

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

ENERGY INCOME & GROWTH FUND

Form N-Q

October 29, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21549

Energy Income and Growth Fund

(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: November 30

Date of reporting period: August 31, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (Sections 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. Section 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

The Schedule(s) of Investments is attached herewith.

ENERGY INCOME AND GROWTH FUND
 PORTFOLIO OF INVESTMENTS
 AUGUST 31, 2007 (UNAUDITED)

SHARES	DESCRIPTION (a)
MASTER LIMITED PARTNERSHIPS - 159.7%	
OIL, GAS & CONSUMABLE FUELS - 159.7%	
225,090	Abraxas Energy Partners, L.P. (b) (c) (d)
56,540	Alliance Holdings GP, L.P.
278,290	Alliance Resource Partners, L.P.
131,300	Atlas Pipeline Partners, L.P.
51,210	Capital Product Partners L.P.
465,471	Clearwater Natural Resources, L.P. (b) (c)
586,402	Copano Energy, LLC
106,910	Crosstex Energy, L.P. (b) (d)
317,272	Crosstex Energy, L.P.
187,565	DCP Midstream Partners, L.P. (b) (c)
23,912	Enbridge Energy Partners, L.P.
567,370	Energy Transfer Partners, L.P.
597,388	Enterprise Product Partners, L.P.
88,709	EV Energy Partner, L.P (b) (c)
107,143	Global Partners, L.P. (b)
73,100	Hiland Partners, L.P.
250,000	Holly Energy Partners, L.P.
148,000	Inergy Holdings, L.P.
385,275	Inergy, L.P.
312,521	Kinder Morgan Energy Partners, L.P.
143,633	Linn Energy, LLC (b) (c)
69,994	Linn Energy, LLC Class D (b) (c)
437,756	Magellan Midstream Partners, L.P.
456,756	MarkWest Energy Partners, L.P.
25,477	Martin Midstream Partners, L.P.
256,338	Natural Resource Partners, L.P.
170,126	NuStar Energy L.P.
564,516	Plains All American Pipeline, L.P.
52,600	Regency Energy Partners, L.P.
14,632	Targa Resources Partners L.P.
14,000	Teekay LNG Partners, L.P.
214,319	U.S. Shipping Partners, L.P.
178,600	Williams Partners, L.P.
	TOTAL MASTER LIMITED PARTNERSHIPS
	(Cost \$157,965,216)
COMMON STOCKS - 5.1%	
OIL, GAS & CONSUMABLE FUELS - 5.1%	
244,778	Abraxas Petroleum Corp. (b) (d)
117,869	Enbridge Energy Management, LLC (e)
44,768	Kinder Morgan Management, LLC (e)

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

TOTAL COMMON STOCKS
 (Cost \$7,813,964)

See Notes to Quarterly Portfolio of Investments.

Page 1

ENERGY INCOME AND GROWTH FUND
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 AUGUST 31, 2007 (UNAUDITED)

SHARES	DESCRIPTION (a)

RIGHTS - 0.0%	
	OIL, GAS & CONSUMABLE FUELS - 0.0%
17	Clearwater Natural Resources, L.P. - Rights (b) (c) (d)
	TOTAL RIGHTS
	(Cost \$0)
WARRANTS - 0.1%	
	OIL, GAS & CONSUMABLE FUELS - 0.1%
48,956	Abraxas Petroleum Corp. - Warrants, Expiration 05/25/12 (b) (d)
	TOTAL WARRANTS
	(Cost \$0)
	TOTAL INVESTMENTS - 164.9%
	(Cost \$165,779,180) (f)
	NET OTHER ASSETS AND LIABILITIES - (23.8)%
	LOAN OUTSTANDING - (8.2)%
	SERIES A ENERGY NOTES OUTSTANDING - (19.0)%
	SERIES B ENERGY NOTES OUTSTANDING - (13.9)%
	NET ASSETS - 100.0%

-
- (a) All percentages shown in the Portfolio of Investments are based on net assets.
 - (b) Security is fair valued in accordance with procedures adopted by the Fund's Board of Trustees.
 - (c) Securities are restricted and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. Prior to registration, restricted securities may only be resold in transactions exempt from registration. (See Note 1C).

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

- (d) Non-income producing security.
- (e) Non-income producing security which pays regular in-kind distributions.
- (f) Aggregate cost for federal income tax and financial reporting purposes.

Page 2 See Notes to Quarterly Portfolio of Investments.

