

FIRST TRUST ENERGY INFRASTRUCTURE FUND
Form N-CSR
February 05, 2019

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22528

First Trust Energy Infrastructure Fund
(Exact name of registrant as specified in charter)

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

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: N30-765-8000

Date of fiscal year end: November 30

Date of reporting period: November 30, 2018

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 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. Reports to Stockholders.

The Report to Shareholders is attached herewith.

First Trust
Energy Infrastructure Fund (FIF)
Annual Report
For the Year Ended
November 30, 2018

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Caution Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”) and/or Energy Income Partners, LLC (“EIP” or the “Sub-Advisor”) and their respective representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as “anticipate,” “estimate,” “intend,” “expect,” “believe,” “plan,” “may,” “should,” “would” or other words that convey uncertainty of future outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of First Trust Energy Infrastructure Fund (the “Fund”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and/or Sub-Advisor and their respective representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

Managed Distribution Policy

The Board of Trustees of the Fund has approved a managed distribution policy for the Fund (the “Plan”) in reliance on exemptive relief received from the Securities and Exchange Commission that permits the Fund to make periodic distributions of long-term capital gains as frequently as monthly each tax year. Under the Plan, the Fund currently intends to continue to pay a recurring monthly distribution in the amount of \$0.11 per Common Share that reflects the distributable cash flow of the Fund. A portion of this monthly distribution may include realized capital gains. This may result in a reduction of the long-term capital gain distribution necessary at year end by distributing realized capital gains throughout the year. The annual distribution rate is independent of the Fund’s performance during any particular period. Accordingly, you should not draw any conclusions about the Fund’s investment performance from the amount of any distribution or from the terms of the Plan. The Board of Trustees may amend or terminate the Plan at any time without prior notice to shareholders.

Performance and Risk Disclosure

There is no assurance that the Fund will achieve its investment objective. The Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in the Fund. See “Risk Considerations” in the Additional Information section of this report for a discussion of certain other risks of investing in the Fund.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit www.ftportfolios.com or speak with your financial advisor. Investment returns, net asset value and common share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost. The Advisor may also periodically provide additional information on Fund performance on the Fund’s web page at www.ftportfolios.com.

How to Read This Report

This report contains information that may help you evaluate your investment in the Fund. It includes details about the Fund and presents data and analysis that provide insight into the Fund’s performance and investment approach. By reading the portfolio commentary by the portfolio management team of the Fund, you may obtain an understanding of how the market environment affected the Fund’s performance. The statistical information that follows may help you understand the Fund’s performance compared to that of relevant market benchmarks. It is important to keep in mind that the opinions expressed by personnel of First Trust and EIP are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in the Fund are spelled out in the prospectus, the statement of additional information, this report and other Fund regulatory filings.

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Shareholder Letter

First Trust Energy Infrastructure Fund (FIF)

Annual Letter from the Chairman and CEO

November 30, 2018

Dear Shareholders,

First Trust is pleased to provide you with the annual report for the First Trust Energy Infrastructure Fund (the “Fund”), which contains detailed information about your investment for the twelve months ended November 30, 2018, including a market overview and a performance analysis. We encourage you to read this report carefully and discuss it with your financial advisor.

As I mentioned in my May 2018 letter, 2017 was a very strong year for U.S. and global markets. Investors were rewarded with rising markets and very little volatility. As 2018 began, investors were hoping for another strong year in the markets. For the entire first quarter, however, increased market volatility was the norm for U.S. and global markets. The markets continued their volatility throughout the second quarter. During April and May, the Dow Jones Industrial Average (“DJIA”) closed out each month slightly down, but ended both June and July slightly up. August was a strong month for stocks, and the DJIA finished August just under its previous high in January of 2018. At the close of the third quarter in September, the markets had moved higher into positive territory. In fact, all three major U.S. indices (the Nasdaq Composite Index, the DJIA and the S& P 500® Index) hit record levels during the third quarter. In October, markets were again very volatile, surprising analysts and investors alike. Both global and U.S. markets fell on fears of slowing growth, trade wars and higher interest rates. The DJIA was down 5% for October and the MSCI EAFE Index, an index of stocks in 21 developed markets (excluding the U.S. and Canada), was down 9% for the same period. After another volatile month, the DJIA climbed 617 points (2.5%) on November 28 to post its biggest one-day gain in eight months and ended November slightly up. The MSCI EAFE Index ended November slightly down.

