

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
Form N-CSR
March 10, 2008

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 811-21905

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY 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, Esq.
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: DECEMBER 31

Date of reporting period: DECEMBER 31, 2007

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. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

[GRAPHIC OMITTED]

[LOGO] FIRSTTRUST
ADVISORS L.P.

ANNUAL
REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2007

FIRST TRUST/
ABERDEEN
EMERGING
OPPORTUNITY
FUND

[LOGO]
ABERDEEN
ASSET MANAGEMENT

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, 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 Aberdeen Asset Management Inc. ("Aberdeen" 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 events or 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/Aberdeen Emerging Opportunity 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 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 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 <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and common share price will fluctuate and Fund shares may be worth more or less than their original cost.

HOW TO READ THIS REPORT

This report contains information that may help you evaluate your investment. 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 Aberdeen 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 risks of investing in the Fund are spelled out in the prospectus.

SHAREHOLDER LETTER

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
ANNUAL REPORT
DECEMBER 31, 2007

Dear Shareholders:

We believe investment opportunities abound, both here and abroad, affording the potential for exceptional returns for investors. At First Trust Advisors L.P. ("First Trust"), we realize that we must be mindful of the complexities of the global economy and at the same time address the needs of our customers through the types of investments we bring to market.

We are single-minded about providing a range of investment products, including our family of closed-end funds, to help First Trust meet the challenge of maximizing our customers' financial opportunities. Translating investment ideas into products which can deliver performance over the long term while continuing to support our current product line remains a focus for First Trust as we head into the future.

The report you hold will give you detailed information about your investment in First Trust/Aberdeen Emerging Opportunity Fund (the "Fund") for the 12-month period ended December 31, 2007. I encourage you to read this report and discuss it with your financial advisor.

First Trust is pleased that the Fund is a part of your financial portfolio and we will continue to offer you current information about your investment, as well as new opportunities to the financial marketplace, through your financial advisor. We value our relationship with you and appreciate the opportunity to assist you in achieving your financial goals.

Sincerely,

/s/ James A. Bowen

James A. Bowen
President of First Trust/Aberdeen Emerging Opportunity Fund

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PORTFOLIO COMMENTARY

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND

The primary investment objective of First Trust/Aberdeen Emerging Opportunity Fund ("FEO" or the "Fund") is to provide a high level of total return. The Fund will pursue its investment objective by investing in a diversified portfolio of equity and fixed-income securities of issuers in emerging market countries. 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 U.S. FINANCIAL MARKETS

The year 2007 was dominated by the unfolding credit crisis in mortgage-backed structured credits and its impact on the financial system. The first half of the year saw 10-year government bond yields rising and central banks, with the notable exception of the Federal Reserve, raise policy interest rates in response to perceived inflationary threats from strong economic growth and large commodity price rises.

THE GLOBAL FINANCIAL MARKETS

The Bank of Japan raised rates once by 25 basis points to 0.5%. The European Central Bank ("ECB") and central bank of Australia raised rates twice by 25 basis points to 4% and 6.75%, respectively. Other central banks were even more aggressive, with the Bank of England raising rates three times to 5.75%; the central banks of New Zealand and Sweden four times to 8.25% and 4%,

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respectively; and the central banks of Switzerland and Norway increasing on seven separate occasions to 2.75% and 5.25%, respectively.

While the majority of these interest rate increases occurred in the first half of 2007, before the severity of the U.S. credit crisis became fully apparent, several of the peripheral central banks, notably Australia, Norway and Sweden, have continued to tighten policy even as the Federal Reserve has begun to aggressively lower the Federal funds rates.

Despite large temporary liquidity injections from the ECB and others and measures to increase the range of assets with which commercial banks can pledge against central bank loans, only the central banks of Canada and the United Kingdom ("UK") had, by year end, joined the Federal Reserve and cut policy interest rates in response to the credit crisis.

Canada cut rates as a result of lower inflation and its higher sensitivity to U.S. economic growth. The UK cut in response to the seizing up of the short-term money markets and resulting spike of inter-bank interest rates which resulted in a run on a UK mortgage lender and the extension of government guarantees to its deposit holders to ensure the solvency of the entire banking system.

THE BOND MARKETS

Government bond yields have fallen sharply across the developed world and yield curves steepened through the second half of 2007. The currency hedged JP Morgan World Government Bond Index returned 5.7%. The U.S., UK and Canada had the highest local currency returns, 9.1%, 5.2% and 5.0%, respectively. Japan (2.6%), the Eurozone (1.8%) and Switzerland (-0.7%) posted the lowest returns. All the returns came in the second half of 2007 with only the U.S. showing positive returns in the first half of the year.

In the G3 markets, which represent the dollar, the Yen and the Euro, 10-year bond yields fell sharply in the U.S., from 4.7% to 4.0%; fell modestly in Japan from 1.7% to 1.5%; and were broadly unchanged in the European Union ("EU") with German bonds at 3.9%. Canada and the UK saw modest declines in the second half of 2007 to end down approximately 20 basis points at 4% and 4.5%, respectively. Other peripheral markets which saw the bulk of the interest rate increases saw 10-year bond yields rise. For example, in Australia and New Zealand 10-year bond yields rose by 50 basis points to 6.3%, and Sweden, Norway and Switzerland saw similar increases to 4.3%, 4.7% and 3.0%, respectively.

The rapid widening of spreads on financial and asset-backed paper and sharp falls in financial sector equity prices provoked very strong buying of the shortest dated government paper, resulting in sharp steepening of the government yield curves. U.S. and European high-yield bond spreads widened by approximately 300 and 250 basis points, respectively, in the second half of 2007. The difficulties faced by mortgage lenders and bond insurers, coupled with the large losses on holdings of structured credit and leveraged loans by banks, saw 2-year Treasury notes fall 180 basis point to 3%, at one point trading 165 basis points below the Federal funds rate despite three rate cuts.

The JP Morgan unhedged Global Government Bond Index returned 10.8% for the year, 5.1% of which was accounted for by depreciation of the U.S. dollar.

THE U.S. DOLLAR VS. OTHER CURRENCIES

The dollar fell against every major currency over the course of the year. The commodity currencies fared best with the Canadian dollar up 16%, the Norwegian Krone up 15%, the Australian dollar up 11% and the New Zealand dollar up 9%.

PORTFOLIO COMMENTARY - (CONTINUED)

The Euro strengthened continually throughout 2007, finishing up 10%. The Yen rallied strongly as currency carry trades were unwound due to higher volatility and lower risk tolerance. The Yen ended the year up 6% versus the dollar, with the other "carry trade" funding currency, the Swiss Franc, up 7%.

The British Pound was the weakest major currency, rising only 1%. Investors sold Sterling against other currencies expecting interest rates to fall dramatically as the UK is seen as being even more sensitive to house price falls and financial market turmoil than the U.S.

Currency volatility increased dramatically through the year, and uncertainty over the future path of monetary policy across the G3 markets and excessive speculation in carry trades led to several episodes when Yen cross rates moved by almost 20% in a matter of weeks during the latter half of the year.

FIXED-INCOME MARKETS

Emerging fixed-income markets had a mixed performance during 2007, as risk premiums fluctuated throughout the period triggered by concerns over the outlook of the U.S. sub-prime mortgage market. The first bout of volatility occurred in late February 2007, with concerns about an unwinding of "carry trades" also weighing on emerging markets. Within a few weeks, global risk aversion began to subside as markets took a more measured view on the ability of the U.S. economy to weather the sub-prime storm. Emerging markets resumed their strong performance during the second quarter of 2007 but tumbled in July/August 2007, as sub-prime concerns spread to global money markets, leading to a severe spike in interbank rates and fanning fears of a credit crunch. Global risk aversion continued into the fourth quarter of 2007 as large investment banks started reporting very poor end-of-year financials.

POLITICAL EVENTS

BRAZIL. The news was overall very positive in Brazil, as President Lula secured a second term in office; the local currency rating was upgraded to investment grade; fiscal performance continued to shine; the trade surplus remained robust; foreign direct investment rose to a record level; inflation eased and the Central Bank maintained its interest-rate cutting cycle, supporting the longer-term growth outlook. The failure by Brazil's government to pass the CPMF tax renewal, a financial transaction cost that represents 1.6% of Gross Domestic Product ("GDP"), had a mild negative impact on Brazilian assets, although officials were quick to reassure the market of its commitment to maintain the 3.8% primary surplus.

TURKEY. In contrast, things were more turbulent in Turkey, as the military intervened during the Presidential election process in May 2007, leaving a temporary black cloud hanging over Turkish assets. As calm prevailed, the AKP-led government sought and won a stronger election mandate during parliamentary elections in June 2007 and once again proposed Foreign Minister Gul as their choice for President, which was approved in its third attempt. While the military issued another coded warning prior to the vote about maintaining its vigilance of a secular state, it stopped short in sparking a repeat of the political crisis that occurred in May 2007, leading to a strong rally on Turkish assets.

PAKISTAN. The assassination of Benazir Bhutto was the latest sad chapter in

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Pakistan politics, as the Pakistan Peoples Party ("PPP") leader, who was tipped to win the election as prime minister in January 2008, was gunned down during an election rally on December 27, 2007. The ensuing domestic unrest in Bhutto's province of Sind sparked concern about the future of the PPP and the scheduled elections on January 8, 2008, which have since been delayed until February. While Pakistan's economic performance has remained robust with strong growth and fiscal discipline remaining in place, the cloudy political situation led to a sharp increase in the country risk premium.

ECUADOR. There were a few political events that caught the attention of the market. Presidential elections in Ecuador created considerable volatility in the country's external debt during the period, with an initial sharp drop in prices following the populist candidate Correa's victory in the November 2007 election. The initial hostile rhetoric of the new administration was subsequently toned down as the Economy Minister was replaced and his successor adopted a more pragmatic approach towards future debt service, albeit without ruling out the possibility of future restructuring. Ecuador has been one of the strongest performers in the external market over the past year.

UKRAINE. Ukraine assets performed well despite rising political tensions between President Yuschenko and Prime Minister Yanukovich that led to a virtual shutdown of the government and parliamentary elections at the end of September 2007. The result was somewhat of a surprise, as a stronger-than-expected showing by Yulia Tymoshenko's party vaulted the Orange Coalition back into power. While the outlook for Ukrainian debt remains supportive, underpinned by strong economic growth and limited sovereign indebtedness, there are a few burning issues on the horizon. It remains to be seen how long the new government will remain intact given its narrow majority in parliament, and the pro-Western government may find relations somewhat strained with Russia, resulting in higher gas import prices.

RUSSIA. Political intrigue was heightened in Russia as President Putin endorsed First Vice Prime Minister Dmitry Medvedev as the candidate for the United Russia Party for the presidential election in March 2008. Putin's backing effectively guarantees victory by Medvedev, who is also chairman of Gazprom. The following day, Medvedev said he would offer the Prime Minister position to Putin, who accepted the post.

VENEZUELA. Political risk eased in Venezuela as the controversial constitutional reform proposed by President Chavez was not approved during the referendum vote on December 2, 2007. The narrow victory for the opposition prompted a rally on Venezuela bonds, which along with Argentina have been the top underperformers throughout the year.

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PORTFOLIO COMMENTARY - (CONTINUED)

EQUITY

Cyclical sectors such as Materials and Industrials performed well over the year. While the Fund's underweight to Cyclical has cost the portfolio to date, we remain wary of their "boom/bust" nature and will remain committed to our approach of investing in companies with strong balance sheets and good cash flow generation. Our preference remains to invest in companies positioned to benefit from rising domestic consumption in emerging markets, which we believe is a structurally sounder theme.

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Globally, Financial stocks have come under pressure due to uncertainty over the sector's exposure to U.S. sub-prime loans and the associated deterioration in many major banks' balance sheets. We believe that the Fund's emerging market Financial holdings have little or no exposure to this, and we see recent declines in Financial stocks as market mispricing, particularly in light of our analysis and recent strong earnings from the Fund's portfolio companies. A lack of "sophistication" and/or strong loan demand has meant that the Fund's Financials have had little need to seek higher returns via structured investment vehicles. In addition, our Banking stocks remain well capitalized, and we maintain our confidence in their quality. We see Financials as domestic consumption plays through which we can capitalize on the rise of the middle classes in emerging market countries, particularly given a background of low financial product penetration.

The Consumer sector generally lagged amid rising commodity prices, competition and concerns over slower domestic growth in countries like Mexico. The Fund's overweight to Mexico cost the Fund (205 basis points overall) as the market reacted negatively to the threat of a U.S. consumer slowdown and slower than expected GDP growth.

FUND RECAP

The Fund had a net asset value ("NAV") total return of 15.74%¹ for the twelve months ended December 31, 2007. This compares to 21.23% for the Fund's blended benchmark² total return over the same period. In addition to this blended benchmark, the Fund currently uses other indexes for comparative purposes. The total returns over the twelve months ended December 31, 2007 for these indexes were as follows: the Lehman Global Emerging Markets Index was 5.16%; and the FTSE All World Emerging Index was 35.73%. The Fund's total return based on market price for the twelve months ended December 31, 2007 was 12.53%³.

FIXED-INCOME

The emerging market debt component of the Fund returned a positive 10.0%, although this underperformed the benchmark⁴ for the fixed-income portion of the Fund which returned 11.8%. This modest underperformance was mainly due to the Fund's poor performance in its external debt holdings, which only returned 1.7%, compared to the benchmark return of 6.16% for the period, due to the Fund's overweight holdings in Argentina, Venezuela and Pakistan, which all had negative returns for the year. The local currency-denominated bonds outperformed the benchmark, returning 21.2% for the period with best performance coming from Turkey (47.5%) and Brazil (36.6%) and the central banks cutting rates throughout the year.

EQUITY

The equity portion of the Fund's portfolio rose 33.1% over the year, a healthy return in absolute terms. However, the equity portion of the Fund lagged its benchmark, the MSCI Global Emerging Markets Index, by 662 basis points.

At the heart of this underperformance is the Fund's underweight to Cyclical and overweight to Financials and Consumer stocks. These positions are a function of the investment process with its emphasis on the quality of the Fund's holdings, in terms of management, balance sheet and business.

During the year the Fund initiated positions in Brazilian fashion retailer Lojas Renner, Czech Bank Komerční and Mexican Coke bottler Grupo Continental. Also initiated were positions in South African fashion retailer Truworths, Turkish hard-discount retailer BIM and Indonesian conglomerate Astra, which offers the Fund exposure to consumption growth. The Fund sold its positions in Checkpoint, Zhejiang Expressway and Hyundai completely.

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- 1 Total return based on NAV is the combination of reinvested dividend distributions and reinvested capital gains distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in NAV per share and does not reflect sales load.
 - 2 The Fund's blended benchmark consists of the following: 32.5% JPMorgan Emerging Markets Bond Index Global Diversified; 32.5% JPMorgan Government Bond Index-Emerging Markets; and 35% MSCI (Morgan Stanley Capital International) Global Emerging Markets Index.
 - 3 Total return based on market value is the combination of reinvested dividend distributions and reinvested capital gains distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in Common Share market price per share.
 - 4 The benchmark for the fixed-income portion of the Fund consists of the following: 50% JPMorgan Emerging Markets Bond Index Global Diversified and 50% JPMorgan Government Bond Index-Emerging Markets (JPM GBI-EM).

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PORTFOLIO COMMENTARY - (CONTINUED)

PORTFOLIO MANAGER Q & A

WHAT IS YOUR OUTLOOK FOR THE MARKET?

Emerging markets are expected to face more headwinds caused by the ongoing credit crunch in the coming months. We believe it will become increasingly difficult for central banks to rely on monetary policy to control rising fuel and food prices, while trying to sustain economic growth. As such, we believe a slowdown in global economic growth and a weakening of corporate profits are likely to follow.

WHAT IS YOUR OUTLOOK FOR THE FUND?

We are confident that the Fund's holdings, made up of well-run companies that generate strong cash flow and have healthy balance sheets, will be able to weather these potentially volatile conditions, which also suits our careful, bottom-up approach of value investing. We will continue to focus on fundamentals and valuations and remain optimistic about the longer-term prospects for emerging markets.

SUB-ADVISOR

Aberdeen Asset Management Inc. ("Aberdeen" or the "Sub-Advisor"), a Securities and Exchange Commission registered investment adviser, is a wholly-owned subsidiary of Aberdeen Asset Management PLC. Aberdeen Asset Management PLC is a publicly-traded international investment management group listed on the London Stock Exchange, managing assets for both institutional and retail clients from offices around the world.

PORTFOLIO MANAGEMENT TEAM

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Investment decisions for the Fund are made by Aberdeen using a team approach and not by any one individual. By making team decisions, Aberdeen seeks to ensure that the investment process results in consistent returns across all portfolios with similar objectives. Aberdeen does not employ separate research analysts. Instead, Aberdeen's investment managers combine the roles of analysis with portfolio management. Each member of the team has sector and portfolio responsibilities such as day-to-day monitoring of liquidity. The overall result of this matrix approach is a high degree of cross-coverage, leading to a deeper understanding of the securities in which Aberdeen invests. Included below is additional information about the members of the team with significant responsibility for the day-to-day management of the Fund's portfolio.

EQUITY MANAGEMENT TEAM

DEVAN KALOO

HEAD OF EMERGING MARKET EQUITY FOR THE ABERDEEN GROUP

Mr. Kaloo is responsible for the London based Global Emerging Market ("GEM") Equity Team, which manages Latin America, Europe, Middle East and Africa equities, and also has oversight of global emerging market input from the Asia research team based in Singapore, with which he works closely. Mr. Kaloo began his career at Martin Currie in Edinburgh shortly after graduation, working initially on the North American desk before transferring to the global asset allocation team. Mr. Kaloo moved off the global asset allocation team in 1997, and for the next three years, he worked on Asian portfolios before joining Murray Johnstone in Singapore in July 2000. Following the latter's acquisition, he transferred to the Aberdeen Group where he was responsible for the Asian ex Japan region as well as regional portfolios within emerging market mandates and technology stocks. Mr. Kaloo took his current position in July 2005. Mr. Kaloo graduated with an MA (Hons) in Management and International Relations from St. Andrews University in Scotland and holds a postgraduate degree in Investment Analysis from Stirling University, also in Scotland.

JOANNE IRVINE

HEAD OF GEM EQUITY TEAM EX ASIA

Ms. Irvine is on the GEM Equity Team, where she specializes in the emerging markets of Europe, Africa and the Middle East. After qualifying as a chartered accountant in 1992, she worked in corporate finance specializing in raising development capital finance for private businesses. In January 1996, Ms. Irvine joined the Aberdeen Group in a group development role. Since May 1997, Ms. Irvine has been part of Aberdeen's emerging markets fund management group in London.

MARK GORDON-JAMES

INVESTMENT MANAGER, GEM EQUITY TEAM

After graduating with a degree in Geography and Economics from the London School of Economics in 2000, Mr. Gordon-James worked with the emerging markets team of Merrill Lynch Investment Managers. Mr. Gordon-James joined the Aberdeen Group in April 2004.

FIONA MORRISON

INVESTMENT MANAGER, GEM EQUITY TEAM

Ms. Morrison is an investment manager on the emerging markets ex Asia team. She has a BA with honors in History and French from Durham University. Ms. Morrison joined Aberdeen in 2001 as an analyst.

PORTFOLIO COMMENTARY - (CONTINUED)

ED CONROY

INVESTMENT MANAGER, GEM EQUITY TEAM

Mr. Conroy is an assistant manager on the emerging markets ex Asia desk. In June 2004, he graduated from University College, Oxford with a MSc in Biochemistry and joined Aberdeen.

