FIRST TRUST ENHANCED EQUITY INCOME FUND
Form N-CSRS
August 30, 2018

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 811-21586

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) (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: (630) 765-8000

Date of fiscal year end: December 31

Date of reporting period: June 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
Enhanced Equity Income Fund (FFA)
Semi-Annual Report
For the Six Months Ended
June 30, 2018

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Semi-Annual Report
June 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 Chartwell Investment Partners, LLC ("Chartwell" 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 e 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 Enhanced Equity Income 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 which permits the Fund to make periodic distributions of long-term capital gains more frequently than otherwise permitted with respect to its common shares subject to certain conditions. Under the Plan, the Fund currently intends to pay a quarterly distribution in the amount of $0.285 per share. A portion of this quarterly 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 but is expected to correlate with the Fund's performance over time. 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 Chartwell 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 Enhanced Equity Income Fund (FFA)

Semi-Annual Letter from the Chairman and CEO

June 30, 2018

Dear Shareholders:

First Trust is pleased to provide you with the semi-annual report for the First Trust Enhanced Equity Income Fund, which contains detailed information about your investment for the six-month period ended June 30, 2018, including a market overview and a performance analysis for the period. We encourage you to read this report carefully and discuss it with your financial advisor.

As 2018 began, there was much enthusiasm for the "Tax Cuts and Jobs Act of 2017" tax reform bill, which President Trump had signed into law on December 22, 2017, and the potential increase in take-home pay for many Americans, as well as the reduction in the federal corporate tax rate from 35% to 21% that the new tax package would bring. Early in the new year, many investors were watching the Federal Reserve (the "Fed") and its signaled intent to continue raising interest rates at a gradual pace (it had raised rates three times in 2017). Based on strong job growth and the economic outlook in the U.S., the Fed did, in fact, raise interest rates this year, on March 21 and June 13. Additionally, they indicated at their June 2018 meeting that two additional rate hikes are expected before year-end.

For the entire first quarter of 2018, increased market volatility was the norm for U.S. markets. The Dow Jones Industrial Average ("DJIA") was off to a strong start in January continuing its very strong performance displayed throughout 2017. However, February was a different story. Early in the month, the DJIA plunged 567 points and sank into "correction" territory (defined as a drop of 10% from the index's high) and in just two weeks during February, was down more than 3,200 points. However, as February came to a close, the DJIA was back on track and up from the lows experienced earlier in the month.

For the second quarter of 2018, market volatility continued. Increasing trade tensions have had an impact on markets around the world and could continue to do so in the future. The talk from President Trump on tariffs and trade agreements gave many investors pause about the U.S. stock market and its long-standing economic growth and what the future might hold. The DJIA closed out both April and May slightly down but ended June slightly up. Despite this 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.

Globally, markets underperformed moderately in the first half of 2018, but analysts believe European companies are set up for growing earnings and credit upswings, which seems to bode well for stock market performance and for fixed-income securities. We continue to believe that one 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 investing goals and by speaking regularly with your investment professional. As we've said before, markets go up and they also go down, but savvy investors are prepared for either through careful attention to their portfolios and 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 your investment 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 Enhanced Equity Income Fund (FFA)

"AT A GLANCE"

As of June 30, 2018 (Unaudited)

Fund Statistics	
Symbol on New York Stock Exchange	FFA
Common Share Price	$15.74
Common Share Net Asset Value ("NAV")	$15.88
Premium (Discount) to NAV	(0.88)%
Net Assets Applicable to Common Shares	$317,167,929
Current Quarterly Distribution per Common Share(1)	$0.2850
Current Annualized Distribution per Common Share	$1.1400
Current Distribution Rate on Common Share Price(2)	7.24%
Current Distribution Rate on NAV(2)	7.18%

Common Share Price & NAV (weekly closing price)

Performance					
			Average Annual Total Return		
	6 Months Ended 6/30/18	1 Year Ended 6/30/18	5 Years Ended 6/30/18	10 Years Ended 6/30/18	Inception (8/26/04) to 6/30/18
Fund Performance(3)					
NAV	-0.15%	6.73%	10.02%	8.80%	7.13%
Market Value	0.92%	15.61%	12.11%	10.09%	6.70%
Index Performance					
S&P 500® Index	2.65%	14.37%	13.42%	10.17%	8.96%
BXM Index	1.78%	7.28%	8.14%	5.71%	5.73%

Top Ten Holdings	% of Total Investments
Microsoft Corp.	5.3%
Apple, Inc.	4.5
JPMorgan Chase & Co.	3.1
Merck & Co, Inc.	2.5
UnitedHealth Group, Inc.	2.5
Bank of America Corp.	2.5
Pfizer, Inc.	2.3
Thermo Fisher Scientific, Inc.	2.3
Cisco Systems, Inc.	2.2
Intel Corp.	2.1
Total	29.3%

Sector Allocation	% of Total Investments
Information Technology	27.1%
Financials	16.7
Health Care	13.8
Consumer Discretionary	8.8
Industrials	8.7
Energy	8.0

Consumer Staples	8.0
Real Estate	2.6
Utilities	2.6
Materials	2.5
Telecommunication Services	1.2
Total	100.0%

(1) Most recent distribution paid or declared through 6/30/2018. 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 6/30/2018. 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.

