

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

ENERGY INCOME & GROWTH FUND

Form N-Q

April 26, 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: FEBRUARY 28, 2007

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

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

ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

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

ENERGY INCOME AND GROWTH FUND
 PORTFOLIO OF INVESTMENTS
 FEBRUARY 28, 2007 (UNAUDITED)

SHARES		MARKET VALUE
MASTER LIMITED PARTNERSHIPS - 155.3%		
OIL, GAS & CONSUMABLE FUELS - 155.3%		
56,540 Alliance Holdings GP, L.P.....		\$ 1,294,201
278,290 Alliance Resource Partners, L.P.....		9,656,663
131,300 Atlas Pipeline Partners, L.P.....		6,308,965
465,471 Clearwater Natural Resources, L.P. + (a).....		8,145,743
293,201 Copano Energy, LLC.....		19,374,722
317,272 Crosstex Energy, L.P.....		11,923,082
106,910 Crosstex Energy, L.P., Senior Subordinated Series C Units** (a)		3,501,457
100,860 DCP Midstream Partners, L.P.....		3,729,803
114,154 Enbridge Energy Management, LLC*.....		5,828,717
23,912 Enbridge Energy Partners, L.P.....		1,262,793
567,370 Energy Transfer Partners, L.P.....		31,296,129
591,138 Enterprise Product Partners, L.P.....		18,035,620
73,100 Hiland Partners, L.P.....		3,964,944
250,000 Holly Energy Partners, L.P.....		11,530,000
148,000 Inergy Holdings, L.P.....		6,149,400
385,275 Inergy, L.P.....		11,955,083
360,521 Kinder Morgan Energy Partners, L.P.....		18,267,599
43,381 Kinder Morgan Management, LLC*.....		2,169,502
55,418 Linn Energy LLC, Common Units + (a).....		1,596,734
62,216 Linn Energy LLC, Class C Units + (a).....		1,728,505
461,756 Magellan Midstream Partners, L.P.....		19,439,928
228,378 Mark West Energy Partners, L.P.....		14,821,732
25,477 Martin Midstream Partners, L.P.....		923,541
128,169 Natural Resource Partners, L.P.....		8,079,774
564,516 Plains All American Pipeline, L.P.....		31,330,638
52,600 Regency Energy Partners, L.P.....		1,447,552
14,632 Targa Resources Partners L.P.**.....		352,631
14,000 Teekay LNG Partners, L.P.....		515,340
219,319 U.S. Shipping Partners, L.P.....		4,186,799
186,726 Valero, L.P.....		11,763,738
178,600 Williams Partners, L.P.....		7,715,520
		278,296,855
	TOTAL MASTER LIMITED PARTNERSHIPS.....	278,296,855
	(Cost \$158,380,957)	
RIGHTS - 0.0%		
OIL, GAS & CONSUMABLE FUELS - 0.0%		
17 Clearwater Natural Resources, L.P. - Rights **+ (a)		0
		0
	TOTAL RIGHTS.....	0

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

(Cost \$0)

See Notes to Quarterly Portfolio of Investments.

Page 1

ENERGY INCOME AND GROWTH FUND
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 FEBRUARY 28, 2007 (UNAUDITED)

	MARKET VALUE
TOTAL INVESTMENTS - 155.3%..... (Cost \$158,380,957)***	\$ 278,296,855
NET OTHER ASSETS & LIABILITIES - (22.4)%.....	(40,124,083)
SERIES A ENERGY NOTES PAYABLE - (19.0)%.....	(34,000,000)
SERIES B ENERGY NOTES PAYABLE - (13.9)%.....	(25,000,000)
NET ASSETS - 100.0%.....	\$ 179,172,772 =====

Page 2

See Notes to Quarterly Portfolio of Investments.

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED)

ENERGY INCOME AND GROWTH FUND
 FEBRUARY 28, 2007

1. VALUATION AND INVESTMENT PRACTICES

A. PORTFOLIO VALUATION:

Energy Income and Growth Fund ("the Fund") determines the net asset value of its Common Shares 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. Net asset value is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all Fund liabilities (including accrued expenses, dividends payable, current and deferred income taxes and any borrowings of the Fund) by the total number of 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

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

its estimates and/or assumptions, the net asset value of the Fund would likely fluctuate.

The Fund's investments are valued 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. 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. Fixed income securities with a remaining maturity of 60 days or more will be valued by the Fund using a pricing service. When price quotes are not available, fair market value is based on prices of comparable securities. 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 are generally comprised of return of capital and reduce the cost basis of the applicable MLPs.

C. RESTRICTED SECURITIES:

The Fund may invest up to 35% of its Managed Assets, the average daily gross asset value of the Fund minus accrued liabilities (excluding the principal 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. 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. Restricted securities are valued at fair value in accordance with procedures adopted by the Fund's Board of Trustees.

SECURITY	ACQUISITION DATE	SHARES	CARRYING VALUE PER SHARE 02/28/07	CARRYING COST PER SHARE AT ACQUISITION DATE	
Clearwater Natural Resources, L.P.	8/01/05	465,471	\$17.50	\$20.00	\$8
Clearwater Natural Resources, L.P. - Rights	08/01/05	17	0.00	0.00	
Linn Energy, LLC Common	02/01/07	55,418	28.81	26.00	1
Linn Energy, LLC					

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

Class C	02/01/07	62,216	27.78	25.06	1
		-----			-----
		583,122			\$ 11
		=====			=====

Page 3

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS (UNAUDITED) - (CONTINUED)

ENERGY INCOME AND GROWTH FUND
FEBRUARY 28, 2007

2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of February 28, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$120,457,777 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$541,879.

Page 4

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) ENERGY INCOME AND GROWTH FUND

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

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

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

Date APRIL 18, 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 APRIL 18, 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 APRIL 18, 2007

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