ANDY BROWN

INVESTMENT MANAGER, GEM EQUITY TEAM

Mr. Brown is an assistant investment manager on the emerging markets ex Asia desk. He graduated from the University of St. Andrews with a BSc in Geography in June 2003. Prior to joining Aberdeen in March 2005, Mr. Brown worked in the oil field consumables industry in the United Arab Emirates.

FIXED-INCOME MANAGEMENT TEAM

DEREK FULTON

HEAD OF GLOBAL AND ASIAN BONDS

Mr. Fulton joined Murray Johnstone in 1996 as a graduate trainee in Fixed-Income. In 1998, he qualified as an Associate of the Institute of Investment Management & Research. Mr. Fulton has since become a senior member of the Fixed-Income team with Aberdeen and is responsible for the day-to-day management of global fixed-income and government portfolios. He is a member of Aberdeen's global economics team.

BRETT DIMENT

HEAD OF EMERGING MARKET DEBT

Mr. Diment joined Deutsche Asset Management Group Limited ("Deutsche") in 1991 as a member of the Fixed-Income group and became head of the emerging market debt team at Deutsche in 1999. Mr. Diment joined Aberdeen following the Deutsche acquisition in 2005 and is now responsible for the day-to-day management of the emerging market debt team and portfolios.

KEVIN DALY

PORTFOLIO MANAGER, EMERGING MARKET DEBT

Mr. Daly joined the emerging markets team at Aberdeen in April 2007 as a portfolio manager, having spent the previous 10 years at Standard & Poor's in London and Singapore as a credit market analyst covering global emerging market debt, and was head of marketing for Global Sovereign Ratings. Mr. Daly was a regular participant on the Global Sovereign Committee, served as a member of the Sovereign Ratings Review Board, and was one of the initial members of the Emerging Market Council, formed in 2006 to advise senior management on business and market developments in emerging markets.

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EDWIN GUTIERREZ

PORTFOLIO MANAGER, EMERGING MARKET DEBT

Mr. Gutierrez has served as an economist specializing in Latin America at LGT Asset Manager, and more recently as a portfolio manager specializing in emerging market fixed-income at INVESCO Asset Management. He joined Deutsche in 2000 and Aberdeen in 2005.

NIMA TAYEBI

PORTFOLIO MANAGER, EMERGING MARKET DEBT

Mr. Tayebi has 10 years of experience as executive director responsible for emerging markets trading at Millennium Global Investments, vice president at Salomon Brothers, focusing on emerging currency and debt trading and head of fixed-income research at Renaissance Capital. He joined Deutsche as an emerging currency portfolio manager in 2001 and Aberdeen in 2005.

MAX WOLMAN

PORTFOLIO MANAGER, EMERGING MARKET DEBT

Mr. Wolman joined Aberdeen in January 2001 and is portfolio manager on the Global Emerging Market Debt mandates. Mr. Wolman originally specialized in currency and domestic debt analysis; however, he is now responsible for wider emerging debt analysis, including external and corporate issuers. He is a member of the Emerging Markets Debt investment committee at Aberdeen and is also responsible for the daily implementation of the investment process.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
PORTFOLIO COMPONENTS (a)
DECEMBER 31, 2007

PORTFOLIO COMPONENTS -- BY INDUSTRY

Government Bonds and Notes	42.3%
Commercial Banks Non-US	9.4%
Diversified Financial Services	7.6%
Oil & Gas	4.6%
Retail	4.6%
Semiconductors	3.3%
Beverages	2.8%
Cellular Telecommunications	2.4%
Insurance	1.7%
Diversified Minerals	1.6%
Building Products-Cement/Aggregates	1.6%
Real Estate	1.6%
Tobacco	1.5%
Electric Utilities	1.4%
Medical-Drugs	1.4%
Telecommunications	1.1%
Food Retail	1.1%
Diversified Operations	1.0%
Household Products	1.0%

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Banking	0.9%
Paper and Related Products	0.9%
Export/Import Bank	0.8%
Steel Producers	0.8%
Gas Utilities	0.8%
Chemicals	0.7%
Airport Development/Maintenance	0.6%
Transportation	0.6%
Applications Software	0.6%
Construction & Chemicals	0.5%
Leisure Time	0.5%
Building-Residential/Commercial	0.3%

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

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO COMPONENTS (a) (b) - (CONTINUED)
 DECEMBER 31, 2007

PORTFOLIO COMPONENTS -- BY COUNTRY

Brazil	13.3%
Mexico	8.1%
Turkey	6.9%
China	6.9%
India	6.2%
Venezuela	5.4%
Argentina	5.3%
Ukraine	3.5%
South Korea	3.3%
Russia	3.3%
Colombia	3.3%
South Africa	3.0%
Taiwan	3.0%
Uruguay	2.9%
Indonesia	2.8%
Egypt	2.7%
Peru	2.3%
Philippines	1.9%
Thailand	1.8%
Malaysia	1.8%
Ecuador	1.7%
Dominican Republic	1.4%
Ghana	1.3%
Chile	1.1%
Serbia	1.0%
Czech Republic	1.0%
Pakistan	1.0%
Hungary	1.0%
El Salvador	1.0%
Gabon	0.7%
Nigeria	0.6%
Qatar	0.5%

(a) Percentages are based on total investments. Please note that the

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percentages on the Portfolio of Investments are based on net assets.

- (b) Portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the Sub-Advisor.

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a)
 DECEMBER 31, 2007

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATED MATURITY
BONDS AND NOTES (b) - 57.7%			
	ARGENTINA - 4.7%		
760,000	Banco Hipotecario SA (USD)	9.75%	04/27/16
3,732,350	Central Bank of Argentina (ARS) (c)	2.00%	02/04/18
4,620,000	Republic of Argentina (USD)	7.00%	04/17/17
	BRAZIL - 6.2%		
3,420,000	Brazil NTN - B Note (BRL)	6.00%	08/15/10
430,000	Independencia International Ltd. (USD)	9.88%	01/31/17
1,000,000	Isa Capital do Brasil SA (USD)	7.88%	01/30/12
5,530,000	Nota do Tesouro Nacional (BRL)	10.00%	01/01/17
700,000	Odebrecht Finance Ltd. (USD)	7.50%	10/18/17
	CHINA - 1.3%		
450,000	Agile Property Holdings Ltd. (USD)	9.00%	09/22/13
670,000	Parkson Retail Group Ltd. (USD)	7.88%	11/14/11
540,000	Parkson Retail Group Ltd. (USD)	7.13%	05/30/12
	COLOMBIA - 3.4%		
340,000	EEB International Ltd. (USD)	8.75%	10/31/14
3,140,000,000	Republic of Colombia (COP)	12.00%	10/22/15
2,030,000	Republic of Colombia (USD)	7.38%	09/18/37
	DOMINICAN REPUBLIC - 1.4%		
820,000	Cerveceria Nacional Dominica (USD) (c)	16.00%	03/27/12
740,000	Dominican Republic (USD)	8.63%	04/20/27
	ECUADOR - 1.7%		

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1,610,000	Republic of Ecuador (USD)	10.00%	08/15/30
630,000	Republic of Ecuador (USD)	9.38%	12/15/15
	EGYPT - 2.8%		
7,500,000	Arab Republic of Egypt (EGP)	8.75%	07/18/12
2,140,000	Egypt Government Bond (EGP)	9.10%	09/20/12
10,000,000	Egypt Treasury Bill (EGP)	0.00%	04/29/08
	EL SALVADOR - 1.0%		
1,090,000	Republic of El Salvador (USD)	7.65%	06/15/35
	GABON - 0.8%		
940,000	Gabonese Republic (USD)	8.20%	12/12/17
	GHANA - 1.3%		
1,600,000	Republic of Ghana (USD)	8.50%	10/04/17

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)
 DECEMBER 31, 2007

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATED MATURITY

BONDS AND NOTES (b) - (CONTINUED)			
	INDIA - 1.9%		
65,000,000	JPMorgan Chase Bank NA, Credit Linked Note (INR) (c)	8.07%	01/15/17
28,000,000	JPMorgan International Derivatives (GBP)	7.49%	09/08/08
	INDONESIA - 1.2%		
990,000	BLT Finance BV (USD)	7.50%	05/15/14
120,000	Majapahit Holding BV (USD)	7.75%	10/17/16
670,000	Majapahit Holding BV (USD)	7.25%	06/28/17
	MEXICO - 3.3%		
330,000	Desarrolladora Homex SA (USD)	7.50%	09/28/15
17,300,000	Mexican Fixed Rate Bonds (MXN)	8.00%	12/07/23
15,580,000	Mexican Fixed Rate Bonds (MXN)	9.50%	12/18/14
7,250,000	Mexican Fixed Rate Bonds (MXN)	9.00%	12/20/12
60,000	Urbi, Desarrollos Urbanos SA de CV (USD)	8.50%	04/19/16

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	NIGERIA - 0.7%			
1,000,000	GTB Finance BV (USD)	8.50%	01/29/12	
	PAKISTAN - 1.0%			
670,000	Islamic Republic of Pakistan (USD)	6.88%	06/01/17	
830,000	Pakistan Mobile Communication (USD)	8.63%	11/13/13	
	PERU - 2.4%			
6,040,000	Peru Bono Soberano (PEN)	7.84%	08/12/20	
790,000	Republic of Peru (USD)	6.55%	03/14/37	
	PHILIPPINES - 0.9%			
1,000,000	Republic of Philippines (USD)	8.25%	01/15/14	
	RUSSIA - 2.4%			
830,000	Alfa Bond ISS (USD) (c)	8.64%	02/22/17	
10,400,000	GPB Eurobond Finance PLC (RUB)	7.25%	02/22/10	
44,840,981	Red Arrow International Leasing PLC (RUB)	8.38%	06/30/12	
	SERBIA - 1.1%			
1,460,000	Republic of Serbia (USD) (d)	3.75%	11/01/24	
	SOUTH AFRICA - 1.2%			
10,770,000	Republic of South Africa Government Bond (ZAR)	10.00%	02/28/09	
	TURKEY - 4.8%			
730,000	Republic of Turkey (USD)	8.00%	02/14/34	
1,380,000	Turkey Government Bond (TRY)	10.00%	02/15/12	
4,780,000	Turkey Government Bond (TRY)	16.00%	03/07/12	

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)
 DECEMBER 31, 2007

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATED MATURITY
-----	-----	-----	-----

BONDS AND NOTES (b) - (CONTINUED)

UKRAINE - 3.6%

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800,000	Alfa Bank Ukraine (USD)	9.75%	12/22/09
1,070,000	EX-IM Bank of Ukraine (USD)	7.65%	09/07/11
4,000,000	JSCB Ukrspotsbank, Credit Linked Note (USD)	12.00%	10/15/12
500,000	UBS AG Jersey Branch (USD)	9.13%	06/21/10
1,480,000	UKraine Government International Bond (USD)	6.75%	11/14/17
URUGUAY - 3.0%			
1,390,000	Republic Orient Uruguay (USD)	7.63%	03/21/36
37,710,000	Republic Orient Uruguay (UYU)	5.00%	09/14/18
8,560,000	Republic Orient Uruguay (UYU)	4.25%	04/05/27
VENEZUELA - 5.6%			
2,670,000	Petroleos de Venezuela SA (USD)	5.38%	04/12/27
1,370,000	Republic of Venezuela (USD)	5.75%	02/26/16
2,600,000	Republic of Venezuela (USD)	7.65%	04/21/25
2,250,000	Republic of Venezuela (USD)	9.25%	09/15/27
TOTAL BONDS AND NOTES			
(Cost \$72,670,853)			

SHARES	DESCRIPTION

COMMON STOCKS - 45.9%	
ARGENTINA - 0.8%	
23,200	Tenaris SA, ADR
BRAZIL - 7.6%	
52,300	Banco Bradesco SA, ADR
78,000	Companhia Vale do Rio Doce, ADR
45,370	Lojas Renner SA
22,300	Petroleo Brasileiro SA, ADR
43,000	Souza Cruz SA
28,000	Telecomunicacoes de Sao Paulo SA
24,600	Ultrapar Participacoes SA, Preference Shares
CHILE - 1.1%	
29,000	Banco Santander Chile SA, ADR
CHINA - 5.8%	
95,000	China Mobile Ltd.
170,000	CLP Holdings Ltd.
300,000	Dah Sing Banking Group Ltd.
200,000	Hang Lung Group Ltd.
920,000	PetroChina Company Ltd., H Shares

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)
 DECEMBER 31, 2007

SHARES	DESCRIPTION

COMMON STOCKS - (CONTINUED)	
	CHINA - (CONTINUED)
490,000	Swire Pacific Ltd., B Shares
	CZECH REPUBLIC - 1.1%
9,000	Erste Bank der Oesterreichischen Sparkassen AG.
3,000	Komerčni Banka AS
	HUNGARY - 1.0%
5,300	Richter Gedeon, Sponsored GDR
	INDIA - 4.5%
75,000	Gail India Ltd.
20,000	Glaxosmithkline Pharmaceuticals Ltd.
8,000	Grasim Industries Ltd.
40,000	Hero Honda Motors Ltd.
13,000	Housing Development Finance Corp. Ltd.
33,000	ICICI Bank Ltd.
74,000	Satyam Computer Services Ltd.
	INDONESIA - 1.7%
300,000	PT Astra International Tbk
1,800,000	PT Unilever Indonesia Tbk
	MALAYSIA - 1.8%
68,000	British American Tobacco Malaysia Berhad
455,000	Public Bank Berhad
	MEXICO - 5.1%
48,900	Fomento Economico Mexicano, S.A.B. de C.V., Sponsored ADR
34,000	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., ADR
361,000	Grupo Continental, S.A.B.
297,000	Grupo Financiero Banorte, S.A.B. de C.V., O Shares
274,000	Kimberly-Clark de Mexico, S.A.B. de C.V., A Shares
390,000	SARE Holding S.A.B de C.V., B Shares (e)
	PHILIPPINES - 1.1%

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970,000	Bank of the Philippine Islands
	QATAR - 0.6%
16,000	Qatar Insurance Company (e)
	RUSSIA - 1.0%
15,000	LUKOIL, ADR

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)
 DECEMBER 31, 2007

SHARES	DESCRIPTION

COMMON STOCKS - (CONTINUED)	
	SOUTH AFRICA - 1.9%
162,000	Massmart Holdings Ltd.
188,000	Truworths International Ltd.
	SOUTH KOREA - 3.5%
55,000	Pusan Bank
6,300	Samsung Electronics Company Ltd., Preference Shares
850	Shinsegae Company Ltd.
	TAIWAN - 3.1%
1,000,000	Fubon Financial Holdings Company, Ltd.
1,140,000	Taiwan Mobile Company, Ltd.
823,599	Taiwan Semiconductor Manufacturing Company, Ltd.
	THAILAND - 1.9%
220,000	PTT Exploration and Production Public Company Ltd.
200,000	Siam Cement Public (The) Company Ltd.
	TURKEY - 2.3%
249,000	Aksigorta AS
9,000	Bim Birlesik Magazalar AS
35,350	Migros Turk TAS
	TOTAL COMMON STOCKS
	(Cost \$ 44,061,928)

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TOTAL INVESTMENTS - 103.6%
 (Cost \$116,732,781) (f)

 LOAN OUTSTANDING - (6.2)%
 NET OTHER ASSETS AND LIABILITIES - 2.6%

 NET ASSETS - 100.0%

- (a) All percentages shown in the Portfolio of Investments are based on net assets.
- (b) Fixed-income portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the Sub-Advisor.
- (c) Variable rate security. The interest rate shown reflects the rate in effect at December 31, 2007.
- (d) Step-up security. A security where the coupon increases or steps up at a predetermined date. Interest rate shown reflects the rate in effect at December 31, 2007.
- (e) Non-income producing security.
- (f) Aggregate cost for federal income tax purposes is \$117,601,678.

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)
 DECEMBER 31, 2007

ADR American Depositary Receipt
 ARS Argentine Peso
 BRL Brazilian Real
 COP Colombian Peso
 EGP Egyptian Pound
 GBP British Pound Sterling
 GDR Global Depositary Receipt
 INR Indian Rupee
 MXN Mexican Peso
 PEN Peruvian New Sol
 RUB Russian Ruble
 TRY Turkish Lira
 USD United States Dollar
 UYU Uruguayan Peso
 ZAR South African Rand

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 SCHEDULE OF FORWARD FOREIGN CURRENCY CONTRACTS

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DECEMBER 31, 2007

FORWARD FOREIGN CURRENCY CONTRACTS TO BUY
CONTRACTS TO RECEIVE

EXPIRATION DATE	LOCAL CURRENCY (a)	VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS	NET UNREALIZED DEPRECIATION OF CONTRACTS	
01/25/08	BRL	1,407,000	\$ 787,317	\$ 793,570	\$ --	\$ (6,253)
01/25/08	COP	3,798,018,000	1,874,638	1,869,103	5,535	--
01/25/08	MXN	13,646,000	1,248,071	1,267,215	--	(19,144)
					\$ 5,535	\$ (25,397)

FORWARD FOREIGN CURRENCY CONTRACTS TO SELL
CONTRACTS TO DELIVER

EXPIRATION DATE	LOCAL CURRENCY (a)	VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS	NET UNREALIZED DEPRECIATION OF CONTRACTS	
01/25/08	BRL	5,231,000	\$2,927,117	\$ 2,849,128	\$ --	\$ (77,989)
01/25/08	COP	3,798,018,000	1,874,638	1,851,788	--	(22,850)
01/25/08	MXN	32,069,000	2,933,049	2,944,001	10,952	--
01/25/08	TRY	4,533,000	3,834,200	3,650,934	--	(183,266)
01/25/08	ZAR	9,944,000	1,448,204	1,488,188	39,984	--
					\$ 50,936	\$ (284,105)
Unrealized Appreciation (Depreciation)				\$ 56,471	\$ (309,502)	
Net Unrealized Appreciation (Depreciation)					\$ (253,031)	

(a) Please see page 14 for currency descriptions.

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2007

ASSETS:
Investments, at value

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(Cost \$116,732,781)	\$ 132,706,937
Cash	1,896,752
Foreign currency (Cost \$393,239)	392,379
Unrealized appreciation on forward foreign currency contracts	56,471
Prepaid expenses	688
Receivables:	
Interest	1,634,766
Investment securities sold	130,375
Dividends	52,335

Total Assets	136,870,703

LIABILITIES:	
Unrealized depreciation on forward foreign currency contracts	309,502
Payables:	
Outstanding loan	8,000,000
Investment advisory fees	116,394
Printing fees	68,940
Audit and tax fees	63,515
Foreign capital gains tax	52,950
Legal fees	49,710
Custodian fees	48,800
Interest and fees due on loan	16,394
Administrative fees	11,639
Transfer agent fees	4,317
Trustees' fees and expenses	769
Accrued expenses and other liabilities	15,640

Total Liabilities	8,758,570

NET ASSETS	\$ 128,112,133
	=====
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 112,378,461
Par value	59,052
Accumulated net investment income (loss)	(533,901)
Accumulated net realized gain (loss) on investments sold, forward foreign currency contracts and foreign currency transactions	469,318
Net unrealized appreciation (depreciation) on investments, forward foreign currency contracts and foreign currency translation	15,739,203

NET ASSETS	\$ 128,112,133
	=====
NET ASSET VALUE, per Common Share (par value \$0.01 per Common Share) ..	\$ 21.69
	=====
Number of Common Shares outstanding (unlimited number of Common Shares has been authorized)	5,905,236
	=====

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INVESTMENT INCOME:	
Interest (net of foreign withholding tax of \$58,560)	\$ 6,438,200
Dividends (net of foreign withholding tax of \$130,160)	1,603,215

Total investment income	8,041,415

EXPENSES:	
Investment advisory fees	1,350,291
Interest and fees on loan	587,874
Custodian fees	193,918
Administration fees	135,029
Legal fees	64,562
Audit and tax fees	58,423
Trustees' fees and expenses	40,560
Transfer agent fees	29,168
Printing fees	18,864
Other	105,251

Total expenses	2,583,940

NET INVESTMENT INCOME	5,457,475

NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments	6,528,524
Forward foreign currency contracts	(2,331,326)
Foreign currency transactions	1,324,393

Net realized gain (loss)	5,521,591

Net change in unrealized appreciation (depreciation) on:	
Investments (a)	5,812,225
Forward foreign currency contracts	496,777
Foreign currency translation	(6,783)

Net change in unrealized appreciation (depreciation)	6,302,219

NET REALIZED AND UNREALIZED GAIN (LOSS)	11,823,810

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 17,281,285
	=====

(a) Change in unrealized appreciation (depreciation) on investments is net of decrease in foreign capital gains tax payable of \$52,950.