Based on continued strong job growth and the economic outlook in the U.S., the Federal Reserve (the “Fed”) raised interest rates in March, June and September. At their September meeting, the Fed also indicated the possibility of one more rate hike in 2018 as well as three more rate hikes in 2019, however at their November meeting, they announced no additional rate hike. Analysts and investors will be watching to see whether the Fed raises rates again in December. Trade tensions have had an impact on markets around the world and could continue to do so in the future. However, our economists believe that the long-term impact of U.S. tariffs will be to encourage countries to come back to the table and talk about more equal trade. Despite market volatility, we continue to believe that the combination of low interest rates, low inflation and strong corporate earnings still point to a positive economic environment and further growth, though we understand that past performance can never guarantee future performance.

We continue to believe that you should invest for the long term and be prepared for market movements, which can happen at any time. You can do this by keeping current on your portfolio and by speaking regularly with your investment professional. Markets go up and they also go down, but savvy investors are prepared for either through careful attention to investment goals.

Thank you for giving First Trust the opportunity to be a part of your financial plan. We value our relationship with you and will report on the Fund again in six months.

Sincerely,

James A. Bowen

Chairman of the Board of Trustees

Chief Executive Officer of First Trust Advisors L.P.

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First Trust Energy Infrastructure Fund (FIF)

“AT A GLANCE”

As of November 30, 2018 (Unaudited)

Fund Statistics

Symbol on New York Stock Exchange	FIF
Common Share Price	\$14.86
Common Share Net Asset Value (“NAV”)	\$16.79
Premium (Discount) to NAV	(11.49)%
Net Assets Applicable to Common Shares	\$294,616,702
Current Monthly Distribution per Common Share ⁽¹⁾	\$0.1100
Current Annualized Distribution per Common Share	\$1.3200
Current Distribution Rate on Common Share Price ⁽²⁾	8.88%
Current Distribution Rate on NAV ⁽²⁾	7.86%
Common Share Price & NAV (weekly closing price)	

Performance

	Average Annual Total Return		
	1 Year Ended 11/30/18	5 Years Ended 11/30/18	Inception (9/27/11) to 11/30/18
Fund Performance⁽³⁾			
NAV	-2.83%	3.22%	8.07%
Market Value	-9.00%	1.27%	5.57%
Index Performance			
PHLX Utility Sector Index	1.65%	11.64%	10.47%
Alerian MLP Total Return Index	1.21%	-5.15%	1.94%
Blended Index ⁽⁴⁾	2.16%	3.57%	6.69%

Industry Classification	% of Total Investments
Electric Power & Transmission	38.5%
Natural Gas Transmission	29.6
Petroleum Product Transmission	11.9
Crude Oil Transmission	10.1
Propane	4.0
Natural Gas Gathering & Processing	2.4
Coal	1.9
Other	1.6
Total	100.0%

Top Ten Holdings	% of Total Investments
TransCanada Corp.	6.9%
Kinder Morgan, Inc.	5.0
Williams (The) Cos., Inc.	4.9
Public Service Enterprise Group, Inc.	4.7
Enterprise Products Partners, L.P.	4.7
Exelon Corp.	4.5
NextEra Energy Partners, L.P.	4.5

Enbridge, Inc.	3.7
American Electric Power Co., Inc.	3.5
Magellan Midstream Partners, L.P.	3.5
Total	45.9%

(1) Most recent distribution paid or declared through 11/30/2018. Subject to change in the future.

(2) Distribution rates are calculated by annualizing the most recent distribution paid or declared through the report date and then dividing by Common Share Price or NAV, as applicable, as of 11/30/2018. Subject to change in the future.

(3) Total return is based on the combination of reinvested dividend, capital gain, and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods of less than one year. Past performance is not indicative of future results.

(4) The blended index consists of the following: PHLX Utility Sector Index (50%) and Alerian MLP Total Return Index (50%).

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Portfolio Commentary

First Trust Energy Infrastructure Fund (FIF)

Annual Report

November 30, 2018 (Unaudited)

Advisor

First Trust Advisors L.P. (“First Trust” or the “Advisor”) serves as the investment advisor to the First Trust Energy Infrastructure Fund (the “Fund”). First Trust is responsible for the ongoing monitoring of the Fund’s investment portfolio, managing the Fund’s business affairs and providing certain administrative services necessary for the management of the Fund.

