

First Trust Intermediate Duration Preferred & Income Fund  
Form N-CSR  
January 04, 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 811-22795

First Trust Intermediate Duration Preferred & 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: N30-765-8000

Date of fiscal year end: October 31

Date of reporting period: October 31, 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  
Intermediate Duration Preferred & Income Fund (FPF)  
Annual Report  
For the Year Ended  
October 31, 2018

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First Trust Intermediate Duration Preferred & Income Fund (FPF)

Annual Report

October 31, 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 Stonebridge Advisors LLC (“Stonebridge” 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 Intermediate Duration Preferred & 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.

Performance and Risk Disclosure

There is no assurance that the Fund will achieve its investment objectives. 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](http://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](http://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 Stonebridge 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 Intermediate Duration Preferred & Income Fund (FPF)

Annual Letter from the Chairman and CEO

October 31, 2018

Dear Shareholders,

First Trust is pleased to provide you with the annual report for the First Trust Intermediate Duration Preferred & Income Fund (the “Fund”), which contains detailed information about the Fund for the twelve months ended October 31, 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 April 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.

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.

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 Intermediate Duration Preferred &amp; Income Fund (FPF)

“AT A GLANCE”

As of October 31, 2018 (Unaudited)

**Fund Statistics**

Symbol on New York Stock Exchange	FPF
Common Share Price	\$20.47
Common Share Net Asset Value (“NAV”)	\$22.84
Premium (Discount) to NAV	(10.38)%
Net Assets Applicable to Common Shares	\$1,387,960,520
Current Distribution per Common Share <sup>(1)</sup>	\$0.1425
Current Annualized Distribution per Common Share	\$1.7100
Current Distribution Rate on Common Share Price <sup>(2)</sup>	8.35%
Current Distribution Rate on NAV <sup>(2)</sup>	7.49%
Common Share Price & NAV (weekly closing price)	

**Performance**

	Average Annual Total Return		
	1 Year Ended 10/31/18	5 Years Ended 10/31/18	Inception (5/23/13) to 10/31/18
<b>Fund Performance<sup>(3)</sup></b>			
NAV	-2.23%	8.30%	7.72%
Market Value	-10.78%	8.36%	4.68%
<b>Index Performance</b>			
ICE BofAML Fixed Rate Preferred Securities Index	-1.23%	6.41%	4.63%
ICE BofAML U.S. Capital Securities Index	-2.14%	4.45%	4.07%
Blended Index <sup>(4)</sup>	-1.67%	5.44%	4.37%

(1) Most recent distribution paid or declared through 10/31/2018. 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 10/31/2018. Subject to change in the future.

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.

(3) The Blended Index consists of the following: ICE BofAML Fixed Rate Preferred Securities Index (50%) and ICE BofAML U.S. Capital Securities Index (50%). The Blended Index was added to reflect the diverse allocation of

(4) institutional preferred and hybrid securities in the Fund’s Portfolio. The indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

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First Trust Intermediate Duration Preferred & Income Fund (FPF)

“AT A GLANCE” (Continued)

As of October 31, 2018 (Unaudited)

Industry Classification	% of Total Investments
Banks	47.2%
Insurance	19.7
Food Products	5.4
Oil, Gas & Consumable Fuels	4.8
Electric Utilities	4.7
Capital Markets	4.1
Multi-Utilities	2.3
Diversified Telecommunication Services	2.0
Metals & Mining	1.3
Energy Equipment & Services	1.3
Independent Power and Renewable Electricity Producers	1.1
Mortgage Real Estate Investment Trusts	1.1
Transportation Infrastructure	1.0
Automobiles	1.0
Equity Real Estate Investment Trusts	1.0
Diversified Financial Services	0.9
Thrifts & Mortgage Finance	0.5
Wireless Telecommunication Services	0.3
Consumer Finance	0.3
Total	100.0%

Top Ten Holdings	% of Total Investments
Enel S.p.A.	2.3%
Catlin Insurance Co., Ltd.	2.0
Emera, Inc., Series 16-A	1.9
Barclays PLC	1.8
Land O'Lakes, Inc.	1.8
Farm Credit Bank of Texas, Series 1	1.8
Credit Agricole S.A.	1.8
Cooperatieve Rabobank UA	1.7
Royal Bank of Scotland Group PLC	1.7
BNP Paribas S.A.	1.6
Total	18.4%

Credit Quality <sup>(5)</sup> Fixed-Income Investments	% of Total Investments
A-	3.8%
BBB+	11.3
BBB	17.2
BBB-	25.1
BB+	21.3
BB	11.8
BB-	2.0

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B+	2.5
B	0.2
Not Rated	4.8
Total	100.0%

The credit quality and ratings information presented above reflect the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including Standard & Poor's Ratings Group, a division of the McGraw Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Ratings or a comparably rated NRSRO. For (5)situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the highest rating is used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

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Portfolio Commentary

First Trust Intermediate Duration Preferred & Income Fund (FPF)

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Advisor

First Trust Advisors L.P. (“First Trust” or the “Advisor”) serves as the investment advisor to the First Trust Intermediate Duration Preferred & 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

Stonebridge Advisors LLC (“Stonebridge” or the “Sub-Advisor”) is the sub-advisor to the Fund and is a registered investment advisor based in Wilton, Connecticut. Stonebridge specializes in the management of preferred and hybrid securities.