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
STATEMENTS OF CHANGES IN NET ASSETS

YEAR	PERIOD
ENDED	ENDED
12/31/2007	12/31/2006

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OPERATIONS:		
Net investment income (loss)	\$ 5,457,475	\$ 1,706,
Net realized gain (loss)	5,521,591	(111,
Net change in unrealized appreciation (depreciation)	6,302,219	9,436,
	-----	-----
Net increase (decrease) in net assets resulting from operations ...	17,281,285	11,032,
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(4,640,236)	(1,857,
Net realized gain	(6,048,241)	
Return of capital	--	(209,
	-----	-----
Total distributions to shareholders	(10,688,477)	(2,066,
	-----	-----
CAPITAL TRANSACTIONS:		
Net proceeds from sale of 5,905,236 Common Shares	--	112,790,
Offering costs	--	(236,
	-----	-----
Total capital transactions	--	112,553,
	-----	-----
Net increase (decrease) in net assets	6,592,808	121,519,
	-----	-----
NET ASSETS:		
Beginning of period	121,519,325	
	-----	-----
End of period	\$ 128,112,133	\$ 121,519,
	=====	=====
Accumulated net investment income (loss) at end of period	\$ (533,901)	\$ (235,
	=====	=====

(a) Initial seed date of July 14, 2006. The Fund commenced operations on August 28, 2006.

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase in net assets resulting from operations	\$ 17,281,285
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments	(124,637,315)
Sales and maturities of investments	130,693,958
Net amortization/accretion of premium/discount on investments	(207,780)
Net realized gain on investments	(6,528,524)
Net change in unrealized appreciation (depreciation) on investments	(5,812,225)
CHANGES IN ASSETS AND LIABILITIES:	
Decrease in net unrealized appreciation (depreciation) on forward foreign	

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currency contracts	(496,777)
Decrease in dividends receivable	24,039
Decrease in interest receivable	202,652
Decrease in prepaid expenses	10,731
Increase in receivable for investment securities sold	(34,070)
Decrease in payable for investment securities purchased	(38,598)
Decrease in interest and fees due on loan payable	(26,457)
Increase in investment advisory fees payable	7,330
Increase in audit and tax fees payable	7,816
Increase in legal fees payable	12,886
Decrease in printing fees payable	(17,812)
Decrease in transfer agent fees payable	(1,199)
Increase in administrative fees payable	733
Decrease in custodian fees payable	(136)
Increase in Trustees' fees and expenses payable	769
Increase in accrued expenses and other liabilities	13,504

CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions to Common Shareholders	(10,688,477)
Issuances of loan	4,000,000
Repayments of loan	(3,000,000)

CASH USED BY FINANCING ACTIVITIES	
Increase in cash and foreign currency (a)	
Cash and foreign currency at beginning of period	
Cash and foreign currency at end of period	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the period for interest and fees	

(a) Includes net change in unrealized appreciation (depreciation) on foreign currency of \$(2,438).

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
FINANCIAL HIGHLIGHTS
FOR A COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	YEAR ENDED 12/31/2007	PER EN 12/31/2
	-----	-----
Net asset value, beginning of period	\$ 20.58	\$

INCOME FROM INVESTMENT OPERATIONS:		
Net investment income (loss)	0.92	
Net realized and unrealized gain (loss)	2.00	

Total from investment operations	2.92	

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DISTRIBUTIONS PAID TO SHAREHOLDERS FROM:		
Net investment income	(0.79)	
Net realized gain	(1.02)	
Return of capital	--	
Total distributions	(1.81)	
Common Share offering costs charged to paid-in capital	--	
Net asset value, end of period	\$ 21.69	\$
Market value, end of period	\$ 19.50	\$
TOTAL RETURN BASED ON NET ASSET VALUE (c) (d)	15.74%	
TOTAL RETURN BASED ON MARKET VALUE (d) (e)	12.53%	

RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:

Net assets, end of period (in 000's)	\$ 128,112	\$
Ratio of total expenses to average net assets	2.04%	
Ratio of total expenses to average net assets excluding interest expense ..	1.58%	
Ratio of net investment income to average net assets	4.31%	
Portfolio turnover rate	95%	

DEBT:

Loan outstanding (in 000's)	\$ 8,000	\$
Asset coverage per \$1,000 of indebtedness (g)	\$ 17,014	\$

- (a) Initial seed date of July 14, 2006. The Fund commenced operations on August 28, 2006.
- (b) Net of sales load of \$0.90 per Common Share on initial offering.
- (c) Total return based on net asset value is the combination of reinvested dividend distributions and reinvested capital gains distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in net asset value per share and does not reflect sales load.
- (d) Total return is not annualized for periods less than one year.
- (e) Total return based on market value is the combination of reinvested dividend distributions and reinvested capital gains distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in Common Share market price per share, all based on Common Share market price per share.
- (f) Annualized
- (g) Calculated by subtracting the Fund's total liabilities (not including the loan outstanding) from the Fund's total assets, and dividing by the outstanding loan balance.

NOTES TO FINANCIAL STATEMENTS

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
DECEMBER 31, 2007

1. FUND DESCRIPTION

First Trust/Aberdeen Emerging Opportunity Fund (the "Fund") is a diversified, closed-end management investment company organized as a Massachusetts business trust on May 16, 2006 and is registered with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund trades under the ticker symbol FEO on the New York Stock Exchange ("NYSE").

The Fund's investment objective is to seek a high level of total return. The Fund pursues its objective by investing at least 80% of its Managed Assets in a diversified portfolio of equity and fixed-income securities of issuers in emerging market countries. "Managed Assets" means the average daily gross asset value of the Fund (including assets attributable to the Fund's Preferred Shares, if any, and the principal amount of any borrowings) minus the sum of the Fund's accrued and unpaid dividends on any outstanding Preferred Shares and accrued liabilities (other than the principal amount of any borrowings incurred or commercial paper or notes issued by the Fund). There can be no assurance that the Fund's investment objective will be achieved.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. PORTFOLIO VALUATION:

The net asset value ("NAV") of the Fund's Common Shares is determined as of the close of regular trading on the NYSE, normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. Domestic debt securities and foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. The NAV per Common Share is calculated by subtracting the Fund's liabilities (including accrued expenses, dividends payable and any borrowings of the Fund) and the liquidation value of any outstanding Preferred Shares, if any, from the Fund's Total Assets (the value of the securities and other investments the Fund holds plus cash or other assets, including interest accrued but not yet received) and dividing the result by the total number of Common Shares outstanding.

The Fund's investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund's Board of Trustees. A majority of the Fund's assets are valued using market information supplied by third parties. In addition, structured products, including currency-linked notes and credit-linked notes, as well as interest rate swaps and credit default swaps, are valued using a pricing service or quotes provided by the selling dealer or financial institution. In the event that market quotations are not readily available, the pricing service does not provide a valuation for a particular asset, or the valuations are deemed unreliable, First Trust Advisors L.P. ("First Trust") may use a fair value method to value the Fund's securities and investments.

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Additionally, if events occur after the close of the principal markets for particular securities (e.g., domestic debt and foreign securities), but before the Fund values its assets, that could materially affect NAV, First Trust may use a fair value method to value the Fund's securities and investments. The use of fair value pricing by the Fund is governed by valuation procedures adopted by the Fund's Board of Trustees, and in accordance with the provisions of the 1940 Act.

Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") are valued at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities trading 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. Short-term investments that mature in less than 60 days are valued at amortized cost.

B. FORWARD FOREIGN CURRENCY CONTRACTS:

Forward foreign currency contracts are agreements to exchange one currency for another at a future date and at a specified price. The Fund may use forward foreign currency contracts to facilitate transactions in foreign securities and to manage the Fund's foreign currency exposure. These contracts are valued daily, and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the Statement of Assets and Liabilities. Realized and unrealized gains and losses are included in the

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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND DECEMBER 31, 2007

Statement of Operations. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Due to the risks, the Fund could incur losses up to the entire contract amount, which may exceed the net unrealized value shown in the Schedule of Forward Foreign Currency Contracts.

C. CREDIT LINKED NOTES:

The Fund invests in credit linked notes. Credit linked notes are securities that are collateralized by one or more designated securities that are referred to as "reference securities". Through the purchase of a credit linked note, the buyer assumes the risk of the default or, in some cases, other declines in credit quality of the reference securities. The buyer also takes on exposure to the issuer of the credit linked note in the full amount of the purchase price of the note. The issuer of a credit linked note normally will have hedged its risk on

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the reference securities without acquiring any additional credit exposure. The Fund has the right to receive periodic interest payments from the issuer of the credit linked note at an agreed-upon interest rate, and, if there has been no default or, if applicable, other declines in credit quality, a return of principal at the maturity date.

Credit linked notes are subject to credit risk of the reference securities underlying the credit linked notes. If one of the underlying reference securities defaults or suffers certain other declines in credit quality, the Fund may, instead of receiving repayment of principal in whole or in part, receive the security that has defaulted.

Credit linked notes typically are privately negotiated transactions between two or more parties. The Fund bears the risk that the issuer of the credit linked note will default or become bankrupt. The Fund bears the risk of loss of the principal amount it invested, and the periodic interest payments expected to be received for the duration of its investment in the credit linked note.

The market for credit linked notes may suddenly become illiquid. The other parties to the transaction may be the only investors with sufficient understanding of the derivative to be interested in bidding for it. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for credit linked notes. In certain cases, a market price for a credit linked note may not be available.

D. SECURITIES TRANSACTIONS AND INVESTMENT INCOME:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis, including amortization of premiums and accretion of discounts.

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

E. FOREIGN CURRENCY:

The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investment securities and items of income and expense are translated on the respective dates of such transactions. Unrealized gains and losses which result from changes in foreign currency exchange rates have been included in "Net change in unrealized appreciation (depreciation) on foreign currency translation" on the Statement of Operations. Net realized foreign currency gains and losses include the effect of changes in exchange rates between trade date and settlement date on investment security transactions, foreign currency transactions and interest and dividends received. The portion of foreign currency gains and losses related to fluctuations in exchange rates between the initial purchase trade date and subsequent sale trade date is included in "Net realized gain (loss) on foreign currency transactions" on the Statement of Operations.

F. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:

Level dividend distributions are declared and paid quarterly to Common Shareholders after the payment of interest and/or dividends in connection with

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leverage. The level dividend rate may be modified by the Board of Trustees from time to time. If, for any quarterly distribution, net investment company taxable income, if any (which term includes net short-term capital gain), is less than the amount of the distribution, the difference will generally be a tax-free return of capital distributed from the Fund's assets. Distributions of any net long-term capital gains earned by the Fund are distributed at least annually. Distributions will automatically be reinvested into additional Common Shares pursuant to the Fund's Dividend Reinvestment Plan unless cash distributions are elected by the shareholder.

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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
DECEMBER 31, 2007

Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund. Permanent differences incurred during the year ended December 31, 2007, resulting in book and tax accounting differences, have been reclassified at year end to reflect a decrease to accumulated net investment income (loss) by \$1,115,422, an increase in accumulated net realized gain (loss) of \$1,022,180 and an increase to paid-in capital of \$93,242. Net assets were not affected by these reclassifications.

The tax character of distributions paid during the year ended December 31, 2007 and the period ended December 31, 2006, was as follows:

	2007	2006
	-----	-----
Ordinary Income	\$ 8,313,201	\$ 1,857,306
Long-Term Capital Gains	2,375,276	--
Return of Capital	--	209,527

As of December 31, 2007, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 258,076
Accumulated Long-Term Gains	\$ 493,788
Net Unrealized Appreciation (Depreciation)	\$ 14,922,756

G. INCOME TAXES:

The Fund intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, and to distribute substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal or state income taxes.

In June 2006, Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109 ("FIN 48"), was issued and is effective for fiscal years beginning after December 15, 2006. This Interpretation prescribes a minimum threshold for

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financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. As of December 31, 2007, management has evaluated the application of FIN 48 to the Fund, and has determined that there is no material impact resulting from the adoption of this Interpretation on the Fund's financial statements.

H. EXPENSES:

The Fund pays all expenses directly related to its operations.

I. ORGANIZATION AND OFFERING COSTS:

Organization costs consisted of costs incurred to establish the Fund and enable it to legally conduct business. These costs included filing fees, listing fees, legal services pertaining to the organization of the business and audit fees relating to the initial registration and auditing the initial statement of assets and liabilities, among other fees. Offering costs consisted of legal fees pertaining to the Fund's Common Shares offered for sale, registration fees, underwriting fees, and printing of the initial prospectus, among other fees. First Trust and Aberdeen Asset Management Inc. have paid all organization expenses and all offering costs of the Fund (other than sales load) that exceeded \$0.04 per Common Share. The Fund's share of Common Share offering costs of \$236,210 was recorded as a reduction of the proceeds from the sale of Common Shares during the period ended December 31, 2006.

J. ACCOUNTING PRONOUNCEMENT:

In September 2006, Statement of Financial Accounting Standards No. 157 Fair Value Measurements ("SFAS 157") was issued by FASB and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. At this time, management is evaluating the implications of SFAS 157 and its impact on the Fund's financial statements, if any, has not been determined.

3. INVESTMENT ADVISORY FEE AND OTHER AFFILIATED TRANSACTIONS

First Trust is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. First Trust serves as investment advisor to the Fund pursuant to an Investment Management Agreement. First Trust is responsible for the ongoing monitoring of the Fund's investment portfolio, managing the Fund's business affairs and certain administrative services necessary for the management of the Fund. For these services, First Trust is entitled to a monthly fee calculated at an annual rate of 1.00% of the Fund's Managed Assets.

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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
DECEMBER 31, 2007

Aberdeen Asset Management Inc. (the "Sub-Advisor") serves as the Fund's sub-advisor and manages the Fund's portfolio subject to First Trust's supervision. The Sub-Advisor receives an annual portfolio management fee calculated at an annual rate of 0.50% of Managed Assets that is paid by First

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Trust out of its investment advisory fee.

PFPC Inc. ("PFPC"), an indirect, majority-owned subsidiary of The PNC Financial Services Group, Inc., serves as the Fund's Administrator and Transfer Agent in accordance with certain fee arrangements. PFPC Trust Company, also an indirect, majority-owned subsidiary of The PNC Financial Services Group, Inc., serves as the Fund's Custodian in accordance with certain fee arrangements.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates ("Independent Trustees") is paid an annual retainer of \$10,000 per trust for the first 14 trusts of the First Trust Fund Complex and an annual retainer of \$7,500 per trust for each subsequent trust added to the First Trust Fund Complex. The annual retainer is allocated equally among each of the trusts. No additional meeting fees are paid in connection with board or committee meetings.

Additionally, the Lead Independent Trustee is paid \$10,000 annually and the Chairman of the Audit Committee is paid \$5,000 annually with such compensation paid by the trusts in the First Trust Fund Complex and divided among those trusts. Trustees are also reimbursed by the trusts in the First Trust Fund Complex for travel and out-of-pocket expenses in connection with all meetings. Effective January 1, 2008, each of the chairmen of the Nominating and Governance Committee and the Valuation Committee will be paid \$2,500 annually to serve in such capacities with such compensation paid by the trusts in the First Trust Fund Complex and divided among those trusts. Also effective January 1, 2008, each committee chairman will serve two years before rotating to serve as chairman of another committee.

4. PURCHASES AND SALES OF SECURITIES

Cost of purchases and proceeds from sales of securities, other than U.S. government obligations and short-term obligations, for the year ended December 31, 2007, were \$124,637,315 and \$ 130,693,958, respectively.

As of December 31, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$18,107,872 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$3,002,613.

5. COMMON SHARES

As of December 31, 2007, 5,905,236 of \$0.01 par value Common Shares were issued and outstanding. An unlimited number of Common Shares has been authorized for the Fund's Dividend Reinvestment Plan.

6. PREFERRED SHARES OF BENEFICIAL INTEREST

The Fund's Declaration of Trust authorizes the issuance of preferred shares of beneficial interest (the "Preferred Shares"), with rights as determined by the Board of Trustees without the approval of Common Shareholders. As of December 31, 2007, no Preferred Shares had been issued.

7. REVOLVING LOAN AGREEMENT

The Fund has entered into a revolving loan agreement with certain primary and secondary lenders, which provides for a credit facility to be used as leverage for the Fund. The credit facility provides for a secured line of credit for the Fund where Fund assets are pledged against advances made to the Fund. Under the requirements of the 1940 Act, the Fund, immediately after any such borrowings, must have an "asset coverage" of at least 300% (33-1/3% of the Fund's total assets after borrowings). The total commitment under the facility is up to \$28,000,000. For the year ended December 31, 2007, the average amount

outstanding was \$8,427,397. The high and low annual interest rates during the year ended December 31, 2007, were 6.05% and 5.31%, respectively, and the weighted average interest rate was 5.90%. The interest rate at December 31, 2007 was 5.68%. The Fund also pays a commitment fee of 0.325% per year, which is included in "Interest and fees on loan" on the Statement of Operations. The revolving loan agreement has been extended until November 17, 2008.

8. INDEMNIFICATION

The Fund has a variety of indemnification obligations under contracts with its service providers. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

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NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
DECEMBER 31, 2007

9. RISK CONSIDERATIONS

INVESTMENT AND MARKET RISK: An investment in the Fund's Common Shares is subject to investment risk, including the possible loss of the entire principal invested. An investment in Common Shares represents an indirect investment in the securities owned by the Fund, which include a global bond and equity portfolio of investment grade and below-investment grade government and corporate debt securities. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Common Shares, at any point in time, may be worth less than the original investment, even after taking into account the reinvestment of Fund dividends and distributions. Security prices can fluctuate for several reasons including the general condition of the bond market, or when political or economic events affecting the issuers occur.

NON-INVESTMENT GRADE SECURITIES RISK: The Fund may invest up to 80% of its Managed Assets in non-investment grade securities. Non-investment grade securities are rated below "Baa3" by Moody's Investors Service, Inc., below "BBB-" by Standard & Poor's, or comparably rated by another nationally recognized statistical rating organization or, if unrated, determined by the Sub-Advisor to be of comparable credit quality. Non-investment grade debt instruments are commonly referred to as "high-yield" or "junk" bonds and are considered speculative with respect to the issuer's capacity to pay interest and repay principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for high-yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities.

EMERGING MARKETS RISK: Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in equity or fixed-income securities of issuers located in countries considered to be emerging markets. Investments in such securities are considered speculative. In addition to the general risks of investing in non-U.S. securities, heightened risks of investing in emerging markets securities include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of

investment income and capital. Furthermore, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies. The currencies of emerging market countries may experience significant declines against the U.S. Dollar, and devaluation may occur subsequent to investments in these currencies by the Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

FIXED-INCOME SECURITIES RISK: Debt securities, including high yield securities, are subject to certain risks, including: (i) issuer risk, which is the risk that the value of fixed-income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services; (ii) reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the Fund portfolio's current earnings rate; (iii) prepayment risk, which is the risk that during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities; and (iv) credit risk, which is the risk that a security in the Fund's portfolio will decline in price or the issuer fails to make interest payments when due because the issuer of the security experiences a decline in its financial status.