Sub-Advisor

Energy Income Partners, LLC

Energy Income Partners, LLC (“EIP” or the “Sub-Advisor”), located in Westport, CT, serves as the investment sub-advisor to the Fund. EIP was founded in 2003 to provide professional asset management services in the area of energy-related master limited partnerships and other high-payout securities such as pipeline companies, power utilities, YieldCos, and energy infrastructure real estate investment trusts (“REITs”). EIP mainly focuses on investments in energy-related infrastructure assets such as pipelines, power transmission and distribution, petroleum storage and terminals that receive fee-based or regulated income from their corporate and individual customers. EIP manages or supervises approximately \$6.0 billion of assets as of November 30, 2018. EIP advises two privately offered partnerships for U.S. high net worth individuals and an open-end mutual fund. EIP also manages separately managed accounts and provides its model portfolio to unified managed accounts. Finally, EIP serves as a sub-advisor to three closed-end management investment companies in addition to the Fund, an actively managed exchange-traded fund (“ETF”), a sleeve of an actively managed ETF, a sleeve of a series of a variable insurance trust, and an open-end UCITS fund incorporated in Ireland. EIP is a registered investment advisor with the Securities and Exchange Commission.

Portfolio Management Team

James J. Murchie – Co-Portfolio Manager, Founder and CEO of Energy Income Partners, LLC

Eva Pao – Co-Portfolio Manager, Principal of Energy Income Partners, LLC

John Tysseland – Co-Portfolio Manager, Principal of Energy Income Partners, LLC

Commentary

First Trust Energy Infrastructure Fund

The investment objective of the Fund is to seek a high level of total return with an emphasis on current distributions paid to shareholders. The Fund pursues its investment objective by investing primarily in securities of companies engaged in the energy infrastructure sector. These companies principally include publicly-traded master limited partnerships and limited liability companies taxed as partnerships (“MLPs”), MLP affiliates, YieldCos, pipeline companies, utilities and other infrastructure-related companies that derive at least 50% of their revenues from operating, or providing services in support of, infrastructure assets such as pipelines, power transmission and petroleum and natural gas storage in the petroleum, natural gas and power generation industries (collectively, “Energy Infrastructure Companies”). For purposes of the Fund’s investment objective, total return includes capital appreciation of, and all distributions received from, securities in which the Fund invests, taking into account the varying tax characteristics of such securities. Under normal market conditions, the Fund invests at least 80% of its managed assets (total asset value of the Fund minus the sum of the Fund’s liabilities other than the principal amount of borrowings) in securities of Energy Infrastructure Companies. There can be no assurance that the Fund will achieve its investment objective. The Fund may not be appropriate for all investors.

Market Recap

As measured by the Alerian MLP Total Return Index (“AMZX”) and the PHLX Utility Sector Index (“UTY”), the total return for the year ended November 30, 2018 was 1.21% and 1.65%, respectively. While in the short term, share appreciation of Energy Infrastructure Companies can be volatile, we believe that over the longer term, such share appreciation will approximate growth in annual cash distributions and dividends per share.

Performance Analysis

On a net asset value (“NAV”) basis, the Fund provided a total return of -2.83%, including the reinvestment of distributions, for the year ended November 30, 2018. This compares, according to collected data, to a 2.16% return for

a blended index consisting of the UTY (50%) and the AMZX (50%) (the “Blended Index”). Unlike the Fund, the Blended Index does not incur fees and expenses. On a market value basis, the Fund had a total return, including the reinvestment of distributions, of -9.00% for the same period. As of November 30, 2018, the Fund’s market price per share was \$14.86, while the NAV per Common Share was \$16.79, a discount of

Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods of less than one year. Past performance is not indicative of future results.

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Portfolio Commentary (Continued)

First Trust Energy Infrastructure Fund (FIF)

Annual Report

November 30, 2018 (Unaudited)

11.49%. As of November 30, 2017, the Fund's market price per share was \$17.70, while the NAV per Common Share was \$18.73, a discount of 5.50%.

The Fund maintained its regular monthly Common Share distribution of \$0.11 per share for the year ended November 30, 2018.

For the year ended November 30, 2018, the Fund's NAV underperformed the 2.16% return of the Blended Index by 499 basis points ("bps"). Generally, the Fund underperformed the Blended Index in part due to overweight positions in regulated pipeline MLPs and their Canadian Sponsors that were affected by the Federal Energy Regulatory Commission's (FERC) revised policy on Income Tax Allowance (ITA) for pipelines held by partnerships (the "Revised Policy Statement"). The Revised Policy Statement denying recovery of an ITA by most partnership-owned pipelines was one of the rare occasions when owning true regulated monopolies hurt performance. Despite the Fund's relative performance for the year, we still believe the MLP structure and a high payout ratio are only suitable for a narrow set of long-lived assets that have stable non-cyclical cash flows, such as regulated pipelines or other infrastructure assets that are legal or natural monopolies. We believe this approach leads to a portfolio of companies at the blue-chip end of the spectrum with less volatility and higher growth. In our view, these types of companies tend to lag in up markets and outperform in down markets.