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Portfolio Commentary

First Trust Enhanced Equity Income Fund (FFA)

Semi-Annual Report

June 30, 2018 (Unaudited)

Advisor

First Trust Advisors L.P. ("First Trust" or the "Advisor") is the investment advisor to the First Trust Enhanced Equity Income 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

Chartwell Investment Partners, LLC ("Chartwell"), a wholly-owned subsidiary of TriState Capital Holdings, Inc., is a research-based equity and fixed-income manager with a disciplined, team-oriented investment process. Chartwell is the portfolio manager of the Fund.

Portfolio Management Team

Douglas W. Kugler, CFA

Principal, Senior Portfolio Manager

Peter M. Schofield, CFA

Principal, Senior Portfolio Manager

Commentary

First Trust Enhanced Equity Income Fund

The Fund's investment objective is to provide a high level of current income and gains and, to a lesser extent, capital appreciation. The Fund pursues its investment objective by investing in a diversified portfolio of equity securities. Under normal market conditions, the Fund pursues an integrated investment strategy in which the Fund invests substantially all of its Managed Assets in a diversified portfolio of commons stocks of U.S. corporations and U.S. dollar-denominated equity securities of non-U.S. issuers in each case that are traded on U.S. securities exchanges. In addition, on an ongoing and consistent basis, the Fund writes (sells) covered call options on a portion of the Fund's Managed Assets. "Managed Assets" means the total asset value of the Fund minus the sum of the Fund's liabilities, including the value of call options written (sold). There can be no assurance that the Fund's investment objective will be achieved. The Fund may not be appropriate for all investors.

Market Recap

The S&P 500® Index (the "Index") rose 2.65% (inclusive of dividends) for the six-month period ended June 30, 2018. This was a noticeable slowdown from recent six-month periods which have averaged greater than 8% over the last two years. The first quarter of 2018 was volatile and marked the first down quarter for the Index in the last ten quarters despite the Index reaching a new high and being up 7.45% through late January. From there, the Index moved around quite a bit - after reaching its peak it fell 10.16%, rose 7.69%, declined 6.88%, and finally, a 2.03% upswing saw it close only 1.22% lower than where it started. If we were to add up the size of those swings, they show that the Index moved 34% while only actually changing a much smaller 1.22% in the quarter. In the second quarter of 2018, the Index bounced back 2.93% (with some, but not as much, volatility), resulting in the positive six-month period. Another measure of volatility shows that during the six-month period, the Index moved more than 1% up or down from its previous day's close 36 times. In all of 2017 it only did that eight times. The chief culprit causing the volatility was the growing worry of a possible trade war and the on again/off again news flow concerning trade that was coming out of Washington and Beijing. Meanwhile, the domestic economy and corporate earnings continued on solid footing despite the rhetoric. The employment picture continued to be strong, the consumer continued to spend, and corporations benefited from strong sales, relatively tame wage inflation and the lower tax rates which were a result of the "Tax Cuts and Jobs Act of 2017" bill which was passed late last year. The 10-year U.S. Treasury yield generally rose during the quarter but also saw volatility around trade war headlines. The yield rose from 2.43% at the start of the year, breaking above the psychologically important 3.00% yield level (for the first time in over four years) while peaking at 3.10% in mid-May. Trade war fears brought it back down to 2.85% at June 30. The Federal Open Market Committee ("FOMC") continued raising the Fed Funds rate, increasing it by 0.50% over the course of the six-month period to a still relatively low range of 1.75% to 2.00%. Meanwhile, the price of a barrel of West Texas Intermediate

(WTI), the domestic benchmark price, started the year at $60.42 per barrel, and while it generally rose over the six-month period, there was some volatility surrounding global growth concerns as well as a late June OPEC meeting. In the end, solid demand, supply constraints and a fairly benign result from the OPEC meeting brought the price of oil up to a high of $74.15 where it closed the quarter.