INTEREST RATE RISK: The Fund is also subject to interest rate risk. Interest rate risk is the risk that fixed-income securities will decline in value because of changes in market interest rates. Investments in debt securities with long-term maturities may experience significant price declines if long-term interest rates increase.

NON-U.S. RISK: Investments in the securities and instruments of non-U.S. issuers involve certain considerations and risks not ordinarily associated with investments in securities and instruments of U.S. issuers. Non-U.S. companies are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Non-U.S. securities exchanges, brokers and listed companies may be subject to less government supervision and regulation than exists in the United States. Dividend and interest income may be subject to withholding and other non-U.S. taxes, which may adversely affect the net return on such investments. There may be difficulty in obtaining or enforcing a court judgment abroad.

CREDIT LINKED NOTES RISK: The Fund may invest up to 35% of its managed assets in credit linked notes. Credit linked notes are subject to credit risk of the reference securities underlying the credit linked notes. If one of the underlying reference securities defaults or suffers certain other declines in credit quality, the Fund may, instead of receiving repayment of principal in whole or in part, receive the security that has defaulted. The Fund also bears the risk that the issuer of the credit linked note will default or become bankrupt. The Fund bears the risk of loss of the principal amount it invested and the periodic interest payments expected to be received for the duration of its investment in the credit linked note.

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LEVERAGE RISK: The Fund may use leverage for investment purposes, to finance the repurchase of its common shares and to meet cash requirements. Leverage involves risks and special considerations for common shareholders including: (i) the likelihood of greater volatility of net asset value and market price of the common shares; (ii) the risk that fluctuations in interest rates on borrowings and short-term debt or in the dividend rates on any preferred shares that the Fund may pay will reduce return; (iii) the effect of leverage in a declining market, which is likely to cause a greater decline in the net asset value than if the Fund were not leveraged; and (iv) when the Fund uses financial leverage, the investment advisory fee payable to the advisor (and by the advisor to the sub-advisor) will be higher than if the Fund did not use leverage. Additionally, the Fund relies on a line of credit provided by a lending institution to facilitate its leverage strategy. In periods of market volatility and uncertainty in debt markets, the lending institution may choose to terminate the line of credit, adversely affecting the Fund's investment flexibility.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF TRUSTEES AND SHAREHOLDERS OF FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND

We have audited the accompanying statement of assets and liabilities of First Trust/Aberdeen Emerging Opportunity Fund (the "Fund"), including the portfolio of investments, as of December 31, 2007, the related statements of operations and cash flows for the year then ended, and the statements of changes in net assets and financial highlights for the year then ended and for the period August 28, 2006 (commencement of operations) through December 31, 2006. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2007, by correspondence with the Fund's custodian and brokers; where replies were not received, we performed other auditing procedures. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to

above present fairly, in all material respects, the financial position of the Fund as of December 31, 2007, the results of its operations and its cash flows, changes in its net assets, and the financial highlights for the periods presented in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCH LLP

Chicago, Illinois
February 20, 2008

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ADDITIONAL INFORMATION

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
DECEMBER 31, 2007 (UNAUDITED)

DIVIDEND REINVESTMENT PLAN

If your Common Shares are registered directly with the Fund or if you hold your Common Shares with a brokerage firm that participates in the Fund's Dividend Reinvestment Plan (the "Plan"), unless you elect, by written notice to the Fund, to receive cash distributions, all dividends, including any capital gain distributions, on your Common Shares will be automatically reinvested by PFPC Inc. (the "Plan Agent"), in additional Common Shares under the Plan. If you elect to receive cash distributions, you will receive all distributions in cash paid by check mailed directly to you by PFPC Inc., as dividend paying agent.

If you decide to participate in the Plan, the number of Common Shares you will receive will be determined as follows:

- (1) If Common Shares are trading at or above NAV at the time of valuation, the Fund will issue new shares at a price equal to the greater of (i) NAV per Common Share on that date or (ii) 95% of the market price on that date.
- (2) If Common Shares are trading below NAV at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the NYSE or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the m-1.00em">West Corporation

Term Loan, 3.25%, Maturing June 30, 2018

1,689

1,688,242

\$
33,349,534

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Cable and Satellite Television 3.1%		
Cequel Communications, LLC		
Term Loan, 3.50%, Maturing February 14, 2019	802	\$ 804,253
Crown Media Holdings, Inc.		
Term Loan, 4.00%, Maturing July 14, 2018	119	118,072
MCC Iowa, LLC		
Term Loan, 3.25%, Maturing January 29, 2021	491	488,641
Term Loan, 3.75%, Maturing June 30, 2021	422	419,176
Mediacom Illinois, LLC		
Term Loan, 3.15%, Maturing October 23, 2017	381	380,571
Term Loan, 3.75%, Maturing June 30, 2021	249	248,489
Numericable U.S., LLC		
Term Loan, 4.50%, Maturing May 21, 2020	509	511,118
Term Loan, 4.50%, Maturing May 21, 2020	588	590,795
Sterling Entertainment Enterprises, LLC		
Term Loan, 3.18%, Maturing December 28, 2017	360	344,772
Virgin Media Bristol, LLC		
Term Loan, 3.50%, Maturing June 7, 2020	2,180	2,179,915
Virgin Media Investment Holdings Limited		
Term Loan, 4.25%, Maturing June 30, 2023	GBP 750	1,115,071
Ziggo B.V.		
Term Loan, 3.75%, Maturing January 15, 2022	EUR 191	205,749
Term Loan, 3.75%, Maturing January 15, 2022	EUR 297	319,381
Term Loan, 3.75%, Maturing January 15, 2022	EUR 537	578,084
		\$ 8,304,087
Chemicals and Plastics 6.9%		
Allnex (Luxembourg) & Cy S.C.A.		
Term Loan, 4.50%, Maturing October 3, 2019	146	\$ 146,057
Allnex USA, Inc.		
Term Loan, 4.50%, Maturing October 3, 2019	75	75,782
Aruba Investments, Inc.		
Term Loan, 5.25%, Maturing February 2, 2022	150	151,313
Axalta Coating Systems US Holdings, Inc.		
Term Loan, 3.75%, Maturing February 1, 2020	1,808	1,799,401
AZ Chem US, Inc.		
Term Loan, 4.50%, Maturing June 12, 2021	1,284	1,287,777
ECO Services Operations, LLC		
Term Loan, 4.75%, Maturing December 4, 2021	200	200,747
Emerald Performance Materials, LLC		
Term Loan, 4.50%, Maturing August 1, 2021	249	249,268
Term Loan - Second Lien, 7.75%, Maturing August 1, 2022	275	270,188
Flint Group GmbH		
Term Loan, 4.75%, Maturing September 7, 2021	74	74,151
Flint Group US, LLC		
Term Loan, 4.75%, Maturing September 7, 2021	448	448,551
Gemini HDPE, LLC		
Term Loan, 4.75%, Maturing August 7, 2021	821	821,905
Huntsman International, LLC		
Term Loan, 3.75%, Maturing August 12, 2021	973	979,249
Ineos US Finance, LLC		
Term Loan, 3.75%, Maturing May 4, 2018	2,516	2,505,661
Term Loan, 4.25%, Maturing March 31, 2022	EUR 225	241,856
Term Loan, 4.25%, Maturing March 31, 2022	350	350,656
Kronos Worldwide, Inc.		

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Term Loan, 4.75%, Maturing February 18, 2020	149	149,335
MacDermid, Inc.		
Term Loan, 4.50%, Maturing June 7, 2020	642	645,542
Term Loan, 4.75%, Maturing June 7, 2020	299	301,644

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Minerals Technologies, Inc.		
Term Loan, 4.00%, Maturing May 9, 2021	893	\$ 898,576
Orion Engineered Carbons GmbH		
Term Loan, 5.00%, Maturing July 25, 2021	274	275,221
Term Loan, 5.00%, Maturing July 25, 2021	EUR 473	513,780
OXEA Finance, LLC		
Term Loan, 4.25%, Maturing January 15, 2020	346	336,336
Term Loan - Second Lien, 8.25%, Maturing July 15, 2020	500	466,250
Polarpak, Inc.		
Term Loan, Maturing June 7, 2020 ⁽²⁾	CAD 1,050	821,770
PQ Corporation		
Term Loan, 4.00%, Maturing August 7, 2017	587	585,101
Solenis International L.P.		
Term Loan, 4.25%, Maturing July 31, 2021	149	149,110
Term Loan, 4.50%, Maturing July 31, 2021	EUR 473	511,493
Sonneborn Refined Products B.V.		
Term Loan, 5.50%, Maturing December 10, 2020	34	33,876
Sonneborn, LLC		
Term Loan, 5.50%, Maturing December 10, 2020	191	191,964
Tronox Pigments (Netherlands) B.V.		
Term Loan, 4.00%, Maturing March 19, 2020	1,496	1,497,948
Univar, Inc.		
Term Loan, 5.00%, Maturing June 30, 2017	1,685	1,685,016
		\$ 18,665,524
Conglomerates 1.3%		
Bestway UK Holdco Limited		
Term Loan, 5.26%, Maturing October 6, 2021	GBP 880	\$ 1,314,511
RGIS Services, LLC		
Term Loan, 5.50%, Maturing October 18, 2017	1,386	1,274,873
Spectrum Brands Europe GmbH		
Term Loan, 3.75%, Maturing September 4, 2019	EUR 469	507,433
Spectrum Brands, Inc.		
Term Loan, 3.50%, Maturing September 4, 2019	517	517,965
		\$ 3,614,782
Containers and Glass Products 2.0%		
Berry Plastics Holding Corporation		
Term Loan, 3.50%, Maturing February 8, 2020	1,054	\$ 1,052,249
Term Loan, 3.75%, Maturing January 6, 2021	294	295,018
Crown Americas, LLC		
Term Loan, 4.00%, Maturing October 22, 2021	748	756,249
Hilex Poly Co., LLC		
Term Loan, 6.00%, Maturing December 5, 2021	750	756,556
Libbey Glass, Inc.		
Term Loan, 3.75%, Maturing April 9, 2021	199	198,004
Pelican Products, Inc.		
Term Loan, 5.25%, Maturing April 10, 2020	434	432,908
Reynolds Group Holdings, Inc.		
Term Loan, 4.50%, Maturing December 1, 2018	1,648	1,656,236
TricorBraun, Inc.		
Term Loan, 4.01%, Maturing May 3, 2018	301	300,500
		\$ 5,447,720

Cosmetics/Toiletries 0.7%

Prestige Brands, Inc.

Term Loan, 4.50%, Maturing September 3, 2021	298	\$	299,481
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Revlon Consumer Products Corporation

Term Loan, 4.00%, Maturing October 8, 2019	582		582,482
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Sun Products Corporation (The)

Term Loan, 5.50%, Maturing March 23, 2020	1,043		1,009,225
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		\$	1,891,188
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Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Drugs 3.8%		
Alkermes, Inc.		
Term Loan, 3.50%, Maturing September 18, 2019	195	\$ 195,977
AMAG Pharmaceuticals, Inc.		
Term Loan, 7.25%, Maturing November 12, 2020	293	296,156
DPx Holdings B.V.		
Term Loan, 4.25%, Maturing March 11, 2021	422	420,494
Term Loan, 4.50%, Maturing March 11, 2021	EUR 324	350,466
Endo Luxembourg Finance Company I S.a.r.l.		
Term Loan, 3.25%, Maturing March 1, 2021	198	198,421
Ikaria, Inc.		
Term Loan, 5.00%, Maturing February 12, 2021	809	811,120
Par Pharmaceutical Companies, Inc.		
Term Loan, 4.00%, Maturing September 30, 2019	934	933,985
Salix Pharmaceuticals Ltd.		
Term Loan, 5.50%, Maturing January 2, 2020	1,302	1,303,535
Valeant Pharmaceuticals International, Inc.		
Term Loan, 3.50%, Maturing February 13, 2019	765	765,060
Term Loan, 3.50%, Maturing December 11, 2019	1,302	1,302,482
Term Loan, 3.50%, Maturing August 5, 2020	1,553	1,554,040
Term Loan, Maturing March 10, 2022 ⁽²⁾	781	785,236
Term Loan, Maturing March 13, 2022 ⁽²⁾	1,019	1,025,170
VWR Funding, Inc.		
Term Loan, 3.43%, Maturing April 3, 2017	317	317,209
		\$ 10,259,351
Ecological Services and Equipment 0.5%		
ADS Waste Holdings, Inc.		
Term Loan, 3.75%, Maturing October 9, 2019	969	\$ 960,535
EnergySolutions, LLC		
Term Loan, 6.75%, Maturing May 29, 2020	399	401,081
		\$ 1,361,616
Electronics/Electrical 12.6%		
Allflex Holdings III, Inc.		
Term Loan, 4.25%, Maturing July 17, 2020	320	\$ 320,525
Answers Corporation		
Term Loan, 6.25%, Maturing October 3, 2021	549	525,994
Applied Systems, Inc.		
Term Loan, 4.29%, Maturing January 25, 2021	420	420,369
Avago Technologies Cayman Ltd.		
Term Loan, 3.75%, Maturing May 6, 2021	2,655	2,664,111
Blue Coat Systems, Inc.		
Term Loan - Second Lien, 9.50%, Maturing June 28, 2020	400	410,500
Campaign Monitor Finance Pty Limited		
Term Loan, 6.25%, Maturing March 18, 2021	347	345,417
Carros Finance Luxembourg S.a.r.l.		
Term Loan, 4.50%, Maturing September 30, 2021	174	174,778
Cinedigm Digital Funding I, LLC		
Term Loan, 3.75%, Maturing February 28, 2018	119	119,186
CompuCom Systems, Inc.		
Term Loan, 4.25%, Maturing May 11, 2020	358	334,955
Dealertrack Technologies, Inc.		
Term Loan, 3.25%, Maturing February 28, 2021	239	237,833

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Dell, Inc.		
Term Loan, 4.50%, Maturing April 29, 2020	4,123	4,153,784
Eagle Parent, Inc.		
Term Loan, 4.00%, Maturing May 16, 2018	1,709	1,710,728
Entegris, Inc.		
Term Loan, 3.50%, Maturing April 30, 2021	209	208,419

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Excelitas Technologies Corp.		
Term Loan, 6.00%, Maturing October 31, 2020	414	\$ 416,515
Eze Castle Software, Inc.		
Term Loan, Maturing April 6, 2020 ⁽²⁾	858	857,060
FIDJI Luxembourg (BC4) S.a.r.l.		
Term Loan, 6.25%, Maturing December 24, 2020	380	381,187
Freescale Semiconductor, Inc.		
Term Loan, 4.25%, Maturing February 28, 2020	927	930,533
Go Daddy Operating Company, LLC		
Term Loan, 4.75%, Maturing May 13, 2021	2,380	2,392,228
Hyland Software, Inc.		
Term Loan, 4.75%, Maturing February 19, 2021	221	222,641
Infor (US), Inc.		
Term Loan, 3.75%, Maturing June 3, 2020	2,626	2,606,540
Lattice Semiconductor Corporation		
Term Loan, 5.25%, Maturing March 10, 2021	275	274,828
M/A-COM Technology Solutions Holdings, Inc.		
Term Loan, 4.50%, Maturing May 7, 2021	248	250,761
MA FinanceCo., LLC		
Term Loan, 4.50%, Maturing November 20, 2019	550	547,823
Term Loan, 5.25%, Maturing November 19, 2021	485	486,608
Magic Newco, LLC		
Term Loan, 5.00%, Maturing December 12, 2018	683	684,731
MH Sub I, LLC		
Term Loan, 5.00%, Maturing July 8, 2021	422	422,784
Microsemi Corporation		
Term Loan, 3.25%, Maturing February 19, 2020	637	637,117
Orbotech, Inc.		
Term Loan, 5.00%, Maturing August 6, 2020	224	221,771
Renaissance Learning, Inc.		
Term Loan, 4.50%, Maturing April 9, 2021	347	340,003
Term Loan - Second Lien, 8.00%, Maturing April 11, 2022	125	121,875
Rocket Software, Inc.		
Term Loan, 5.75%, Maturing February 8, 2018	216	216,524
Term Loan - Second Lien, 10.25%, Maturing February 8, 2019	250	250,937
RP Crown Parent, LLC		
Term Loan, 6.00%, Maturing December 21, 2018	2,228	2,198,395
SGS Cayman L.P.		
Term Loan, 6.00%, Maturing April 23, 2021	99	99,315
Shield Finance Co. S.a.r.l.		
Term Loan, 5.00%, Maturing January 29, 2021	347	348,305
Sirius Computer Solutions, Inc.		
Term Loan, 7.00%, Maturing December 7, 2018	214	215,911
SkillSoft Corporation		
Term Loan, 5.75%, Maturing April 28, 2021	1,070	1,058,661
Smart Technologies ULC		
Term Loan, 10.50%, Maturing January 31, 2018	288	286,995
Sophia L.P.		
Term Loan, 4.00%, Maturing July 19, 2018	619	619,142
SunEdison Semiconductor B.V.		
Term Loan, 6.50%, Maturing May 27, 2019	422	418,649
SurveyMonkey.com, LLC		
Term Loan, 5.50%, Maturing February 5, 2019	264	266,482
Sutherland Global Services, Inc.		
Term Loan, 6.00%, Maturing April 23, 2021	424	426,652
Sybil Software, LLC		
Term Loan, 4.75%, Maturing March 20, 2020	1,019	1,024,938

Vantiv, LLC

Term Loan, 3.75%, Maturing June 13, 2021

382

384,487

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Vertafore, Inc.		
Term Loan, 4.25%, Maturing October 3, 2019	1,016	\$ 1,017,671
Wall Street Systems Delaware, Inc.		
Term Loan, 4.50%, Maturing April 30, 2021	665	662,439
Zebra Technologies Corporation		
Term Loan, 4.75%, Maturing October 27, 2021	1,026	1,039,391
		\$ 33,956,498
Equipment Leasing 0.5%		
Flying Fortress, Inc.		
Term Loan, 3.50%, Maturing June 30, 2017	1,417	\$ 1,419,914
		\$ 1,419,914
Financial Intermediaries 5.7%		
Armor Holding II, LLC		
Term Loan, 5.75%, Maturing June 26, 2020	496	\$ 496,151
Term Loan - Second Lien, 10.25%, Maturing December 26, 2020	500	501,250
CITGO Funding, LLC		
Term Loan, 4.25%, Maturing June 29, 2018	1,522	1,522,206
Clipper Acquisitions Corp.		
Term Loan, 3.00%, Maturing February 6, 2020	269	266,074
First Data Corporation		
Term Loan, 3.67%, Maturing March 24, 2018	2,695	2,696,662
Term Loan, 3.67%, Maturing September 24, 2018	950	950,831
Grosvenor Capital Management Holdings, LLP		
Term Loan, 3.75%, Maturing January 4, 2021	582	577,787
Guggenheim Partners, LLC		
Term Loan, 4.25%, Maturing July 22, 2020	667	670,070
Hamilton Lane Advisors, LLC		
Term Loan, 4.00%, Maturing February 28, 2018	259	259,027
Harbourvest Partners, LLC		
Term Loan, 3.25%, Maturing February 4, 2021	400	396,358
Home Loan Servicing Solutions Ltd.		
Term Loan, 4.50%, Maturing June 26, 2020	516	505,806
LPL Holdings, Inc.		
Term Loan, 3.25%, Maturing March 29, 2019	1,871	1,873,243
Medley, LLC		
Term Loan, 6.50%, Maturing June 15, 2019	238	236,312
Moneygram International, Inc.		
Term Loan, 4.25%, Maturing March 27, 2020	221	208,648
NXT Capital, Inc.		
Term Loan, 6.25%, Maturing September 4, 2018	49	49,745
Term Loan, 6.25%, Maturing September 4, 2018	345	346,474
Ocwen Financial Corporation		
Term Loan, 5.00%, Maturing February 15, 2018	1,854	1,809,227
Sesac Holdco II, LLC		
Term Loan, 5.00%, Maturing February 8, 2019	492	492,115
Starwood Property Trust, Inc.		
Term Loan, 3.50%, Maturing April 17, 2020	123	121,505
Walker & Dunlop, Inc.		
Term Loan, 5.25%, Maturing December 11, 2020	321	321,740
Walter Investment Management Corp.		
Term Loan, 4.75%, Maturing December 19, 2020	1,205	1,109,447

\$ 15,410,678

Food Products 7.0%

AdvancePierre Foods, Inc.