An important factor that affected the return of the Fund was its use of financial leverage through the use of a line of credit. The Fund established a committed facility agreement with The Bank of Nova Scotia with a current maximum commitment amount of \$130,000,000. The Fund uses leverage because its portfolio managers believe that, over time, leverage can enhance total return for common shareholders. However, the use of leverage can also increase the volatility of the NAV and, therefore, the share price. For example, if the prices of securities held by the Fund decline, the effect of changes in common share NAV and common share total return loss would be magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by the Fund generally are rising. Unlike the Fund, AMZX and UTY are not leveraged. Leverage had a negative impact on the performance of the Fund over the reporting period.

Market and Fund Outlook

Many of the assets held by MLPs were originally constructed decades ago by pipeline and power utilities. When the U.S. deregulated much of the energy industry, these utilities became cyclical commodity companies with too much debt and the resulting financial stress caused divestment of their pipeline assets to the MLP space that was trading at higher valuations. We believe the reverse trend is happening today. Corporate consolidations and simplifications are part of that trend. Corporate simplifications involving pipeline companies and their associated MLPs began late in 2014 and have continued in 2018. These simplifications involve the acquisition of the subsidiary MLP by the C-Corp parent as well as MLPs choosing to become taxable corporations. We believe that the continuation of this trend is supported by FERC's Revised Policy Statement described above.

While MLPs represented a way for the industry to lower its cost of financing between 2004 through 2014, the severe correction in the price of crude oil in 2014 caused a collapse in MLP valuations as much of the AMZX had become exposed to commodity prices between 2004 and 2014. MLP distribution cuts and even some bankruptcies followed. Over the last four years, about 49% of the MLPs in the AMZX have cut or eliminated their dividends. Now, MLPs in the AMZX trade at valuations that are about 42% lower than 2014, while, during the same period, the valuation multiples of non-MLP energy infrastructure companies like utilities have risen. (Source: Alerian, Bloomberg L.P., FactSet Research Systems Inc.) MLPs are now in many cases a higher-cost way of financing these industries; the reverse of the conditions that led to the growth of the asset class in the early part of the last decade. As a result, we are now witnessing the consolidation or simplification of corporate structures where the MLP sleeve of capital is being eliminated when it no longer reduces a company's cost of equity financing.

While some stand-alone pipeline companies are now seeking a lower cost of financing outside of the MLP structure, some cyclical companies continue to use the MLP structure to finance non-cyclical assets through sponsored entities. In most cases, these sponsored entities formed as MLPs still trade at higher multiples compared to companies in

cyclical industries such as refining, oil and gas production, and petrochemicals. Therefore, some of these cyclical energy companies still have an opportunity to lower their financing costs by divesting stable assets, such as pipelines and related storage facilities, to an MLP subsidiary as a method to reduce the overall company's cost of equity financing. The number and size of these sponsored entities have continued to grow with initial public offerings in 2018, while the number of stand-alone MLPs has declined. (Source: U.S. Capital Advisors) Whether from the perspective of a diversified energy company seeking to lower its overall financing costs or the energy industry in its entirety, we believe it is fair to say that generally MLPs are created when they lower the cost of equity financing and eliminated when they don't.

Historically, the pipeline utility industry has moved in very long cycles and we believe the cycle that saw most of U.S. pipeline assets move to the MLP space due to the MLP being a superior financing tool is reversing. In our view, the investment merits of owning these assets (stable, slow-growing earnings with a high dividend payout ratio) have not changed. The Fund continues to seek to invest

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Portfolio Commentary (Continued)

First Trust Energy Infrastructure Fund (FIF)

Annual Report

November 30, 2018 (Unaudited)

primarily in energy infrastructure companies, including MLPs, with mostly non-cyclical cash flows, investment-grade ratings, conservative balance sheets, modest and/or flexible organic growth commitments and liquidity on their revolving lines of credit. Non-cyclical cash flows are, in our opinion, a good fit with a steady anticipated dividend distribution that is meant to be most, or all, of an energy infrastructure company's free cash flow.

