizer, Inc.	1,762,800	44.00	Oct 2018	(25,600)
100	S&P 500® Index (e)	29,139,800	2,950.00	Oct 2018	(80,500)
500	S&P 500® Index (e)	145,699,000	2,985.00	Oct 2018	(137,500)
125	Six Flags Entertainment Corp.	872,750	72.50	Oct 2018	(6,250)

40	SVB Financial Group	1,243,320	330.00	Oct 2018	(7,000)
	Total Call Options Written				(390,050)
	(Premiums received \$632,968)				
	Net Other Assets and Liabilities – 0.3%	1,107,582			
	Net Assets – 100.0%	\$331,298,771			

(a) All or a portion of these securities are pledged to cover index call options written.

(b) Non-income producing security.

(c) Stated maturity represents the mandatory conversion date.

Aggregate cost for financial reporting purposes approximates the aggregate cost for federal income tax purposes.

As of September 30, 2018, the aggregate gross unrealized appreciation for all investments in which there was an

(d) excess of value over tax cost was \$75,296,336 and the aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value was \$5,855,910. The net unrealized appreciation was \$69,440,426. The amounts presented are inclusive of derivative contracts.

(e) Call options on securities indices were written on a portion of the common stock positions that were not used to cover call options written on individual equity securities held in the Fund's portfolio.

ADR American Depositary Receipt

See Notes to Portfolio of Investments

First Trust Enhanced Equity Income Fund (FFA)
Portfolio of Investments (Continued)
September 30, 2018 (Unaudited)

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of September 30, 2018 is as follows (see Note 2A - Portfolio Valuation in the Notes to Portfolio of Investments):

ASSETS TABLE

Total	Level 1
Value at	Quoted
9/30/2018	Prices