Term Loan, 5.75%, Maturing July 10, 2017	1,528	\$	1,532,053
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Blue Buffalo Company Ltd.

Term Loan, 3.75%, Maturing August 8, 2019	634		633,266
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Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Charger OpCo B.V.		
Term Loan, 3.50%, Maturing July 23, 2021	EUR 350	\$ 379,160
Term Loan, 3.50%, Maturing July 23, 2021	1,075	1,072,984
Clearwater Seafoods Limited Partnership		
Term Loan, 4.75%, Maturing June 26, 2019	467	467,466
Del Monte Foods, Inc.		
Term Loan, 4.25%, Maturing February 18, 2021	596	568,063
Diamond Foods, Inc.		
Term Loan, 4.25%, Maturing August 20, 2018	99	99,103
Dole Food Company, Inc.		
Term Loan, 4.50%, Maturing November 1, 2018	644	644,465
H.J. Heinz Company		
Term Loan, 3.25%, Maturing June 5, 2020	3,407	3,413,247
High Liner Foods Incorporated		
Term Loan, 4.25%, Maturing April 24, 2021	421	418,646
JBS USA Holdings, Inc.		
Term Loan, 3.75%, Maturing May 25, 2018	864	865,291
Term Loan, 3.75%, Maturing September 18, 2020	763	764,806
Meldrew Participations B.V.		
Term Loan, 8.00%, (5.00% Cash, 3.00% PIK), Maturing October 31, 2019	EUR 333	341,632
Term Loan, 4.50%, Maturing December 19, 2022 ⁽⁴⁾⁽⁵⁾	EUR 209	208,768
NBTY, Inc.		
Term Loan, 3.50%, Maturing October 1, 2017	4,183	4,134,601
Onex Wizard Acquisition Company I S.a.r.l.		
Term Loan, 5.25%, Maturing March 13, 2022	EUR 975	1,061,296
Onex Wizard US Acquisition, Inc.		
Term Loan, 5.25%, Maturing March 13, 2022	600	606,656
Pinnacle Foods Finance, LLC		
Term Loan, 3.00%, Maturing April 29, 2020	345	343,826
Term Loan, 3.00%, Maturing April 29, 2020	900	897,551
Post Holdings, Inc.		
Term Loan, 3.75%, Maturing June 2, 2021	548	550,106
		\$ 19,002,986
Food Service 3.9%		
1011778 B.C. Unlimited Liability Company		
Term Loan, 4.50%, Maturing December 12, 2021	3,172	\$ 3,207,132
Aramark Services, Inc.		
Term Loan, 3.67%, Maturing July 26, 2016	88	87,780
Term Loan, 3.67%, Maturing July 26, 2016	157	156,223
Buffets, Inc.		
Term Loan, 0.15%, Maturing April 22, 2015 ⁽³⁾	48	38,242
CEC Entertainment, Inc.		
Term Loan, 4.00%, Maturing February 14, 2021	371	367,491
Centerplate, Inc.		
Term Loan, 4.75%, Maturing November 26, 2019	249	246,877
Darling International, Inc.		
Term Loan, 3.50%, Maturing January 6, 2021	EUR 470	507,126
Landry's, Inc.		
Term Loan, 4.00%, Maturing April 24, 2018	1,116	1,119,822
NPC International, Inc.		
Term Loan, 4.00%, Maturing December 28, 2018	340	334,832
P.F. Chang's China Bistro, Inc.		
Term Loan, 4.25%, Maturing July 2, 2019	191	186,453
Seminole Hard Rock Entertainment, Inc.		

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Term Loan, 3.50%, Maturing May 14, 2020	123	122,429
US Foods, Inc.		
Term Loan, 4.50%, Maturing March 31, 2019	2,358	2,361,157

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Weight Watchers International, Inc.		
Term Loan, 4.00%, Maturing April 2, 2020	3,528	\$ 1,899,609
		\$ 10,635,173
Food/Drug Retailers 4.2%		
Albertson's Holdings, LLC		
Term Loan, 5.00%, Maturing August 25, 2019	1,600	\$ 1,612,125
Term Loan, 5.50%, Maturing August 25, 2021	450	454,250
Albertson's, LLC		
Term Loan, 5.38%, Maturing March 21, 2019	1,016	1,023,105
General Nutrition Centers, Inc.		
Term Loan, 3.25%, Maturing March 4, 2019	3,277	3,258,225
New Albertson's, Inc.		
Term Loan, 4.75%, Maturing June 27, 2021	2,267	2,275,242
Rite Aid Corporation		
Term Loan - Second Lien, 5.75%, Maturing August 21, 2020	725	731,948
Supervalu, Inc.		
Term Loan, 4.50%, Maturing March 21, 2019	2,095	2,104,135
		\$ 11,459,030
Health Care 16.4%		
Acadia Healthcare Company, Inc.		
Term Loan, 4.25%, Maturing February 11, 2022	125	\$ 126,090
Akorn, Inc.		
Term Loan, 4.50%, Maturing April 16, 2021	547	549,986
Alere, Inc.		
Term Loan, 4.25%, Maturing June 30, 2017	1,313	1,317,994
Alliance Healthcare Services, Inc.		
Term Loan, 4.25%, Maturing June 3, 2019	614	612,914
Anneal Pharmaceuticals, LLC		
Term Loan, 5.00%, Maturing November 1, 2019	741	745,127
Amsurg Corp.		
Term Loan, 3.75%, Maturing July 16, 2021	298	298,867
Ardent Medical Services, Inc.		
Term Loan, 6.75%, Maturing July 2, 2018	1,433	1,440,151
ATI Holdings, Inc.		
Term Loan, 5.25%, Maturing December 20, 2019	469	472,278
Auris Luxembourg III S.a.r.l.		
Term Loan, 5.50%, Maturing January 17, 2022	375	379,219
Biomet, Inc.		
Term Loan, 3.67%, Maturing July 25, 2017	3,316	3,316,049
BioScrip, Inc.		
Term Loan, 6.50%, Maturing July 31, 2020	506	503,086
Term Loan, 6.50%, Maturing July 31, 2020	844	838,477
Capella Healthcare, Inc.		
Term Loan, 5.25%, Maturing December 31, 2021	374	377,336
CareCore National, LLC		
Term Loan, 5.50%, Maturing March 5, 2021	723	727,126
CeramTec Acquisition Corporation		
Term Loan, 4.25%, Maturing August 30, 2020	16	15,647
CHG Healthcare Services, Inc.		
Term Loan, 4.25%, Maturing November 19, 2019	390	392,055
Community Health Systems, Inc.		
Term Loan, 4.25%, Maturing January 27, 2021	3,494	3,515,498

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CPI Buyer, LLC		
Term Loan, 5.50%, Maturing August 18, 2021	498	498,744
DaVita HealthCare Partners, Inc.		
Term Loan, 3.50%, Maturing June 24, 2021	1,563	1,568,910
DJO Finance, LLC		
Term Loan, 4.25%, Maturing September 15, 2017	1,343	1,347,762

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Envision Healthcare Corporation		
Term Loan, 4.00%, Maturing May 25, 2018	1,550	\$ 1,556,571
Faenza Acquisition GmbH		
Term Loan, 4.25%, Maturing August 30, 2020	46	46,311
Term Loan, 4.25%, Maturing August 30, 2020	156	156,213
Grifols Worldwide Operations USA, Inc.		
Term Loan, 3.18%, Maturing February 27, 2021	2,327	2,326,937
Iasis Healthcare, LLC		
Term Loan, 4.50%, Maturing May 3, 2018	816	819,090
Impax Laboratories, Inc.		
Term Loan, 5.50%, Maturing December 2, 2020	400	403,375
Indivior Finance S.a.r.l.		
Term Loan, 7.00%, Maturing December 11, 2019	494	469,063
inVentiv Health, Inc.		
Term Loan, 7.75%, Maturing May 15, 2018	1,243	1,249,447
Term Loan, 7.75%, Maturing May 15, 2018	304	304,523
Kindred Healthcare, Inc.		
Term Loan, 4.25%, Maturing April 9, 2021	720	723,910
Kinetic Concepts, Inc.		
Term Loan, 4.50%, Maturing May 4, 2018	2,449	2,458,137
LHP Hospital Group, Inc.		
Term Loan, 9.00%, Maturing July 3, 2018	844	816,881
Mallinckrodt International Finance S.A.		
Term Loan, 3.25%, Maturing March 19, 2021	743	741,638
MedAssets, Inc.		
Term Loan, 4.00%, Maturing December 13, 2019	175	174,561
Millennium Laboratories, Inc.		
Term Loan, 5.25%, Maturing April 16, 2021	2,533	2,556,592
National Mentor Holdings, Inc.		
Term Loan, 4.25%, Maturing January 31, 2021	272	272,846
Onex Carestream Finance L.P.		
Term Loan, 5.00%, Maturing June 7, 2019	1,652	1,660,036
Opal Acquisition, Inc.		
Term Loan, 5.00%, Maturing November 27, 2020	815	816,433
Ortho-Clinical Diagnostics, Inc.		
Term Loan, 4.75%, Maturing June 30, 2021	1,538	1,526,717
Pharmaceutical Product Development, LLC		
Term Loan, 4.00%, Maturing December 5, 2018	953	954,424
PRA Holdings, Inc.		
Term Loan, 4.50%, Maturing September 23, 2020	501	502,407
Radnet Management, Inc.		
Term Loan, 4.25%, Maturing October 10, 2018	869	871,123
RegionalCare Hospital Partners, Inc.		
Term Loan, 6.00%, Maturing April 19, 2019	795	798,847
Sage Products Holdings III, LLC		
Term Loan, 5.00%, Maturing December 13, 2019	553	560,033
Select Medical Corporation		
Term Loan, 3.01%, Maturing December 20, 2016	97	96,786
Term Loan, 3.75%, Maturing June 1, 2018	555	555,880
Steward Health Care System, LLC		
Term Loan, 6.75%, Maturing April 12, 2020	172	171,667
Tecomet, Inc.		
Term Loan, 5.75%, Maturing December 5, 2021	574	562,091
Truven Health Analytics, Inc.		
Term Loan, 4.50%, Maturing June 6, 2019	829	829,073
U.S. Renal Care, Inc.		
Term Loan, 4.25%, Maturing July 3, 2019	172	172,984

\$ 44,197,912

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Home Furnishings 0.6%		
Interline Brands, Inc.		
Term Loan, 4.00%, Maturing March 17, 2021	124	\$ 123,363
Serta Simmons Holdings, LLC		
Term Loan, 4.25%, Maturing October 1, 2019	779	781,292
Tempur-Pedic International, Inc.		
Term Loan, 3.50%, Maturing March 18, 2020	617	618,365
		\$ 1,523,020
Industrial Equipment 4.0%		
Alliance Laundry Systems, LLC		
Term Loan, 4.25%, Maturing December 10, 2018	151	\$ 152,057
Apex Tool Group, LLC		
Term Loan, 4.50%, Maturing January 31, 2020	368	361,414
Delachaux S.A.		
Term Loan, 5.25%, Maturing October 28, 2021	275	277,406
Doosan Infracore International, Inc.		
Term Loan, 4.50%, Maturing May 28, 2021	504	509,862
Filtration Group Corporation		
Term Loan - Second Lien, 8.25%, Maturing November 21, 2021	300	302,000
Gardner Denver, Inc.		
Term Loan, 4.25%, Maturing July 30, 2020	1,608	1,528,919
Term Loan, 4.75%, Maturing July 30, 2020	EUR 197	206,831
Husky Injection Molding Systems Ltd.		
Term Loan, 4.25%, Maturing June 30, 2021	1,368	1,366,903
Term Loan - Second Lien, 7.25%, Maturing June 30, 2022	325	319,042
Milacron, LLC		
Term Loan, 4.00%, Maturing March 28, 2020	221	218,838
NN, Inc.		
Term Loan, 6.00%, Maturing August 27, 2021	316	317,678
Paladin Brands Holding, Inc.		
Term Loan, 6.75%, Maturing August 16, 2019	347	348,325
Rexnord, LLC		
Term Loan, 4.00%, Maturing August 21, 2020	2,241	2,244,476
Signode Industrial Group US, Inc.		
Term Loan, 3.75%, Maturing May 1, 2021	573	569,740
STS Operating, Inc.		
Term Loan, 4.75%, Maturing February 12, 2021	149	146,273
Tank Holding Corp.		
Term Loan, 5.25%, Maturing March 16, 2022	394	395,444
Terex Corporation		
Term Loan, 4.00%, Maturing August 13, 2021	EUR 771	832,884
Virtuoso US, LLC		
Term Loan, 4.75%, Maturing February 11, 2021	223	222,298
Wittur GmbH		
Term Loan, Maturing February 10, 2022 ⁽²⁾	EUR 450	478,765
		\$ 10,799,155
Insurance 4.2%		
Alliant Holdings I, Inc.		
Term Loan, 5.00%, Maturing December 20, 2019	967	\$ 968,318
AmWINS Group, LLC		
Term Loan, 5.25%, Maturing September 6, 2019	2,398	2,417,553
Asurion, LLC		

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Term Loan, 5.00%, Maturing May 24, 2019	4,197	4,216,438
Term Loan - Second Lien, 8.50%, Maturing March 3, 2021	500	503,437
CGSC of Delaware Holding Corporation		
Term Loan, 5.00%, Maturing April 16, 2020	246	230,887
Cunningham Lindsey U.S., Inc.		
Term Loan, 5.00%, Maturing December 10, 2019	465	456,488

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Hub International Limited		
Term Loan, 4.00%, Maturing October 2, 2020	1,379	\$ 1,369,876
USI, Inc.		
Term Loan, 4.25%, Maturing December 27, 2019	1,199	1,193,429
		\$ 11,356,426
Leisure Goods/Activities/Movies 5.0%		
Aufinco Pty Limited		
Term Loan, 4.00%, Maturing May 29, 2020	221	\$ 220,648
Term Loan - Second Lien, 8.25%, Maturing November 30, 2020	500	493,750
Bombardier Recreational Products, Inc.		
Term Loan, 4.00%, Maturing January 30, 2019	1,603	1,603,190
Bright Horizons Family Solutions, Inc.		
Term Loan, 4.00%, Maturing January 30, 2020	440	441,433
ClubCorp Club Operations, Inc.		
Term Loan, 4.50%, Maturing July 24, 2020	1,923	1,935,847
Dave & Buster's, Inc.		
Term Loan, 4.25%, Maturing July 25, 2020	61	61,153
Emerald Expositions Holding, Inc.		
Term Loan, 4.75%, Maturing June 17, 2020	479	482,333
Equinox Holdings, Inc.		
Term Loan, 5.00%, Maturing January 31, 2020	635	638,492
Fender Musical Instruments Corporation		
Term Loan, 5.75%, Maturing April 3, 2019	171	170,588
Kasima, LLC		
Term Loan, 3.25%, Maturing May 17, 2021	419	419,380
Live Nation Entertainment, Inc.		
Term Loan, 3.50%, Maturing August 17, 2020	1,267	1,263,678
Nord Anglia Education Finance, LLC		
Term Loan, 4.50%, Maturing March 31, 2021	670	670,775
Sabre, Inc.		
Term Loan, 4.00%, Maturing February 19, 2019	587	587,783
SeaWorld Parks & Entertainment, Inc.		
Term Loan, 3.00%, Maturing May 14, 2020	1,351	1,320,074
Sonifi Solutions, Inc.		
Term Loan, 6.75%, (1.00% Cash, 5.75% PIK), Maturing March 28, 2018 ⁽³⁾	432	27,672
SRAM, LLC		
Term Loan, 4.01%, Maturing April 10, 2020	837	836,778
Town Sports International, Inc.		
Term Loan, 4.50%, Maturing November 15, 2020	591	499,696
WMG Acquisition Corp.		
Term Loan, 3.75%, Maturing July 1, 2020	271	264,916
Zuffa, LLC		
Term Loan, 3.75%, Maturing February 25, 2020	1,417	1,411,776
		\$ 13,349,962
Lodging and Casinos 5.2%		
Affinity Gaming, LLC		
Term Loan, 5.25%, Maturing November 9, 2017	206	\$ 207,644
Amaya Holdings B.V.		
Term Loan, 5.00%, Maturing August 1, 2021	1,343	1,332,615
Term Loan - Second Lien, 8.00%, Maturing August 1, 2022	375	375,469
Boyd Gaming Corporation		
Term Loan, 4.00%, Maturing August 14, 2020	233	233,608

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Caesars Entertainment Operating Company		
Term Loan, 0.00%, Maturing March 1, 2017 ⁽⁶⁾	597	548,627
CityCenter Holdings, LLC		
Term Loan, 4.25%, Maturing October 16, 2020	386	388,450
Four Seasons Holdings, Inc.		
Term Loan - Second Lien, 6.25%, Maturing December 27, 2020	1,800	1,815,750

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Gala Group Ltd.		
Term Loan, 5.50%, Maturing May 27, 2018	GBP 825	\$ 1,228,722
Golden Nugget, Inc.		
Term Loan, 5.50%, Maturing November 21, 2019	66	66,476
Term Loan, 5.50%, Maturing November 21, 2019	154	155,111
Hilton Worldwide Finance, LLC		
Term Loan, 3.50%, Maturing October 26, 2020	2,457	2,462,832
La Quinta Intermediate Holdings, LLC		
Term Loan, 4.00%, Maturing April 14, 2021	500	502,190
MGM Resorts International		
Term Loan, 3.50%, Maturing December 20, 2019	1,271	1,268,499
Pinnacle Entertainment, Inc.		
Term Loan, 3.75%, Maturing August 13, 2020	329	329,764
Playa Resorts Holding B.V.		
Term Loan, 4.00%, Maturing August 9, 2019	246	246,019
RHP Hotel Properties L.P.		
Term Loan, 3.75%, Maturing January 15, 2021	323	325,049
Scientific Games International, Inc.		
Term Loan, 6.00%, Maturing October 18, 2020	1,802	1,808,946
Term Loan, 6.00%, Maturing October 1, 2021	424	425,468
Tropicana Entertainment, Inc.		
Term Loan, 4.00%, Maturing November 27, 2020	172	172,160
		\$ 13,893,399
Nonferrous Metals/Minerals 2.4%		
Alpha Natural Resources, LLC		
Term Loan, 3.50%, Maturing May 22, 2020	392	\$ 274,890
Arch Coal, Inc.		
Term Loan, 6.25%, Maturing May 16, 2018	1,435	1,114,046
Dynacast International, LLC		
Term Loan, 5.25%, Maturing January 28, 2022	300	302,059
Fairmount Minerals Ltd.		
Term Loan, 4.50%, Maturing September 5, 2019	985	870,494
Murray Energy Corporation		
Term Loan, 5.25%, Maturing December 5, 2019	668	659,730
Noranda Aluminum Acquisition Corporation		
Term Loan, 5.75%, Maturing February 28, 2019	509	476,149
Novelis, Inc.		
Term Loan, 3.75%, Maturing March 10, 2017	1,630	1,631,050
Oxbow Carbon, LLC		
Term Loan, 4.25%, Maturing July 19, 2019	205	197,185
Term Loan - Second Lien, 8.00%, Maturing January 17, 2020	375	312,187
United Central Industrial Supply Company, LLC		
Term Loan - Second Lien, 12.50%, Maturing April 9, 2019	250	237,500
Walter Energy, Inc.		
Term Loan, 7.25%, Maturing April 2, 2018	821	501,672
		\$ 6,576,962
Oil and Gas 5.8%		
Ameriforge Group, Inc.		
Term Loan, 5.00%, Maturing December 19, 2019	590	\$ 522,904
Bronco Midstream Funding, LLC		
Term Loan, 5.00%, Maturing August 15, 2020	814	795,398
CITGO Holding, Inc.		