Stonebridge Advisors LLC Portfolio Management Team

Scott T. Fleming – Chief Executive Officer and President

Robert Wolf – Chief Investment Officer, Senior Vice President and Senior Portfolio Manager

Commentary

Market Recap

The fiscal year ended October 31, 2018 was a volatile period for the preferred and hybrid securities market with all parts of the market experiencing negative performance. This was largely driven by rising interest rates as well as economic and political headlines across the globe. The Federal Reserve (the “Fed”) guided short-term interest rates higher by 0.25% four times during the period as improving economic and employment data in the United States supported further rate hikes. Longer term interest rates also moved higher, but the curve flattened substantially as short-term rates increased at a faster pace. Credit spreads also managed to tighten within the preferred and hybrid securities market amid continued improvement in credit fundamentals, despite political uncertainty in Turkey, BREXIT negotiations, and trade tensions between China and the United States weighing on fixed income markets overall. These headlines pressured contingent capital securities (“CoCos”) in particular, which are largely issued by European banks. As a result, CoCos, as measured by the ICE BofAML USD Investment Grade Contingent Capital Index (“COCU”), were the worst performing part of the preferred and hybrid market during the period, as COCU was down -2.52%. Finally, the retail \$25 par market outperformed the institutional \$1000 par market during the period, as limited new issuance and net negative supply supported that part of the market. For the fiscal year, the retail market fell 1.23% while the institutional market lost 2.14% according to The ICE BofAML Fixed Rate Preferred Securities Index (“POP1”) and the ICE BofAML U.S. Capital Securities Index (“C0CS”), respectively.

Performance Analysis

For the fiscal year ended October 31, 2018, the net asset value (“NAV”) and market price total returns for the Fund were -2.23% and -10.78%, respectively. This compares to a total return of -1.67% for the Fund’s benchmark, which is a 50/50 blend of POP1 and C0CS. The Fund’s underperformance was primarily due to leverage and an overweight to CoCos. However, the Fund was able to partially offset the underperformance through security selection within \$25 par securities and non-CoCo institutional securities and an overweight to floating rate securities.

While the Fund’s leverage weighed on performance in a negative market, CoCos issued by European banks, which are not held in the benchmark, were the primary reason for underperformance during the period. Political volatility in Italy, BREXIT negotiations, and tariffs from the United States all weighed on CoCos throughout the period, despite improvements in European bank capitalization. CoCos continue to offer some of the most attractive yields and structures in the preferred and hybrid securities market and the Fund’s CoCo holdings are issued by well-capitalized multinational banks with stable credit fundamentals that we believe will outperform longer term.

Positive contributors to the Fund’s performance relative to the benchmark included superior security selection within \$25 par securities and non-CoCo institutional securities. The Fund’s focus on variable rate securities with wide back-end reset spreads and shorter durations both contributed positively to relative performance.

The Fund also benefited from overweighting floating rate securities, which appreciated with rising short-term interest rates, spread tightening and a flattening yield curve. In the current rising interest rate environment, we believe it is

prudent to maintain a conservative stance in regard to interest rates relative to the benchmark and peers. The Fund also employed a hedging strategy throughout the year in order to further manage its interest rate risk. This strategy consisted of an interest rate swap, which benefited from the rising rate environment. Going forward, we continue to believe it is prudent to

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Portfolio Commentary (Continued)

First Trust Intermediate Duration Preferred & Income Fund (FPF)

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October 31, 2018 (Unaudited)

maintain a conservative interest rate stance relative to the benchmark, particularly if we are able to do so while the Fund continues to pay the highest distribution rate of peer closed-end funds.

Market and Fund Outlook

As we approach 2019, we believe the preferred and hybrid securities market will be positively supported by strong issuer credit fundamentals, attractive yields compared to other fixed income asset classes and a positive market technical from limited net new issue supply into 2019. Although headline risks of global trade wars and other geopolitical events will likely persist for the next 6 to 12 months, in our opinion, preferred and hybrid securities valuations already reflect these risks, in our opinion, and we believe credit fundamentals of issuers in this asset class are generally strong enough to withstand the possibility of slowing economic growth.

We continue to believe that U.S. interest rates should broadly continue to shift higher and the Treasury yield curve is likely to remain relatively flat into 2019. We believe short-term rates are likely to increase due to Fed normalization, while inflation pressures are likely to slowly push longer term rates higher overall. In the current environment, we believe the best total return and risk profile will likely be achieved by overweighting short to intermediate term securities. Additionally, absolute yields and yield spreads of preferreds and hybrids relative to U.S. Treasuries and other credit spread products remain at attractive levels and may continue to provide a cushion against rising interest rates, in our opinion.

The Fund will attempt to position the portfolio to protect against the largest risks in the market and continue to identify the best securities in all parts of the preferred and hybrid securities market to construct balanced portfolios that we believe will lead to long term outperformance.

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First Trust Intermediate Duration Preferred & Income Fund (FPF)

Portfolio of Investments

October 31, 2018

Shares	Description	Stated Rate	Stated Maturity	Value
<b>\$25 PAR PREFERRED SECURITIES – 19.6%</b>				
	Banks – 3.4%			
85,593	Banc of California, Inc., Series E	7.00%	(a)	\$2,191,181
197,943	Bank of America Corp., Series HH (b)	5.88%	(a)	4,932,740
149,642	FNB Corp. (b) (c)	7.25%	(a)	4,097,198
864,211	GMAC Capital Trust I, Series 2, 3 Mo. LIBOR + 5.79% (b) (d)	8.10%	02/15/40	22,694,181
206,326	JPMorgan Chase & Co., Series DD	5.75%	(a)	