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First Trust Energy Infrastructure Fund (FIF)

Portfolio of Investments

November 30, 2018

Shares/ Units	Description	Value
COMMON STOCKS (a) – 81.8%		
Electric Utilities – 27.5%		
165,500	Alliant Energy Corp.	\$7,512,045
163,400	American Electric Power Co., Inc. (b)	12,702,716
71,000	Duke Energy Corp. (b)	6,288,470
122,700	Emera, Inc. (CAD)	4,118,782
104,000	Eversource Energy (b)	7,107,360
354,000	Exelon Corp. (b)	16,422,060
178,000	Fortis, Inc. (CAD)	6,182,742
14,500	Hydro One Ltd. (CAD) (c)	214,556
40,900	IDACORP, Inc.	4,018,016
26,100	NextEra Energy, Inc. (b)	4,742,631
144,900	PPL Corp. (b)	4,432,491
141,600	Xcel Energy, Inc. (b)	7,426,920
		81,168,789
Gas Utilities – 5.5%		
32,800	Atmos Energy Corp.	3,137,976
2,510	Chesapeake Utilities Corp.	215,961
69,700	New Jersey Resources Corp.	3,382,541
166,718	UGI Corp.	9,577,949
		16,314,427
Multi-Utilities – 15.6%		
109,200	ATCO, Ltd., Class I (CAD)	3,339,326
154,400	Canadian Utilities Ltd., Class A (CAD)	3,639,640

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126,100	CMS Energy Corp.	6,568,549
95,292	National Grid PLC, ADR	5,093,358
150,600	NiSource, Inc. (b)	3,978,852
304,400	Public Service Enterprise Group, Inc. (b)	17,015,960
27,600	Sempra Energy (b)	3,180,072
41,600	WEC Energy Group, Inc.	3,015,168
		45,830,925
	Oil, Gas & Consumable Fuels – 32.8%	
405,347	Enbridge, Inc.	13,267,007
240,300	Equitrans Midstream Corp.	5,363,496
219,700	Inter Pipeline, Ltd. (CAD)	3,532,000
224,500	Keyera Corp. (CAD)	4,916,983
1,054,575	Kinder Morgan, Inc.	18,001,595
108,953	ONEOK, Inc. (b)	6,692,983
44,200	Targa Resources Corp. (b)	1,972,646
610,170	TransCanada Corp. (b)	24,968,157
706,600	Williams (The) Cos., Inc. (b)	17,891,112
		96,605,979
	Water Utilities – 0.4%	
11,800	American Water Works Co., Inc.	1,125,838
	Total Common Stocks	241,045,958
	(Cost \$235,481,653)	
	MASTER LIMITED PARTNERSHIPS (a) – 41.1%	
	Chemicals – 0.2%	
29,500	Westlake Chemical Partners, L.P.	670,240
	Gas Utilities – 1.7%	
132,852	AmeriGas Partners, L.P.	4,936,780

See Notes to Financial Statements

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First Trust Energy Infrastructure Fund (FIF)

Portfolio of Investments (Continued)

November 30, 2018

Shares/ Units	Description	Value
MASTER LIMITED PARTNERSHIPS (a) (Continued)		
	Independent Power and Renewable Electricity Producers – 5.5%	
347,055	NextEra Energy Partners, L.P. (d)	\$16,207,469
	Oil, Gas & Consumable Fuels – 33.7%	
359,041	Alliance Resource Partners, L.P.	7,055,156
145,944	BP Midstream Partners, L.P.	2,462,075
54,400	Buckeye Partners, L.P. (b)	1,608,064
826,680	Energy Transfer, L.P. (b)	12,044,728
645,000	Enterprise Products Partners, L.P. (b)	16,931,250
142,600	EQM Midstream Partners, L.P.	6,796,316
196,276	Holly Energy Partners, L.P.	5,521,244
209,500	Magellan Midstream Partners, L.P. (b)	12,670,560
62,433	MPLX, L.P.	2,068,405
109,600	Phillips 66 Partners, L.P.	5,140,240
379,900	Plains GP Holdings, L.P., Class A (d)	8,407,187
87,200	Shell Midstream Partners, L.P.	1,642,848
11,221	Spectra Energy Partners, L.P.	406,761
343,013	TC PipeLines, L.P.	10,218,357
58,202	TransMontaigne Partners, L.P.	2,390,938
61,000	Western Gas Equity Partners, L.P.	1,767,780
43,700	Western Gas Partners, L.P.	1,942,028
		99,073,937
	Total Master Limited Partnerships	120,888,426

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(Cost \$117,638,540)

REAL ESTATE INVESTMENT TRUSTS (a) – 0.5%

Equity Real Estate Investment Trusts – 0.5%

42,601 CorEnergy Infrastructure Trust, Inc. 1,544,287

(Cost \$1,176,405)

Total Investments – 123.4% 363,478,671

(Cost \$354,296,598) (e)