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Term Loan, 9.50%, Maturing May 12, 2018	973	968,105
CITGO Petroleum Corporation		
Term Loan, 4.50%, Maturing July 29, 2021	473	468,096
Crestwood Holdings, LLC		
Term Loan, 7.00%, Maturing June 19, 2019	915	867,407

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Drillships Ocean Ventures, Inc.		
Term Loan, 5.50%, Maturing July 25, 2021	1,022	\$ 851,638
Energy Transfer Equity L.P.		
Term Loan, 4.00%, Maturing December 2, 2019	200	199,625
Fieldwood Energy, LLC		
Term Loan, 3.88%, Maturing September 28, 2018	517	485,097
Floatel International Ltd.		
Term Loan, 6.00%, Maturing June 27, 2020	1,092	807,977
MEG Energy Corp.		
Term Loan, 3.75%, Maturing March 31, 2020	3,682	3,533,680
Obsidian Natural Gas Trust		
Term Loan, 7.00%, Maturing November 2, 2015	281	279,929
Paragon Offshore Finance Company		
Term Loan, 3.75%, Maturing July 18, 2021	423	287,606
Samson Investment Company		
Term Loan - Second Lien, 5.00%, Maturing September 25, 2018	925	487,938
Seadrill Partners Finco, LLC		
Term Loan, 4.00%, Maturing February 21, 2021	2,201	1,754,886
Seventy Seven Operating, LLC		
Term Loan, 3.75%, Maturing June 25, 2021	249	218,651
Sheridan Investment Partners II L.P.		
Term Loan, 4.25%, Maturing December 16, 2020	17	15,069
Term Loan, 4.25%, Maturing December 16, 2020	46	40,406
Term Loan, 4.25%, Maturing December 16, 2020	329	290,465
Sheridan Production Partners I, LLC		
Term Loan, 4.25%, Maturing October 1, 2019	104	97,026
Term Loan, 4.25%, Maturing October 1, 2019	170	158,850
Term Loan, 4.25%, Maturing October 1, 2019	1,282	1,198,792
Southcross Holdings Borrower L.P.		
Term Loan, 6.00%, Maturing August 4, 2021	199	189,071
Tallgrass Operations, LLC		
Term Loan, 4.25%, Maturing November 13, 2018	31	30,599
Targa Resources Corp.		
Term Loan, 5.75%, Maturing February 25, 2022	197	197,962
Tervita Corporation		
Term Loan, 6.25%, Maturing May 15, 2018	934	860,146
		\$ 15,607,323
Publishing 3.3%		
Ascend Learning, LLC		
Term Loan, 6.00%, Maturing July 31, 2019	867	\$ 870,212
Getty Images, Inc.		
Term Loan, 4.75%, Maturing October 18, 2019	2,889	2,443,001
Interactive Data Corporation		
Term Loan, 4.75%, Maturing May 2, 2021	769	773,875
Laureate Education, Inc.		
Term Loan, 5.00%, Maturing June 15, 2018	2,616	2,472,129
McGraw-Hill Global Education Holdings, LLC		
Term Loan, 5.75%, Maturing March 22, 2019	356	360,056
Merrill Communications, LLC		
Term Loan, 5.75%, Maturing March 8, 2018	303	305,559
Multi Packaging Solutions, Inc.		
Term Loan, 4.25%, Maturing September 30, 2020	173	172,673
Nelson Education Ltd.		
Term Loan, 6.75%, Maturing July 3, 2014 ⁽⁷⁾	216	174,207

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Penton Media, Inc.

Term Loan, 5.50%, Maturing October 3, 2019	296	297,593
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ProQuest, LLC

Term Loan, 5.25%, Maturing October 24, 2021	324	325,336
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Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Springer Science+Business Media Deutschland GmbH		
Term Loan, 4.75%, Maturing August 14, 2020	542	\$ 542,909
Term Loan, Maturing August 14, 2020 ⁽²⁾	150	150,000
		\$ 8,887,550
Radio and Television 2.7%		
ALM Media Holdings, Inc.		
Term Loan, 5.50%, Maturing July 31, 2020	222	\$ 215,055
AP NMT Acquisition B.V.		
Term Loan, 6.75%, Maturing August 13, 2021	224	223,035
Block Communications, Inc.		
Term Loan, 4.25%, Maturing November 7, 2021	124	124,841
Clear Channel Communications, Inc.		
Term Loan, 6.93%, Maturing January 30, 2019	566	539,947
Term Loan, 7.68%, Maturing July 30, 2019	182	176,069
Cumulus Media Holdings, Inc.		
Term Loan, 4.25%, Maturing December 23, 2020	2,045	2,013,207
Entercom Radio, LLC		
Term Loan, 4.00%, Maturing November 23, 2018	192	192,062
Gray Television, Inc.		
Term Loan, 3.75%, Maturing June 10, 2021	134	133,612
Media General, Inc.		
Term Loan, 4.25%, Maturing July 31, 2020	709	712,599
Mission Broadcasting, Inc.		
Term Loan, 3.75%, Maturing October 1, 2020	322	322,341
Nexstar Broadcasting, Inc.		
Term Loan, 3.75%, Maturing October 1, 2020	366	365,540
Raycom TV Broadcasting, LLC		
Term Loan, 3.75%, Maturing August 4, 2021	434	431,060
Sinclair Television Group, Inc.		
Term Loan, 3.00%, Maturing April 9, 2020	270	268,117
Univision Communications, Inc.		
Term Loan, 4.00%, Maturing March 1, 2020	1,618	1,617,471
		\$ 7,334,956
Retailers (Except Food and Drug) 8.8%		
99 Cents Only Stores		
Term Loan, 4.50%, Maturing January 11, 2019	487	\$ 488,166
B&M Retail Limited		
Term Loan, 3.81%, Maturing May 21, 2019	GBP 175	257,350
Term Loan, 4.31%, Maturing April 28, 2020	GBP 150	221,230
Bass Pro Group, LLC		
Term Loan, 3.75%, Maturing November 20, 2019	1,157	1,155,803
CDW, LLC		
Term Loan, 3.25%, Maturing April 29, 2020	2,696	2,673,727
David s Bridal, Inc.		
Term Loan, 5.25%, Maturing October 11, 2019	311	302,498
Dollar Tree, Inc.		
Term Loan, 4.25%, Maturing March 9, 2022	1,400	1,416,407
Evergreen Acqco 1 L.P.		
Term Loan, 5.00%, Maturing July 9, 2019	341	335,440
Harbor Freight Tools USA, Inc.		
Term Loan, 4.75%, Maturing July 26, 2019	524	527,608
Hudson s Bay Company		

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Term Loan, 4.75%, Maturing November 4, 2020	626	628,020
J. Crew Group, Inc.		
Term Loan, 4.00%, Maturing March 5, 2021	1,414	1,316,018
Jo-Ann Stores, Inc.		
Term Loan, 4.00%, Maturing March 16, 2018	1,299	1,293,911
Men s Wearhouse, Inc. (The)		
Term Loan, 4.50%, Maturing June 18, 2021	697	699,765

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Michaels Stores, Inc.		
Term Loan, 3.75%, Maturing January 28, 2020	1,253	\$ 1,253,806
Term Loan, 4.00%, Maturing January 28, 2020	498	498,788
Neiman Marcus Group, Inc. (The)		
Term Loan, 4.25%, Maturing October 25, 2020	2,098	2,093,840
Party City Holdings, Inc.		
Term Loan, 4.00%, Maturing July 27, 2019	684	684,093
Pep Boys-Manny, Moe & Jack (The)		
Term Loan, 4.25%, Maturing October 11, 2018	220	220,075
Petco Animal Supplies, Inc.		
Term Loan, 4.00%, Maturing November 24, 2017	1,566	1,567,892
PetSmart, Inc.		
Term Loan, 5.00%, Maturing March 11, 2022	2,350	2,370,029
PFS Holding Corporation		
Term Loan, 4.50%, Maturing January 31, 2021	421	373,416
Pier 1 Imports (U.S.), Inc.		
Term Loan, 4.50%, Maturing April 30, 2021	248	245,023
Pilot Travel Centers, LLC		
Term Loan, 4.25%, Maturing October 1, 2021	995	1,004,950
Spin Holdco, Inc.		
Term Loan, 4.25%, Maturing November 14, 2019	1,281	1,277,248
Toys R Us Property Company I, LLC		
Term Loan, 6.00%, Maturing August 21, 2019	395	377,719
Vivarte SA		
Term Loan, 11.00%, (4.00% Cash, 7.00% PIK), Maturing October 29, 2019 ⁽⁸⁾	EUR 145	148,823
Term Loan, 5.00%, (1.25% Cash, 3.75% PIK), Maturing October 29, 2020 ⁽⁹⁾	EUR 164	81,347
Wilton Brands, LLC		
Term Loan, 7.55%, Maturing August 30, 2018	280	268,764
		\$ 23,781,756
Steel 1.8%		
FMG Resources (August 2006) Pty. Ltd.		
Term Loan, 3.75%, Maturing June 30, 2019	4,020	\$ 3,645,184
JMC Steel Group, Inc.		
Term Loan, 4.75%, Maturing April 1, 2017	336	335,317
Neenah Foundry Company		
Term Loan, 6.75%, Maturing April 26, 2017	188	186,845
Patriot Coal Corporation		
Term Loan, 9.00%, Maturing December 15, 2018	741	679,524
		\$ 4,846,870
Surface Transport 0.8%		
Hertz Corporation (The)		
Term Loan, 4.00%, Maturing March 11, 2018	904	\$ 905,036
Stena International S.a.r.l.		
Term Loan, 4.00%, Maturing March 3, 2021	743	671,963
Swift Transportation Co., LLC		
Term Loan, 3.75%, Maturing June 9, 2021	569	571,740
		\$ 2,148,739
Telecommunications 4.2%		
Cellular South, Inc.		

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Term Loan, 3.25%, Maturing May 23, 2020	196	\$	194,653
CWC Cayman Finance Limited			
Term Loan, 5.50%, Maturing April 28, 2017	200		200,498
Intelsat Jackson Holdings S.A.			
Term Loan, 3.75%, Maturing June 30, 2019	3,700		3,690,288
IPC Systems, Inc.			
Term Loan, 6.50%, Maturing August 6, 2021	675		680,484
SBA Senior Finance II, LLC			
Term Loan, 3.25%, Maturing March 24, 2021	893		889,821

Borrower/Tranche Description	Principal Amount* (000 s omitted)	Value
Syniverse Holdings, Inc.		
Term Loan, 4.00%, Maturing April 23, 2019	606	\$ 574,643
Term Loan, 4.00%, Maturing April 23, 2019	912	864,723
Telesat Canada		
Term Loan, 3.50%, Maturing March 28, 2019	3,356	3,353,518
Windstream Corporation		
Term Loan, 3.50%, Maturing August 8, 2019	954	953,383
		\$ 11,402,011
Utilities 3.8%		
Calpine Construction Finance Company L.P.		
Term Loan, 3.00%, Maturing May 3, 2020	516	\$ 509,768
Term Loan, 3.25%, Maturing January 31, 2022	197	195,064
Calpine Corporation		
Term Loan, 4.00%, Maturing April 1, 2018	457	458,997
Term Loan, 4.00%, Maturing April 1, 2018	2,328	2,337,538
Term Loan, 4.00%, Maturing October 9, 2019	414	416,044
Dynegy Holdings, Inc.		
Term Loan, 4.00%, Maturing April 23, 2020	469	469,957
EFS Cogen Holdings I, LLC		
Term Loan, 3.75%, Maturing December 17, 2020	244	244,141
Electrical Components International, Inc.		
Term Loan, 5.75%, Maturing May 28, 2021	672	676,075
Energy Future Intermediate Holding Co., LLC		
DIP Loan, 4.25%, Maturing June 19, 2016	850	854,604
Equipower Resources Holdings, LLC		
Term Loan, 4.25%, Maturing December 31, 2019	295	294,936
Granite Acquisition, Inc.		
Term Loan, 5.00%, Maturing December 19, 2021	54	54,407
Term Loan, 5.00%, Maturing December 19, 2021	1,218	1,233,439
La Frontera Generation, LLC		
Term Loan, 4.50%, Maturing September 30, 2020	775	777,721
Lonestar Generation, LLC		
Term Loan, 5.25%, Maturing February 20, 2021	274	270,884
PowerTeam Services, LLC		
Term Loan, 4.25%, Maturing May 6, 2020	7	6,978
Term Loan, 4.25%, Maturing May 6, 2020	131	130,345
TPF II Power, LLC		
Term Loan, 5.50%, Maturing October 2, 2021	673	682,851
WTG Holdings III Corp.		
Term Loan, 4.75%, Maturing January 15, 2021	198	197,377
Term Loan - Second Lien, 8.50%, Maturing January 15, 2022	400	394,000
		\$ 10,205,126
Total Senior Floating-Rate Interests (identified cost \$395,026,001)		\$ 386,811,049

Corporate Bonds & Notes 10.8%

Security	Principal Amount* (000 s omitted)	Value
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Aerospace and Defense	0.0% ⁽⁰⁾		
CBC Ammo, LLC/CBC FinCo, Inc.			
7.25%, 11/15/21 ⁽¹¹⁾		30	\$ 25,650
Orbital ATK, Inc.			
5.25%, 10/1/21 ⁽¹¹⁾		20	20,400

Security	Principal Amount* (000 s omitted)	Value
TransDigm, Inc.		
7.50%, 7/15/21	10	\$ 10,800
6.00%, 7/15/22	30	30,113
6.50%, 7/15/24	30	30,300
		\$ 117,263
Automotive 0.0% ⁽⁰⁾		
American Axle & Manufacturing, Inc.		
5.125%, 2/15/19	10	\$ 10,350
General Motors Financial Co., Inc.		
4.75%, 8/15/17	40	42,292
3.25%, 5/15/18	5	5,106
Navistar International Corp.		
8.25%, 11/1/21	50	48,813
		\$ 106,561
Beverage and Tobacco 0.0% ⁽⁰⁾		
Constellation Brands, Inc.		
6.00%, 5/1/22	35	\$ 40,075
4.25%, 5/1/23	40	41,250
Cott Beverages, Inc.		
5.375%, 7/1/22 ⁽¹¹⁾	25	24,156
		\$ 105,481
Brokerage/Securities Dealers/Investment Houses 0.0% ⁽⁰⁾		
Alliance Data Systems Corp.		
6.375%, 4/1/20 ⁽¹¹⁾	30	\$ 31,163
		\$ 31,163
Building and Development 0.2%		
Building Materials Corp. of America		
5.375%, 11/15/24 ⁽¹¹⁾	40	\$ 40,800
Greystar Real Estate Partners, LLC		
8.25%, 12/1/22 ⁽¹¹⁾	20	21,050
HD Supply, Inc.		
7.50%, 7/15/20	45	48,375
5.25%, 12/15/21 ⁽¹¹⁾	15	15,488
Hillman Group, Inc. (The)		
6.375%, 7/15/22 ⁽¹¹⁾	30	30,150
Interline Brands, Inc.		
10.00%, 11/15/18 ⁽⁴⁾	51	53,677
NCI Building Systems, Inc.		
8.25%, 1/15/23 ⁽¹¹⁾	10	10,625
Nortek, Inc.		
10.00%, 12/1/18	45	47,745
8.50%, 4/15/21	20	21,500
Reliance Intermediate Holdings, L.P.		
6.50%, 4/1/23 ⁽¹¹⁾	50	51,313
TRI Pointe Holdings, Inc.		
4.375%, 6/15/19 ⁽¹¹⁾	20	19,646

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5.875%, 6/15/24 ⁽¹¹⁾	25	24,531
USG Corp.		
5.875%, 11/1/21 ⁽¹¹⁾	20	21,350
5.50%, 3/1/25 ⁽¹¹⁾	10	10,225
		\$ 416,475

Business Equipment and Services 0.1%

Acosta, Inc.		
7.75%, 10/1/22 ⁽¹¹⁾	60	\$ 62,175
Audatex North America, Inc.		
6.00%, 6/15/21 ⁽¹¹⁾	30	31,875

Security	Principal Amount* (000 s omitted)	Value
FTI Consulting, Inc.		
6.00%, 11/15/22	20	\$ 21,125
IMS Health, Inc.		
6.00%, 11/1/20 ⁽¹¹⁾	40	41,750
ServiceMaster Co. (The)		
7.00%, 8/15/20	10	10,675
7.45%, 8/15/27	15	15,263
TransUnion Holding Co., Inc.		
8.125%, 6/15/18	60	61,725
United Rentals North America, Inc.		
8.375%, 9/15/20	10	10,756
7.625%, 4/15/22	15	16,485
6.125%, 6/15/23	15	15,937
		\$ 287,766
Cable and Satellite Television 0.8%		
AMC Networks, Inc.		
7.75%, 7/15/21	20	\$ 21,800
4.75%, 12/15/22	15	15,009
CCO Holdings, LLC/CCO Holdings Capital Corp.		
5.25%, 9/30/22	80	82,100
5.75%, 1/15/24	5	5,238
CCOH Safari, LLC		
5.50%, 12/1/22	35	35,875
5.75%, 12/1/24	40	41,300
CSC Holdings, LLC		
5.25%, 6/1/24 ⁽¹¹⁾	5	5,113
DISH DBS Corp.		
6.75%, 6/1/21	85	90,737
5.875%, 7/15/22	15	15,281
5.875%, 11/15/24	10	10,038
IAC/InterActiveCorp		
4.875%, 11/30/18	20	20,700
Numericable Group SA		
4.875%, 5/15/19 ⁽¹¹⁾	200	199,750
Virgin Media Secured Finance PLC		
5.375%, 4/15/21 ⁽¹¹⁾	427	449,951
6.00%, 4/15/21 ⁽¹¹⁾	GBP 475	742,241
5.50%, 1/15/25 ⁽¹¹⁾	275	285,656
		\$ 2,020,789
Chemicals and Plastics 1.5%		
Evolution Escrow Issuer, LLC		
7.50%, 3/15/22 ⁽¹¹⁾	15	\$ 15,225
Hexion US Finance Corp.		
6.625%, 4/15/20	2,225	2,047,000
Ineos Finance PLC		
8.375%, 2/15/19 ⁽¹¹⁾	500	532,225
7.50%, 5/1/20 ⁽¹¹⁾	400	423,500
Platform Specialty Products Corp.		
6.50%, 2/1/22 ⁽¹¹⁾	25	26,250
Rockwood Specialties Group, Inc.		
4.625%, 10/15/20	65	67,844
Trinseo Materials Operating S.C.A.		