ENERGY INCOME AND GROWTH FUND
PORTFOLIO COMPONENTS (a)
AUGUST 31, 2007 (UNAUDITED)

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Marine Transport	2.1%
Midstream Gas	43.1%
Midstream Oil	34.6%
Coal	8.7%
Propane	6.5%
Oil & Gas	5.0%

- (a) Percentages are based on total investments. Please note that the percentages shown on the Portfolio of Investments are based on net assets.

See Notes to Quarterly Portfolio of Investments.

Page 3

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS

ENERGY INCOME AND GROWTH FUND
AUGUST 31, 2007 (UNAUDITED)

1. VALUATION AND INVESTMENT PRACTICES

A. PORTFOLIO VALUATION:

The net asset value ("NAV") of the Common Shares of Energy Income and Growth Fund (the "Fund") is determined daily as of the close of regular session trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time, no less frequently than weekly on Friday of each week. The NAV per Common Share is calculated by subtracting the Fund's liabilities (including accrued expenses, dividends payable, current and deferred income taxes and any borrowings of the Fund) from the Fund's Total Assets (the value of the securities and other investments the Fund holds plus cash or other assets, including interest and dividends accrued but not yet received) and dividing the result by the total number of Common Shares outstanding. The Fund will rely to some extent on information provided by the master limited partnerships ("MLPs"), which is not necessarily timely, to estimate taxable income allocable to the MLP units held in the Fund's portfolio and to estimate the associated deferred tax liability. From time to time, the Fund will modify its estimates and/or assumptions regarding its deferred tax liability as new information becomes available. To the extent the Fund modifies its estimates and/or assumptions, the NAV of the

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

Fund would likely fluctuate.

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 marketing information supplied by third parties. In the event that market quotations are not readily available, the pricing service does not provide a valuation for a particular asset, or the valuations are deemed unreliable, First Trust Advisors L.P. ("First Trust") may use a fair value method to value the Fund's securities and investments. Additionally, if events occur after the close of the principal market for particular securities (e.g., domestic debt and foreign securities), but before the Fund values its assets, that could materially affect NAV, First Trust may use a fair value method to value the Fund's securities and investments. The use of fair value pricing by the Fund is governed by valuation procedures adopted by the Fund's Board of Trustees and in accordance with the provisions of the Investment Act of 1940, as amended (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. 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. Distributions received from the Fund's investments in MLPs generally are comprised of return of capital from the MLP to the extent of the cost basis of such MLP investments.

Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date; interest income on such securities is not accrued until settlement date. The Fund maintains liquid assets with a current value at least equal to the amount of its when-issued or delayed-delivery purchase commitments. At August 31, 2007, the Fund had no when-issued or delayed-delivery purchase commitments.

C. RESTRICTED SECURITIES:

The Fund may invest up to 35% of its Managed Assets, which is the average daily gross asset value of the Fund minus accrued liabilities (excluding the principal amount of any borrowings), 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. Prior to registration, restricted securities may only be resold in transactions exempt from registration. The Fund currently holds the restricted securities shown in the following table. The Fund does not have the right to demand that such securities be registered. These securities are valued at fair value in accordance with procedures adopted by the Fund's Board of Trustees and in accordance with the provisions of the 1940 Act.

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS - (CONTINUED)

ENERGY INCOME AND GROWTH FUND
AUGUST 31, 2007 (UNAUDITED)

SECURITY	ACQUISITION DATE	SHARES	CARRYING VALUE PER SHARE 08/31/07	CURRENT CARRYING COST
Abraxas Energy Partners, L.P.	05/25/07	225,090	\$16.66	\$ 3,715,786
Clearwater Natural Resources, L.P.	08/01/05	465,471	14.00	8,601,560
Clearwater Natural Resources, L.P. - Rights	08/01/05	17	0.00	0
DCP Midstream Partners, L.P.	06/22/07	86,705	43.46	3,704,038
EV Energy Partner, L.P.	06/01/07	88,709	35.64	3,016,106
Linn Energy, LLC	01/30/07	117,634	32.67	2,871,780
Linn Energy, LLC	08/31/07	25,999	32.00	831,968
Linn Energy, LLC Class D	08/31/07	69,994	30.97	2,168,001
		----- 1,079,619 =====		----- \$24,909,239 =====

2. UNREALIZED APPRECIATION (DEPRECIATION)

As of August 31, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$132,330,332 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$2,146,160.

Page 5

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.

Edgar Filing: ENERGY INCOME & GROWTH FUND - Form N-Q

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) Energy Income and Growth Fund

By (Signature and Title)* /s/ James A. Bowen

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

Date October 23, 2007

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

By (Signature and Title)* /s/ James A. Bowen

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

Date October 23, 2007

By (Signature and Title)* /s/ Mark R. Bradley

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

Date October 26, 2007

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