Number of Contracts	Description	Notional Amount	Exercise Price	Expiration Date	Value
CALL OPTIONS WRITTEN – (0.9)%					
1,020	<u>American Electric Power Co., Inc</u>	\$7,929,480	\$77.50	Jan 2019	(195,840)
10	<u>Buckeye Partners L.P.</u>	29,560	33.00	Feb 2019	(425)
500	<u>Buckeye Partners L.P.</u>	1,478,000	36.00	Feb 2019	(12,500)
710	<u>Duke Energy Corp.</u>	6,288,470	87.50	Jan 2019	(200,220)
3,000	<u>Energy Transfer L.P.</u>	4,371,000	17.00	Dec 2018	(9,000)
4,747	<u>Energy Transfer L.P.</u>	6,916,379	16.00	Jan 2019	(118,675)
3,400	<u>Enterprise Products Partners L.P.</u>	8,925,000	28.00	Jan 2019	(95,200)
20	<u>Eversource Energy</u>	136,680	70.00	Jan 2019	(1,300)
955	<u>Eversource Energy</u>	6,526,470	70.00	Apr 2019	(169,513)
1,200	<u>Exelon Corp.</u>	5,566,800	47.00	Apr 2019	(204,000)
290	<u>Magellan Midstream Partners L.P.</u>	1,753,920	65.00	Jan 2019	(10,730)
1,673	<u>Magellan Midstream Partners L.P.</u>	10,118,304	67.50	Jan 2019	(25,095)
80	<u>NextEra Energy, Inc.</u>	1,453,680	180.00	Jan 2019	(43,120)
165	<u>NextEra Energy, Inc.</u>	2,998,215	185.00	Jan 2019	(44,550)
1,382	<u>NiSource, Inc.</u>	3,651,244	27.00	Jan 2019	(69,100)
1,000	<u>ONEOK, Inc.</u>	6,143,000	70.00	Jan 2019	(15,000)
1,300	<u>PPL Corp.</u>	3,976,700	32.00	Dec 2018	(10,400)
30	<u>PPL Corp.</u>	91,770	31.00	Jan 2019	(1,650)

2,853	<u>Public Service Enterprise Group, Inc.</u>	15,948,270	55.00	Mar 2019	(679,014)
254	<u>Sempra Energy (f)</u>	2,926,588	120.00	Dec 2018	(6,350)
406	<u>Targa Resources Corp. (f)</u>	1,811,978	60.00	Jan 2019	(406)

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First Trust Energy Infrastructure Fund (FIF)

Portfolio of Investments (Continued)

November 30, 2018

Number of Contracts	Description	Notional Amount	Exercise Price	Expiration Date	Value
CALL OPTIONS WRITTEN (Continued)					
1,850	<u>TransCanada Corp.</u>	\$7,570,200	\$42.50	Dec 2018	\$(44,426)
1,621	<u>Williams (The) Cos., Inc.</u>	4,104,372	28.00	Dec 2018	(9,726)
4,000	<u>Williams (The) Cos., Inc.</u>	10,128,000	26.00	Jan 2019	(236,000)
1,300	<u>Xcel Energy, Inc.</u>	6,818,500	50.00	Dec 2018	(325,000)
	<u>Total Call Options Written</u>				<u>(2,527,240)</u>
	(Premiums received \$1,752,503)				

Outstanding Loans – (35.5)% (104,500,000)

Net Other Assets and Liabilities – 13.0% 38,165,271

Net Assets – 100.0% \$294,616,702

Interest Rate Swap Agreements:

Counterparty	Floating Rate ⁽¹⁾	Expiration Date	Notional Amount	Fixed Rate ⁽¹⁾	Unrealized Appreciation (Depreciation)/ Value
Bank of Nova Scotia	1 month LIBOR	10/08/20	\$36,475,000	2.121%	\$435,279
Bank of Nova Scotia	1 month LIBOR	09/03/24	36,475,000	2.367%	892,096
			\$72,950,000		\$1,327,375

The Fund pays the fixed rate and receives the floating rate, however, no cash payments are made by either party ⁽¹⁾prior the expiration dates shown above. The floating rate on November 30, 2018 was 2.317% and 2.314%, respectively.

(a) All of these securities are available to serve as collateral for the outstanding loans.

(b) All or a portion of this security's position represents cover for outstanding options written.

This security is restricted in the U.S. and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. This security is not restricted on the foreign exchange where it trades freely

(c) without any additional registration. As such, it does not require the additional disclosure required of restricted securities.

(d) Security is taxed as a "C" corporation for federal income tax purposes.

(e) Aggregate cost for federal income tax purposes was \$341,690,455. As of November 30, 2018, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost was \$43,069,564

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and the aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value was \$22,536,679. The net unrealized appreciation was \$20,532,885. The amounts presented are inclusive of derivative contracts.

This investment is fair valued by the Advisor's Pricing Committee in accordance with procedures adopted by the (f) Fund's Board of Trustees, and in accordance with the provisions of the Investment Company Act of 1940, as amended. At November 30, 2018, investments noted as such are valued at \$(6,756) or (0.0)% of net assets.