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8.75%, 2/1/19	900	954,000
Tronox Finance, LLC		
6.375%, 8/15/20	60	58,950

Security	Principal Amount* (000 s omitted)	Value
W. R. Grace & Co.		
5.125%, 10/1/21 ⁽¹¹⁾	15	\$ 15,600
5.625%, 10/1/24 ⁽¹¹⁾	5	5,356
		\$ 4,145,950
Conglomerates 0.1%		
Belden, Inc.		
5.50%, 9/1/22 ⁽¹¹⁾	10	\$ 10,300
Harbinger Group, Inc.		
7.875%, 7/15/19	30	31,725
Spectrum Brands, Inc.		
6.375%, 11/15/20	25	26,625
6.625%, 11/15/22	20	21,500
TMS International Corp.		
7.625%, 10/15/21 ⁽¹¹⁾	30	30,150
		\$ 120,300
Containers and Glass Products 0.8%		
Beverage Packaging Holdings Luxembourg II SA/Beverage Packaging Holdings II Issuer, Inc.		
5.625%, 12/15/16 ⁽¹¹⁾	5	\$ 5,025
Reynolds Group Holdings, Inc.		
5.75%, 10/15/20	1,975	2,046,594
Sealed Air Corp.		
8.375%, 9/15/21 ⁽¹¹⁾	5	5,650
Signode Industrial Group Lux SA/Signode Industrial Group US, Inc.		
6.375%, 5/1/22 ⁽¹¹⁾	15	14,981
		\$ 2,072,250
Cosmetics/Toiletries 0.1%		
Alphabet Holding Co., Inc.		
7.75%, 11/1/17 ⁽⁴⁾	105	\$ 103,162
Party City Holdings, Inc.		
8.875%, 8/1/20	65	70,363
		\$ 173,525
Distribution & Wholesale 0.0%		
American Tire Distributors, Inc.		
10.25%, 3/1/22 ⁽¹¹⁾	25	\$ 26,125
		\$ 26,125
Drugs 0.1%		
Valeant Pharmaceuticals International, Inc.		
6.375%, 10/15/20 ⁽¹¹⁾	90	\$ 93,825
7.50%, 7/15/21 ⁽¹¹⁾	25	27,133
5.50%, 3/1/23 ⁽¹¹⁾	10	10,162
		\$ 131,120

Ecological Services and Equipment 0.0%⁽¹⁾

ADS Waste Holdings, Inc.			
8.25%, 10/1/20	25	\$	26,250
Clean Harbors, Inc.			
5.25%, 8/1/20	25		25,688
5.125%, 6/1/21	30		30,673
Covanta Holding Corp.			
5.875%, 3/1/24	10		10,400
		\$	93,011

Electronics/Electrical 0.1%

Alcatel-Lucent USA, Inc.			
4.625%, 7/1/17 ⁽¹¹⁾	10	\$	10,263

Security	Principal Amount* (000 s omitted)	Value
BMC Software Finance, Inc.		
8.125%, 7/15/21 ⁽¹¹⁾	15	\$ 13,800
CommScope Holding Co., Inc.		
6.625%, 6/1/20 ⁽⁴⁾⁽¹¹⁾	25	25,750
Freescale Semiconductor, Inc.		
6.00%, 1/15/22 ⁽¹¹⁾	20	21,750
Infor US, Inc.		
9.375%, 4/1/19	35	37,581
Micron Technology, Inc.		
5.25%, 8/1/23 ⁽¹¹⁾	30	30,600
Nuance Communications, Inc.		
5.375%, 8/15/20 ⁽¹¹⁾	60	60,900
Open Text Corp.		
5.625%, 1/15/23 ⁽¹¹⁾	15	15,600
Sensata Technologies B.V.		
5.625%, 11/1/24 ⁽¹¹⁾	5	5,344
Zebra Technologies Corp.		
7.25%, 10/15/22 ⁽¹¹⁾	45	48,600
		\$ 270,188
Equipment Leasing 0.5%		
International Lease Finance Corp.		
8.625%, 9/15/15	1,000	\$ 1,030,000
6.75%, 9/1/16 ⁽¹¹⁾	175	186,375
7.125%, 9/1/18 ⁽¹¹⁾	175	196,875
		\$ 1,413,250
Financial Intermediaries 0.5%		
CIT Group, Inc.		
5.50%, 2/15/19 ⁽¹¹⁾	25	\$ 26,063
5.375%, 5/15/20	5	5,275
First Data Corp.		
7.375%, 6/15/19 ⁽¹¹⁾	500	523,750
6.75%, 11/1/20 ⁽¹¹⁾	406	433,405
11.25%, 1/15/21	16	18,240
10.625%, 6/15/21	16	18,280
11.75%, 8/15/21	17	19,161
Icahn Enterprises, LP/Icahn Enterprises Finance Corp.		
3.50%, 3/15/17	20	20,200
6.00%, 8/1/20	15	15,638
JPMorgan Chase & Co.		
6.75% to 2/1/24, 1/29/49 ⁽¹²⁾	35	38,150
Navient Corp.		
5.50%, 1/15/19	65	66,462
5.00%, 10/26/20	15	14,756
5.875%, 10/25/24	15	14,063
		\$ 1,213,443
Food Products 0.8%		
Dean Foods Co.		
6.50%, 3/15/23 ⁽¹¹⁾	20	\$ 20,150

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Iceland Bondco PLC			
4.81%, 7/15/20 ⁽¹¹⁾⁽¹³⁾	GBP	1,750	2,137,505
Pilgrim s Pride Corp.			
5.75%, 3/15/25 ⁽¹¹⁾		25	25,625
Post Holdings, Inc.			
6.75%, 12/1/21 ⁽¹¹⁾		15	15,188
6.00%, 12/15/22 ⁽¹¹⁾		15	14,531

Security	Principal Amount* (000 s omitted)	Value
WhiteWave Foods Co. (The)		
5.375%, 10/1/22	10	\$ 10,775
		\$ 2,223,774
Food/Drug Retailers 0.0% ⁽⁰⁾		
Pantry, Inc. (The)		
8.375%, 8/1/20	26	\$ 29,575
Rite Aid Corp.		
6.125%, 4/1/23 ⁽¹¹⁾⁽¹⁴⁾	50	51,500
		\$ 81,075
Health Care 1.1%		
Alere, Inc.		
8.625%, 10/1/18	20	\$ 20,850
6.50%, 6/15/20	15	15,600
Amsurg Corp.		
5.625%, 11/30/20	30	30,750
5.625%, 7/15/22	20	20,550
Biomet, Inc.		
6.50%, 8/1/20	80	85,000
Capsugel SA		
7.00%, 5/15/19 ⁽⁴⁾⁽¹¹⁾	10	10,181
Centene Corp.		
4.75%, 5/15/22	10	10,388
CHS/Community Health Systems, Inc.		
5.125%, 8/15/18	1,115	1,152,631
7.125%, 7/15/20	65	68,981
6.875%, 2/1/22	45	48,094
HCA Holdings, Inc.		
6.25%, 2/15/21	40	43,348
HCA, Inc.		
6.50%, 2/15/20	10	11,285
Hologic, Inc.		
6.25%, 8/1/20	130	135,525
inVentiv Health, Inc.		
9.00%, 1/15/18 ⁽¹¹⁾	625	659,375
Kinetic Concepts, Inc./KCI USA, Inc.		
10.50%, 11/1/18	25	27,125
MPH Acquisition Holdings, LLC		
6.625%, 4/1/22 ⁽¹¹⁾	70	72,712
Opal Acquisition, Inc.		
8.875%, 12/15/21 ⁽¹¹⁾	25	25,531
Salix Pharmaceuticals, Ltd.		
6.50%, 1/15/21 ⁽¹¹⁾	40	44,450
Surgical Care Affiliates, Inc.		
6.00%, 4/1/23 ⁽¹¹⁾	15	15,188
Teleflex, Inc.		
5.25%, 6/15/24 ⁽¹¹⁾	10	10,225
Tenet Healthcare Corp.		
5.00%, 3/1/19 ⁽¹¹⁾	10	9,950
6.00%, 10/1/20	20	21,225
4.375%, 10/1/21	300	294,750
8.125%, 4/1/22	45	49,725

United Surgical Partners International, Inc.

9.00%, 4/1/20

35

37,756

VWR Funding, Inc.

7.25%, 9/15/17

50

52,375

Security	Principal Amount* (000 s omitted)	Value
WellCare Health Plans, Inc.		
5.75%, 11/15/20	35	\$ 36,925
		\$ 3,010,495
Holding Company Diversified 0.0%		
Argos Merger Sub, Inc.		
7.125%, 3/15/23 ⁽¹¹⁾	45	\$ 46,744
		\$ 46,744
Home Furnishings 0.0%		
Tempur Sealy International, Inc.		
6.875%, 12/15/20	15	\$ 16,088
		\$ 16,088
Industrial Equipment 0.0%		
BlueLine Rental Finance Corp.		
7.00%, 2/1/19 ⁽¹¹⁾	20	\$ 20,650
Erikson Air-Crane, Inc., Promissory Note		
6.00%, 11/2/20 ⁽³⁾⁽¹⁵⁾	37	22,019
Manitowoc Co., Inc. (The)		
5.875%, 10/15/22	20	21,600
Vander Intermediate Holding II Corp.		
9.75%, 2/1/19 ⁽⁴⁾⁽¹¹⁾	25	25,250
		\$ 89,519
Insurance 0.3%		
A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub, LLC		
7.875%, 12/15/20 ⁽¹¹⁾	25	\$ 25,875
CNO Financial Group, Inc.		
6.375%, 10/1/20 ⁽¹¹⁾	525	556,500
Hub Holdings, LLC/Hub Holdings Finance, Inc.		
8.125%, 7/15/19 ⁽⁴⁾⁽¹¹⁾	20	19,950
Hub International, Ltd.		
7.875%, 10/1/21 ⁽¹¹⁾	25	25,687
USI, Inc.		
7.75%, 1/15/21 ⁽¹¹⁾	40	41,200
		\$ 669,212
Internet Software & Services 0.0%		
Netflix, Inc.		
5.50%, 2/15/22 ⁽¹¹⁾	35	\$ 35,963
5.875%, 2/15/25 ⁽¹¹⁾	45	46,406
		\$ 82,369
Leisure Goods/Activities/Movies 0.2%		
Activision Blizzard, Inc.		
6.125%, 9/15/23 ⁽¹¹⁾	15	\$ 16,387

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National CineMedia, LLC		
6.00%, 4/15/22	380	392,350
NCL Corp., Ltd.		
5.00%, 2/15/18	10	10,250
5.25%, 11/15/19 ⁽¹¹⁾	10	10,300
Regal Entertainment Group		
5.75%, 3/15/22	15	15,394
Royal Caribbean Cruises, Ltd.		
7.25%, 6/15/16	10	10,675
7.25%, 3/15/18	20	22,400
Viking Cruises, Ltd.		
8.50%, 10/15/22 ⁽¹¹⁾	50	55,875
		\$ 533,631

Security	Principal Amount* (000 s omitted)	Value
Lodging and Casinos 0.7%		
Buffalo Thunder Development Authority 11.00%, 12/9/22 ⁽¹¹⁾	124	\$ 106,322
Caesars Entertainment Operating Co., Inc. 8.50%, 2/15/20 ⁽⁶⁾	1,075	806,250
9.00%, 2/15/20 ⁽⁶⁾	825	614,625
GLP Capital, LP/GLP Financing II, Inc. 4.875%, 11/1/20	35	36,050
Hilton Worldwide Finance, LLC/Hilton Worldwide Finance Corp. 5.625%, 10/15/21	45	47,587
MGM Resorts International 6.625%, 12/15/21	40	42,925
7.75%, 3/15/22	15	16,931
6.00%, 3/15/23	25	25,813
Penn National Gaming, Inc. 5.875%, 11/1/21	20	20,000
Station Casinos, LLC 7.50%, 3/1/21	20	21,400
Tunica-Biloxi Gaming Authority 9.00%, 11/15/15 ⁽¹¹⁾	165	103,125
		\$ 1,841,028
Manufacturing 0.0% ⁽¹⁰⁾		
Bombardier, Inc. 5.50%, 9/15/18 ⁽¹¹⁾	15	\$ 15,000
7.50%, 3/15/25 ⁽¹¹⁾	25	24,734
		\$ 39,734
Nonferrous Metals/Minerals 0.1%		
Alpha Natural Resources, Inc. 7.50%, 8/1/20 ⁽¹¹⁾	5	\$ 2,099
CONSOL Energy, Inc. 5.875%, 4/15/22	15	13,650
Eldorado Gold Corp. 6.125%, 12/15/20 ⁽¹¹⁾	55	53,762
IAMGOLD Corp. 6.75%, 10/1/20 ⁽¹¹⁾	35	29,138
Imperial Metals Corp. 7.00%, 3/15/19 ⁽¹¹⁾	10	9,575
Kissner Milling Co., Ltd. 7.25%, 6/1/19 ⁽¹¹⁾	40	41,400
New Gold, Inc. 6.25%, 11/15/22 ⁽¹¹⁾	35	34,825
SunCoke Energy Partners, LP/SunCoke Energy Partners Finance Corp. 7.375%, 2/1/20 ⁽¹¹⁾	20	20,600
		\$ 205,049
Oil and Gas 0.7%		
Antero Resources Corp. 5.625%, 6/1/23 ⁽¹¹⁾	15	\$ 14,888
Antero Resources Finance Corp.		

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6.00%, 12/1/20	5	5,028
5.375%, 11/1/21	40	38,950
Berry Petroleum Co.		
6.375%, 9/15/22	5	3,938
Blue Racer Midstream, LLC/Blue Racer Finance Corp.		
6.125%, 11/15/22 ⁽¹¹⁾	20	20,600
Bonanza Creek Energy, Inc.		
6.75%, 4/15/21	25	24,437

Security	Principal Amount* (000 s omitted)	Value
California Resources Corp.		
5.50%, 9/15/21 ⁽¹¹⁾	20	\$ 17,925
6.00%, 11/15/24 ⁽¹¹⁾	5	4,406
Chesapeake Energy Corp.		
7.25%, 12/15/18	40	43,400
6.125%, 2/15/21	65	66,137
CITGO Petroleum Corp.		
6.25%, 8/15/22 ⁽¹¹⁾	325	316,875
Concho Resources, Inc.		
5.50%, 4/1/23	105	106,312
CrownRock, LP/CrownRock Finance, Inc.		
7.125%, 4/15/21 ⁽¹¹⁾	35	35,044
7.75%, 2/15/23 ⁽¹¹⁾	30	30,450
CVR Refining, LLC/Coffeyville Finance, Inc.		
6.50%, 11/1/22	65	65,325
Denbury Resources, Inc.		
5.50%, 5/1/22	5	4,525
Endeavor Energy Resources, LP/EER Finance, Inc.		
7.00%, 8/15/21 ⁽¹¹⁾	40	38,800
Energy Transfer Equity, LP		
5.875%, 1/15/24	30	31,800
EP Energy, LLC/Everest Acquisition Finance, Inc.		
6.875%, 5/1/19	25	25,750
9.375%, 5/1/20	70	73,587
7.75%, 9/1/22	35	35,875
GenCorp, Inc.		
7.125%, 3/15/21	30	32,250
Gulfport Energy Corp.		
7.75%, 11/1/20	40	41,200
Laredo Petroleum, Inc.		
7.375%, 5/1/22	45	46,969
6.25%, 3/15/23	5	5,000
MEG Energy Corp.		
6.375%, 1/30/23 ⁽¹¹⁾	40	37,080
Memorial Resource Development Corp.		
5.875%, 7/1/22 ⁽¹¹⁾	50	46,750
Newfield Exploration Co.		
5.625%, 7/1/24	65	67,925
Oasis Petroleum, Inc.		
6.875%, 3/15/22	35	34,300
6.875%, 1/15/23	75	73,125
Precision Drilling Corp.		
6.50%, 12/15/21	5	4,688
Rice Energy, Inc.		
7.25%, 5/1/23 ⁽¹¹⁾	5	5,006
Rosetta Resources, Inc.		
5.625%, 5/1/21	25	23,625
5.875%, 6/1/22	30	28,275
RSP Permian, Inc.		
6.625%, 10/1/22 ⁽¹¹⁾	40	40,400
Sabine Pass Liquefaction, LLC		
5.625%, 3/1/25 ⁽¹¹⁾	40	39,650
Sabine Pass LNG, LP		
6.50%, 11/1/20	55	57,200
Samson Investment Co.		
9.75%, 2/15/20	15	4,200

Seven Generations Energy, Ltd.

8.25%, 5/15/20⁽¹¹⁾

65

66,625

Security	Principal Amount* (000 s omitted)	Value
Seventy Seven Energy, Inc.		
6.50%, 7/15/22	10	\$ 4,700
SM Energy Co.		
6.125%, 11/15/22 ⁽¹¹⁾	10	9,975
6.50%, 1/1/23	45	46,350
Sunoco, LP/Sunoco Finance Corp.		
6.375%, 4/1/23 ⁽¹¹⁾	20	20,650
Tesoro Corp.		
5.375%, 10/1/22	50	52,500
Tesoro Logistics, LP/Tesoro Logistics Finance Corp.		
5.50%, 10/15/19 ⁽¹¹⁾	5	5,175
6.25%, 10/15/22 ⁽¹¹⁾	15	15,600
Triangle USA Petroleum Corp.		
6.75%, 7/15/22 ⁽¹¹⁾	15	12,188
Williams Partners, LP/ACMP Finance Corp.		
4.875%, 3/15/24	5	5,034
		\$ 1,830,492
Pharmaceuticals 0.1%		
VRX Escrow Corp.		
5.875%, 5/15/23 ⁽¹¹⁾	65	\$ 66,787
6.125%, 4/15/25 ⁽¹¹⁾	65	67,519
		\$ 134,306
Publishing 0.1%		
Laureate Education, Inc.		
10.00%, 9/1/19 ⁽¹¹⁾	315	\$ 299,250
McGraw-Hill Global Education Holdings, LLC/McGraw-Hill Global Education Finance		
9.75%, 4/1/21	70	77,700
MHGE Parent, LLC/MHGE Parent Finance, Inc.		
8.50%, 8/1/19 ⁽⁴⁾⁽¹¹⁾	10	10,087
		\$ 387,037
Radio and Television 0.4%		
Clear Channel Worldwide Holdings, Inc.		
Series A, 6.50%, 11/15/22	25	\$ 26,062
Series B, 6.50%, 11/15/22	50	52,875
Crown Media Holdings, Inc.		
10.50%, 7/15/19	45	48,375
iHeartCommunications, Inc.		
9.00%, 12/15/19	451	449,309
11.25%, 3/1/21	25	25,656
Nielsen Co. Luxembourg S.a.r.l. (The)		
5.50%, 10/1/21 ⁽¹¹⁾	15	15,563
Sirius XM Radio, Inc.		
5.875%, 10/1/20 ⁽¹¹⁾	10	10,450
6.00%, 7/15/24 ⁽¹¹⁾	40	42,100
Starz, LLC/Starz Finance Corp.		
5.00%, 9/15/19	35	36,137
Univision Communications, Inc.		
6.75%, 9/15/22 ⁽¹¹⁾	384	413,280
5.125%, 5/15/23 ⁽¹¹⁾	15	15,300

\$ 1,135,107

Retail 0.0%⁽⁹⁾

Chinos Intermediate Holdings A, Inc.