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Portfolio Commentary (Continued)
First Trust Enhanced Equity Income Fund (FFA)
Semi-Annual Report
June 30, 2018 (Unaudited)

Performance Summary

For the six months ended June 30, 2018 the Fund's net asset value ("NAV") and market value total returns[1] were -0.15% and 0.92%, respectively, on a total return basis. The Index returned 2.65% on a total return basis over the same period. The covered call options program had a negative influence on the Fund's return during the period. The rapid and sizeable moves in stock prices in the quarter mentioned above made it difficult to manage the options program as effectively as we would have liked. As discussed in the past, the Fund's portfolio tends to favor higher-yielding and value-oriented stocks given our emphasis on providing high current income and our predilection to invest in stocks which we believe to be undervalued when compared to their fundamentals. These leanings caused the Fund to face several broad-based headwinds that hurt the portfolio's relative performance. The largest of these was the continued sizeable margin by which Growth stocks outperformed Value stocks. As an example of this, the Russell 1000 Growth Index returned 7.25% while the Russell 1000 Value Index returned -1.69% for the first six months of 2018. In addition, lower yielding stocks outperformed higher yielding stocks. Bank of America Merrill Lynch did a study for the period which showed the lowest yielding 40% of the S&P 500® beat the Index by an average of 7.15%, while the highest yielding 40% trailed the Index by 5.42%. Within the portfolio, the largest detractor to relative performance was the Consumer Discretionary group with stock selection within the group responsible for most of the underperformance. Holdings in Carnival Corp. (-12.40%), Lions Gate Entertainment (-27.67%) and Comcast Corp. (-18.53%), as well as not owning Amazon.com (+45.35%) and Netflix, Inc. (+103.91%) were the culprits. Positive contributions to relative performance came from stock selection in the Financials group with SVB Financial (+23.52%); the Information Technology group with Micron Technology (+27.53%) and Palo Alto Networks (+41.76%); and the Energy group with Hess Corp. (+42.22%) all contributing solidly. Several other stocks that had notable movements during the first six months of the year included Electronic Arts (+34.23%), Adobe Systems (+39.13%) and Microsoft (+16.31%), which had positive impacts on the portfolio, while Stanley Black & Decker (-22.98%), Altria Group (-18.61%) and Celgene (-23.90%) had negative impacts.

Market Outlook

As we've stated in previous reports, 2017 was the ninth positive year in a row (inclusive of dividends) for the Index. Despite all the volatility in the first half of the year, 2018 has a good start on becoming the 10th consecutive positive year in a row. It has been quite a rally (the Index up over 300% since its low) and we are constantly asking ourselves if it can continue. At this point, the largest impediment we see that could keep the market from attaining that 10th consecutive positive year is the situation involving a potential trade war with China. If the Administration continues to implement tariffs on imported Chinese goods to pressure China to alter some of the business practices the Administration believes to be harmful to the United States, global trade could be hurt in any number of ways and the ramifications of such actions could be detrimental to stock returns. While, in our view, valuations in the stock market have become more reasonable recently due to earnings rising faster than stock prices, we would not expect valuations to improve under a global trade slowdown. In fact, we would expect them to decline. Corporate earnings may continue to improve for a while on the back of lower taxes and solid consumer spending, but we expect that corporations would slow down investment due to the uncertainty surrounding global trade and that would likely have ripple effects that would slow earnings growth. We have said that we believe earnings growth would have to improve for the equity market to move substantially higher and that has been happening. In fact, while aided by lower tax rates, Index earnings growth was over 20% for the first time in years, and second quarter earnings growth is expected to come close to 20% as well. We believe that companies have learned how to operate well in the low (gross domestic product) growth environment. In addition, we believe that the uptick in mergers and acquisitions will continue as will strong stock repurchases which should help companies in their search for earnings growth.

Our belief is that without any significant global trade reducing actions being taken by the United States (or any of its larger trading partners) or a policy mistake by the Federal Reserve (the "Fed"), the economy should continue to grow at a reasonable, but not overly strong rate, and corporate profits should continue to grow as well. In our view, this could provide a solid backdrop for the market going forward despite the uncertainties surrounding geo-politics, nascent inflation signs and possible future actions by the Fed. And, in our opinion, should the specter of a trade war dissipate, market valuations could increase somewhat providing for an even better backdrop for the market. No matter the outcome of these issues, we will manage the Fund with the objective of providing a high level of current income and gains and, to a lesser extent, capital appreciation over the market cycle.

[1] 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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First Trust Enhanced Equity Income Fund (FFA)
Portfolio of Investments
June 30, 2018 (Unaudited)

Shares	Description	Value
COMMON STOCKS – 92.9%		
	Aerospace & Defense – 1.8%	
29,000	Raytheon Co. (a)	$5,602,220
	Air Freight & Logistics – 1.8%	
24,500	FedEx Corp.	5,562,970
	Automobiles – 1.2%	
95,000	General Motors Co.	3,743,000
	Banks – 9.8%	
275,000	Bank of America Corp. (a)	7,752,250
94,000	JPMorgan Chase & Co.	9,794,800
200,000	KeyCorp	3,908,000
75,000	SunTrust Banks, Inc.	4,951,500
16,000	SVB Financial Group (b)	4,620,160
		31,026,710
	Beverages – 3.1%	
20,000	Constellation Brands, Inc., Class A	4,377,400
50,000	PepsiCo, Inc.	5,443,500
		9,820,900
	Biotechnology – 1.9%	
42,500	Celgene Corp. (a) (b)	3,375,350