ADR American Depositary Receipt

CAD Canadian Dollar - Security is denominated in Canadian Dollars and is translated into U.S. Dollars based upon the current exchange rate.

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First Trust Energy Infrastructure Fund (FIF)

Portfolio of Investments (Continued)

November 30, 2018

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of November 30, 2018 is as follows (see Note 3A - Portfolio Valuation in the Notes to Financial Statements):

ASSETS TABLE

	Total Value at 11/30/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<u>Common Stocks*</u>	\$ 241,045,955	\$ 241,045,955	\$ —	\$ —
<u>Master Limited Partnerships*</u>	120,888,426	120,888,426	—	—
<u>Real Estate Investment Trusts*</u>	1,544,287	1,544,287	—	—
<u>Total Investments</u>	363,478,671	363,478,671	—	—
<u>Interest Rate Swap Agreements</u>	1,327,375	—	1,327,375	—
<u>Total</u>	\$ 364,806,046	\$ 363,478,671	\$ 1,327,375	\$ —

LIABILITIES TABLE

	Total Value at 11/30/2018	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<u>Call Options Written</u>	\$ (2,527,240)	\$ (2,077,025)	\$ (450,215)	\$ —

* See Portfolio of Investments for industry breakout.

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See Notes to Financial Statements

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First Trust Energy Infrastructure Fund (FIF)

Statement of Assets and Liabilities

November 30, 2018

ASSETS:

Investments, at value

(Cost \$354,296,598)	\$ 363,478,671
<hr/>	
Cash	37,288,219
<hr/>	
Foreign currency (Cost \$228,510)	228,424
<hr/>	
Cash segregated as collateral for open swap contracts	117,051
<hr/>	
Swap contracts, at value	1,327,375
<hr/>	
Dividends receivable	729,604
<hr/>	
Prepaid expenses	1,805
<hr/>	
Total Assets	403,171,149
<hr/>	
LIABILITIES:	
Outstanding loans	104,500,000
<hr/>	
Options written, at value (Premiums received \$1,752,503)	2,527,240
<hr/>	
Payables:	
Investment securities purchased	844,347
<hr/>	
Investment advisory fees	326,035
<hr/>	
Interest and fees on loans	238,313
<hr/>	
Audit and tax fees	49,550
<hr/>	
Shareholder reporting fees	26,111
<hr/>	
Administrative fees	18,877
<hr/>	
Custodian fees	13,690
<hr/>	
Legal fees	3,204
<hr/>	
Trustees' fees and expenses	2,755
<hr/>	
Transfer agent fees	1,847

Financial reporting fees	771
Other liabilities	1,707
Total Liabilities	108,554,447
NET ASSETS	\$294,616,702
NET ASSETS consist of:	
Paid-in capital	\$ 286,146,813
Par value	175,502
Accumulated distributable earnings (loss)	8,294,387
NET ASSETS	\$294,616,702
NET ASSET VALUE, per Common Share (par value \$0.01 per Common Share)	\$16.79
Number of Common Shares outstanding (unlimited number of Common Shares has been authorized)	17,550,236

See Notes to Financial Statements

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First Trust Energy Infrastructure Fund (FIF)

Statement of Operations

For the Year Ended November 30, 2018

INVESTMENT

INCOME:

Dividends (net
of foreign
withholding tax \$ 10,579,038
of \$601,937)

Interest 56,393

Other 10

Total
investment
income 10,635,441

EXPENSES:

Investment
advisory fees 4,068,705

Interest and fees
on loans 2,908,705

Administrative
fees 200,804

Shareholder
reporting fees 153,532

Custodian fees 56,163

Audit and tax
fees 48,744

Transfer agent
fees 24,559

Listing expense 22,662

Legal fees 17,507

Trustees' fees
and expenses 16,351

Financial
reporting fees 9,250

Other	33,564
Total expenses	7,560,546
NET INVESTMENT INCOME (LOSS)	3,074,895
NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments	(6,647,953)
Written options	3,942,156
Swap contracts	(315,049)
Foreign currency transactions	(71,389)
Net realized gain (loss)	(3,092,235)
Net change in unrealized appreciation (depreciation) on:	
Investments	(13,522,398)
Written options	588,974
Swap contracts	2,014,309
Foreign currency translation	(194)
Net change in unrealized appreciation (depreciation)	(10,919,309)

NET
REALIZED
AND
UNREALIZED (14,011,544)
GAIN (LOSS)

NET
INCREASE
(DECREASE)
IN NET
ASSETS \$(10,936,649)
RESULTING
FROM
OPERATIONS

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See Notes to Financial Statements