7.75%, 5/1/19⁽⁴⁾⁽¹¹⁾

25

\$

22,000

Security	Principal Amount* (000 s omitted)	Value
Family Tree Escrow, LLC		
5.25%, 3/1/20 ⁽¹¹⁾	20	\$ 21,050
5.75%, 3/1/23 ⁽¹¹⁾	70	73,850
		\$ 116,900
Retailers (Except Food and Drug) 0.2%		
1011778 B.C. Unlimited Liability Company/New Red Finance, Inc.		
6.00%, 4/1/22 ⁽¹¹⁾	50	\$ 52,062
Claire s Stores, Inc.		
9.00%, 3/15/19 ⁽¹¹⁾	20	18,250
Hot Topic, Inc.		
9.25%, 6/15/21 ⁽¹¹⁾	60	65,250
Levi Strauss & Co.		
6.875%, 5/1/22	30	32,925
Michaels FinCo Holdings, LLC/Michaels FinCo, Inc.		
7.50%, 8/1/18 ⁽⁴⁾⁽¹¹⁾	12	12,300
Michaels Stores, Inc.		
5.875%, 12/15/20 ⁽¹¹⁾	20	20,650
Murphy Oil USA, Inc.		
6.00%, 8/15/23	60	64,650
Neiman Marcus Group, Ltd., LLC		
8.75%, 10/15/21 ⁽⁴⁾⁽¹¹⁾	25	26,625
New Academy Finance Co., LLC/New Academy Finance Corp.		
8.00%, 6/15/18 ⁽⁴⁾⁽¹¹⁾	50	50,125
Petco Holdings, Inc.		
8.50%, 10/15/17 ⁽⁴⁾⁽¹¹⁾	65	66,950
Radio Systems Corp.		
8.375%, 11/1/19 ⁽¹¹⁾	30	32,400
Sally Holdings, LLC/Sally Capital, Inc.		
5.75%, 6/1/22	30	32,063
		\$ 474,250
Road & Rail 0.0%		
Florida East Coast Holdings Corp.		
6.75%, 5/1/19 ⁽¹¹⁾	10	\$ 10,100
WatCo Cos., LLC/WatCo Finance Corp.		
6.375%, 4/1/23 ⁽¹¹⁾	15	15,075
		\$ 25,175
Software and Services 0.0%		
IHS, Inc.		
5.00%, 11/1/22 ⁽¹¹⁾	25	\$ 25,235
Infor Software Parent, LLC/Infor Software Parent, Inc.		
7.125%, 5/1/21 ⁽⁴⁾⁽¹¹⁾	40	39,762
SunGard Availability Services Capital, Inc.		
8.75%, 4/1/22 ⁽¹¹⁾	30	18,975
		\$ 83,972
Steel 0.0%		
AK Steel Corp.		

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8.75%, 12/1/18	15	\$	16,031
ArcelorMittal			
7.00%, 2/25/22	10		11,000
		\$	27,031
Surface Transport 0.1%			
Hertz Corp. (The)			
6.25%, 10/15/22	35	\$	36,356

Security	Principal Amount* (000 s omitted)	Value
XPO Logistics, Inc.		
7.875%, 9/1/19 ⁽¹¹⁾	80	\$ 84,900
		\$ 121,256
Telecommunications 0.7%		
Avaya, Inc.		
9.00%, 4/1/19 ⁽¹¹⁾	20	\$ 20,600
CenturyLink, Inc.		
6.75%, 12/1/23	20	22,100
Equinix, Inc.		
5.375%, 1/1/22	20	20,950
Frontier Communications Corp.		
6.25%, 9/15/21	20	20,150
7.625%, 4/15/24	10	10,463
6.875%, 1/15/25	20	19,850
Intelsat Jackson Holdings SA		
7.25%, 10/15/20	55	56,787
Intelsat Luxembourg SA		
7.75%, 6/1/21	80	74,100
8.125%, 6/1/23	40	37,050
NII International Telecom S.C.A.		
7.875%, 8/15/19 ⁽⁶⁾⁽¹¹⁾	15	13,988
SBA Communications Corp.		
5.625%, 10/1/19	30	31,785
SBA Telecommunications, Inc.		
5.75%, 7/15/20	50	52,812
Sprint Communications, Inc.		
7.00%, 8/15/20	345	352,116
6.00%, 11/15/22	5	4,769
Sprint Corp.		
7.25%, 9/15/21	25	25,219
7.875%, 9/15/23	105	107,625
7.625%, 2/15/25	20	20,025
T-Mobile USA, Inc.		
6.25%, 4/1/21	15	15,656
6.633%, 4/28/21	20	21,025
6.731%, 4/28/22	5	5,281
6.625%, 4/1/23	25	26,313
6.375%, 3/1/25	20	20,688
Wind Acquisition Finance SA		
5.303%, 4/30/19 ⁽¹¹⁾⁽¹³⁾	EUR 250	271,097
6.50%, 4/30/20 ⁽¹¹⁾	225	238,219
4.071%, 7/15/20 ⁽¹¹⁾⁽¹³⁾	EUR 225	242,234
Windstream Corp.		
7.75%, 10/1/21	35	35,035
6.375%, 8/1/23	15	13,583
		\$ 1,779,520
Utilities 0.5%		
AES Corp. (The)		
5.50%, 3/15/24	10	\$ 10,050
Calpine Corp.		
5.375%, 1/15/23	20	20,100

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7.875%, 1/15/23 ⁽¹¹⁾	1,188	1,318,918
5.75%, 1/15/25	10	10,113
Dynegy Finance I, Inc./Dynegy Finance II, Inc.		
6.75%, 11/1/19 ⁽¹¹⁾	30	31,087
7.375%, 11/1/22 ⁽¹¹⁾	25	26,375
7.625%, 11/1/24 ⁽¹¹⁾	25	26,281
		\$ 1,442,924

	Value
Total Corporate Bonds & Notes (identified cost \$30,052,461)	\$ 29,141,348

Asset-Backed Securities 4.3%

Security	Principal Amount (000 s omitted)	Value
Apidos CLO XVII, Series 2014-17A, Class B, 3.107%, 4/17/26 ⁽¹¹⁾⁽¹³⁾	\$ 200	\$ 195,881
Apidos CLO XVII, Series 2014-17A, Class C, 3.557%, 4/17/26 ⁽¹¹⁾⁽¹³⁾	500	472,776
Apidos CLO XVII, Series 2014-17A, Class D, 5.007%, 4/17/26 ⁽¹¹⁾⁽¹³⁾	500	442,598
Apidos CLO XIX, Series 2014-19A, Class E, 5.657%, 10/17/26 ⁽¹¹⁾⁽¹³⁾	1,000	925,581
Ares CLO, Ltd., Series 2014-32A, Class D, 5.945%, 11/15/25 ⁽¹¹⁾⁽¹³⁾	1,000	948,786
Babson CLO, Ltd., Series 2013-IA, Class C, 2.957%, 4/20/25 ⁽¹¹⁾⁽¹³⁾	225	222,573
Babson CLO, Ltd., Series 2013-IA, Class D, 3.757%, 4/20/25 ⁽¹¹⁾⁽¹³⁾	175	171,512
Birchwood Park CLO, Ltd., Series 2014-1A, Class C1, 3.353%, 7/15/26 ⁽¹¹⁾⁽¹³⁾	300	300,104
Birchwood Park CLO, Ltd., Series 2014-1A, Class E1, 5.353%, 7/15/26 ⁽¹¹⁾⁽¹³⁾	300	274,180
Carlyle Global Market Strategies CLO, Ltd., Series 2014-4A, Class E, 5.45%, 10/15/26 ⁽¹¹⁾⁽¹³⁾	1,000	926,700
Centurion CDO IX Ltd., Series 2005-9A, Class D1, 5.007%, 7/17/19 ⁽¹¹⁾⁽¹³⁾	500	492,431
CIFC Funding, Ltd., Series 2013-2A, Class A3L, 2.907%, 4/21/25 ⁽¹¹⁾⁽¹³⁾	1,325	1,303,589
Dryden XXVIII Senior Loan Fund, Series 2013-28A, Class A3L, 2.957%, 8/15/25 ⁽¹¹⁾⁽¹³⁾	750	741,537
Dryden XXVIII Senior Loan Fund, Series 2013-28A, Class B1L, 3.457%, 8/15/25 ⁽¹¹⁾⁽¹³⁾	320	308,927
Dryden XXVIII Senior Loan Fund, Series 2013-28A, Class B2L, 4.157%, 8/15/25 ⁽¹¹⁾⁽¹³⁾	215	183,094
Oak Hill Credit Partners VIII Ltd., Series 2013-8A, Class C, 2.957%, 4/20/25 ⁽¹¹⁾⁽¹³⁾	200	196,904
Oak Hill Credit Partners VIII Ltd., Series 2013-8A, Class D, 3.757%, 4/20/25 ⁽¹¹⁾⁽¹³⁾	200	194,777
Octagon Investment Partners XVI Ltd., Series 2013-1A, Class C1, 3.007%, 7/17/25 ⁽¹¹⁾⁽¹³⁾	475	465,350
Octagon Investment Partners XVI Ltd., Series 2013-1A, Class D, 3.607%, 7/17/25 ⁽¹¹⁾⁽¹³⁾	475	452,819
Octagon Investment Partners XVI Ltd., Series 2013-1A, Class E, 4.757%, 7/17/25 ⁽¹¹⁾⁽¹³⁾	550	486,884
Schiller Park CLO Ltd., Series 2007-1A, Class D, 2.406%, 4/25/21 ⁽¹¹⁾⁽¹³⁾	1,000	993,381
Ziggurat CLO, Ltd., Series 2014-1A, Class E, 5.28%, 10/17/26 ⁽¹¹⁾⁽¹³⁾	1,000	876,626

Total Asset-Backed Securities (identified cost \$11,657,404)	\$ 11,577,010
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Common Stocks 0.8%

Security	Shares	Value
Aerospace and Defense 0.0% ⁽⁰⁾		
IAP Worldwide Services, LLC ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	29	\$ 31,387
		\$ 31,387

Automotive 0.1%

Dayco Products, LLC ⁽¹⁵⁾	10,159	\$ 378,423
		\$ 378,423

Building and Development 0.1%

Panolam Holdings Co. ⁽³⁾⁽¹⁶⁾⁽¹⁷⁾	131	\$ 115,039
		\$ 115,039

Food Service 0.0%⁽⁰⁾

Buffets Restaurants Holdings, Inc. ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	22,185	\$	9,096
		\$	9,096

Home Furnishings 0.0%

Sanitec Europe Oy E Units ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	25,787	\$	0
		\$	0

Security	Shares	Value
Lodging and Casinos 0.2%		
Affinity Gaming, LLC ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	23,498	\$ 246,732
Tropicana Entertainment, Inc. ⁽¹⁵⁾⁽¹⁶⁾	25,430	394,673
		\$ 641,405
Publishing 0.4%		
ION Media Networks, Inc. ⁽³⁾⁽¹⁵⁾	2,155	\$ 775,779
MediaNews Group, Inc. ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	5,771	222,190
		\$ 997,969
Total Common Stocks (identified cost \$1,083,732)		\$ 2,173,319

Convertible Preferred Stocks 0.1%

Security	Shares	Value
Business Equipment and Services 0.1%		
Education Management Corp., Series A-1, 7.50% ⁽¹⁵⁾⁽¹⁶⁾	1,793	\$ 122,148
Education Management Corp., Series A-2 ⁽¹⁵⁾⁽¹⁶⁾	5,086	58,913
		\$ 181,061
Total Convertible Preferred Stocks (identified cost \$195,441)		\$ 181,061

Warrants 0.0%

Security	Shares	Value
Retailers (Except Food and Drug) 0.0%		
Vivarte Luxco ⁽³⁾⁽¹⁵⁾⁽¹⁶⁾	104,081	\$ 57,076
		\$ 57,076
Total Warrants (identified cost \$38,147)		\$ 57,076

Miscellaneous 0.0%

Security	Principal Amount/Shares	Value
Cable and Satellite Television 0.0%		
Adelphia, Inc., Escrow Certificate ⁽¹⁶⁾	270,000	\$ 2,363
		\$ 2,363

Lodging and Casinos 0.0%

Buffalo Thunder Development Authority, Residual Claim Certificates, Expires 11/15/29 ⁽³⁾⁽¹¹⁾⁽¹⁶⁾	\$ 54,947	\$ 824
		\$ 824

Oil and Gas 0.0%

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SemGroup Corp., Escrow Certificate ⁽¹⁶⁾	290,000	\$	725
		\$	725

Total Miscellaneous (identified cost \$0)		\$	3,912
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Short-Term Investments 4.0%

Description	Interest (000 s omitted)		Value
Eaton Vance Cash Reserves Fund, LLC, 0.18% ⁽¹⁸⁾	\$ 10,843	\$	10,842,642

Total Short-Term Investments (identified cost \$10,842,642)		\$	10,842,642
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	Value
Total Investments 163.3% (identified cost \$448,895,828)	\$ 440,787,417
Other Assets, Less Liabilities (22.6)%	\$ (60,814,682)
Auction Preferred Shares Plus Cumulative Unpaid Dividends (40.7)%	\$ (110,001,837)
Net Assets Applicable to Common Shares 100.0%	\$ 269,970,898

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

DIP - Debtor in Possession

PIK - Payment In Kind

CAD - Canadian Dollar

EUR - Euro

GBP - British Pound Sterling

* In U.S. dollars unless otherwise indicated.

- (1) Senior floating-rate interests (Senior Loans) often require prepayments from excess cash flows or permit the borrowers to repay at their election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, Senior Loans will have an expected average life of approximately two to four years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility and includes commitment fees on unfunded loan commitments, if any. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base lending rates are primarily the London Interbank Offered Rate (LIBOR) and secondarily, the prime rate offered by one or more major United States banks (the Prime Rate) and the certificate of deposit (CD) rate or other base lending rates used by commercial lenders.
- (2) This Senior Loan will settle after March 31, 2015, at which time the interest rate will be determined.
- (3) For fair value measurement disclosure purposes, security is categorized as Level 3.
- (4) Represents a payment-in-kind security which may pay interest in additional principal at the issuer's discretion. For corporate bonds, the interest rate paid in additional principal is generally higher than the indicated cash rate.
- (5) Includes Staunton Luxco S.C.A. ordinary shares and preferred shares and Staunton Topco, Ltd. ordinary shares that trade with the loan.

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- (6) Currently the issuer is in default with respect to interest payments. For a variable rate security, interest rate has been adjusted to reflect non-accrual status.
- (7) The issuer is in default on the payment of principal but continues to pay interest.
- (8) Includes new money preferred shares that trade with the loan.
- (9) Includes Vivarte Class A preferred shares and Luxco ordinary shares that trade with the loan.
- (10) Amount is less than 0.05%.
- (11) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At March 31, 2015, the aggregate value of these securities is \$25,625,733 or 9.5% of the Trust's net assets applicable to common shares.
- (12) Security converts to floating rate after the indicated fixed-rate coupon period.
- (13) Variable rate security. The stated interest rate represents the rate in effect at March 31, 2015.
- (14) When-issued security.
- (15) Security was acquired in connection with a restructuring of a Senior Loan and may be subject to restrictions on resale.
- (16) Non-income producing security.
- (17) Restricted security.

(18) Affiliated investment company, available to Eaton Vance portfolios and funds, which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of March 31, 2015. Net income allocated from the investment in Eaton Vance Cash Reserves Fund, LLC for the fiscal year to date ended March 31, 2015 was \$7,828.

The cost and unrealized appreciation (depreciation) of investments of the Trust at March 31, 2015, as determined on a federal income tax basis, were as follows:

Aggregate cost	\$ 448,919,225
Gross unrealized appreciation	\$ 4,049,897
Gross unrealized depreciation	(12,181,705)
Net unrealized depreciation	\$ (8,131,808)

Restricted Securities

At March 31, 2015, the Trust owned the following securities (representing less than 0.1% of net assets applicable to common shares) which were restricted as to public resale and not registered under the Securities Act of 1933 (excluding Rule 144A securities). The Trust has various registration rights (exercisable under a variety of circumstances) with respect to these securities. The value of these securities is determined based on valuations provided by brokers when available, or if not available, they are valued at fair value using methods determined in good faith by or at the direction of the Trustees.

Description	Date of		Cost	Value
	Acquisition	Shares		
Common Stocks				
Panoram Holdings Co.	12/30/09	131	\$ 71,985	\$ 115,039
Total Restricted Securities			\$ 71,985	\$ 115,039

A summary of open financial instruments at March 31, 2015 is as follows:

Forward Foreign Currency Exchange Contracts

Settlement Date	Deliver	In Exchange For	Counterparty	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)
4/30/15	Euro 1,200,154	United States Dollar 1,363,711	State Street Bank and Trust Company	\$ 72,772	\$	\$ 72,772
5/29/15	British Pound Sterling 2,538,722	United States Dollar 3,930,729	JPMorgan Chase Bank, N.A.	166,254		166,254
5/29/15	Canadian Dollar 1,320,654	United States Dollar 1,055,751	State Street Bank and Trust Company	13,844		13,844
5/29/15	Euro 2,415,751	United States Dollar 2,745,924	Goldman Sachs International	146,425		146,425
5/29/15	Euro 223,875	United States Dollar 237,198	HSBC Bank USA, N.A.		(3,706)	(3,706)
6/30/15	British Pound Sterling 2,183,079	United States Dollar 3,244,929	Goldman Sachs International	8,514		8,514
6/30/15	Euro	United States Dollar 5,765,760	HSBC Bank USA, N.A.	76,298		76,298

5,284,767

\$ 484,107 \$ (3,706) \$ 480,401

At March 31, 2015, the Trust had sufficient cash and/or securities to cover commitments under these contracts.

The Trust is subject to foreign exchange risk in the normal course of pursuing its investment objective. Because the Trust holds foreign currency denominated investments, the value of these investments and related receivables and payables may change due to future changes in foreign currency exchange rates. To hedge against this risk, the Trust enters into forward foreign currency exchange contracts.

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At March 31, 2015, the aggregate fair value of open derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in an asset position and in a liability position and whose primary underlying risk exposure is foreign exchange risk was \$484,107 and \$3,706, respectively.

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At March 31, 2015, the hierarchy of inputs used in valuing the Trust's investments and open derivative instruments, which are carried at value, were as follows:

Asset Description	Level 1	Level 2	Level 3*	Total
Senior Floating-Rate Interests	\$	\$ 386,568,394	\$ 242,655	\$ 386,811,049
Corporate Bonds & Notes		29,119,329	22,019	29,141,348
Asset-Backed Securities		11,577,010		11,577,010
Common Stocks	394,673	378,423	1,400,223	2,173,319
Convertible Preferred Stocks		181,061		181,061
Warrants			57,076	57,076
Miscellaneous		3,088	824	3,912
Short-Term Investments		10,842,642		10,842,642
Total Investments	\$ 394,673	\$ 438,669,947	\$ 1,722,797	\$ 440,787,417
Forward Foreign Currency Exchange Contracts	\$	\$ 484,107	\$	\$ 484,107
Total	\$ 394,673	\$ 439,154,054	\$ 1,722,797	\$ 441,271,524
Liability Description				
Forward Foreign Currency Exchange Contracts	\$	\$ (3,706)	\$	\$ (3,706)
Total	\$	\$ (3,706)	\$	\$ (3,706)

* None of the unobservable inputs for Level 3 assets, individually or collectively, had a material impact on the Trust.

Level 3 investments at the beginning and/or end of the period in relation to net assets were not significant and accordingly, a reconciliation of Level 3 assets for the fiscal year to date ended March 31, 2015 is not presented.

At March 31, 2015, there were no investments transferred between Level 1 and Level 2 during the fiscal year to date then ended.

For information on the Trust's policy regarding the valuation of investments and other significant accounting policies, please refer to the Trust's most recent financial statements included in its semiannual or annual report to shareholders.

Item 2. Controls and Procedures

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

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.

Eaton Vance Senior Income Trust

By: /s/ Scott H. Page
Scott H. Page
President

Date: May 22, 2015

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: /s/ Scott H. Page
Scott H. Page
President

Date: May 22, 2015

By: /s/ James F. Kirchner
James F. Kirchner
Treasurer

Date: May 22, 2015