Table of ContentsFirst Trust Energy Infrastructure Fund (FIF)
Statements of Changes in Net Assets

	Year Ended 11/30/2018	Year Ended 11/30/2017
OPERATIONS:		
Net investment income (loss)	\$ 3,074,895	\$ 4,583,581
Net realized gain (loss)	(3,092,235)	16,532,879
Net change in unrealized appreciation (depreciation)	(10,919,309)	(8,259,803)
Net increase (decrease) in net assets resulting from operations	(10,936,649)	12,856,657
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Investment operations	(11,035,332)	
Net investment income		(3,193,583)
Net realized gain		(4,864,485)
Return of capital	(12,130,979)	(15,108,243)
Total distributions to shareholders	(23,166,311)	(23,166,311)
Total increase (decrease) in net assets	(34,102,960)	(10,309,654)
NET ASSETS:		
Beginning of period	328,719,662	339,029,316
End of period	\$ 294,616,702	\$ 328,719,662
Accumulated net investment income (loss) at end of period		\$15,460,499
COMMON SHARES:		
Common Shares at end of period *	17,550,236	17,550,236

* On September 15, 2016, the Fund commenced a share repurchase program. The program continued until March 15, 2017. The Fund did not repurchase any common shares while the program was in effect.

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First Trust Energy Infrastructure Fund (FIF)

Statement of Cash Flows

For the Year Ended November 30, 2018

Cash flows from operating activities:

Net increase (decrease) in net assets resulting from operations	\$(10,936,649)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments	(227,806,401)
Sales, maturities and paydown of investments	265,048,287
Proceeds from written options	7,533,431
Amount paid to close written options	(2,511,164)
Return of capital received from investment in MLPs	7,121,277
Net realized gain/loss on investments and written options	2,705,797
Net change in unrealized appreciation/depreciation on investments and written options	12,933,424
Net change in unrealized appreciation/depreciation on swap contracts	(2,014,309)
Decrease in cash segregated as collateral for open swap contracts	3,615,049
Changes in assets and liabilities:	
Decrease in dividends receivable	48,353
Decrease in prepaid expenses	4,949
Increase in interest and fees payable on loans	231,809
Decrease in investment advisory fees payable	(34,155)
Decrease in audit and tax fees payable	(1,928)
Decrease in legal fees payable	(149)
Decrease in shareholder reporting fees payable	(11,851)
Decrease in administrative fees payable	(1,217)
Increase in custodian fees payable	3,808
Decrease in transfer agent fees payable	(2,325)

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Decrease in Trustees' fees and expenses payable	(39)	
Increase in other liabilities payable	1,339	
Cash provided by operating activities		\$55,927,336
Cash flows from financing activities:		
Distributions to Common Shareholders from investment operations	(11,035,332)	
Distributions to Common Shareholders from return of capital	(12,130,979)	
Repayment of borrowings	(20,500,000)	
Proceeds from borrowings	13,500,000	
Cash used in financing activities		(30,166,311)
Increase in cash and foreign currency (a)		25,761,025
Cash and foreign currency at beginning of period		11,755,618
Cash and foreign currency at end of period		\$37,516,643
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest and fees		\$2,676,896

(a) Includes net change in unrealized appreciation (depreciation) on foreign currency of \$(194).

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First Trust Energy Infrastructure Fund (FIF)

Financial Highlights

For a Common Share outstanding throughout each period

	Year Ended November 30,				
	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 18.73	\$ 19.32	\$ 18.19	\$ 25.97	\$ 22.30
Income from investment operations:					
Net investment income (loss)	0.18	0.26	0.21	0.34	0.22
Net realized and unrealized gain (loss)	(0.80)	0.47	2.58 (a)	(6.80)	6.20
Total from investment operations	(0.62)	0.73	2.79	(6.46)	6.42
Distributions paid to shareholders from:					
Net investment income	(0.63)	(0.18)	(0.23)	(0.36)	(0.45)
Net realized gain	—	(0.28)	(0.30)	(0.96)	(2.21)
Return of capital	(0.69)	(0.86)	(1.13)	—	(0.09)
Total distributions paid to Common Shareholders	(1.32)	(1.32)	(1.66)	(1.32)	(2.75)
Net asset value, end of period	\$16.79	\$18.73	\$19.32	\$18.19	\$25.97
Market value, end of period	\$14.86	\$17.70	\$18.83	\$16.16	\$23.00
Total return based on net asset value (b)	(2.83)%	4.09%	18.35%	(a)(25.29)%	31.02%
Total return based on market value (b)	(9.00)%	0.93%			