

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
Form N-CSRS
September 08, 2015

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)

120 East Liberty Drive, Suite 400
Wheaton, IL 60187

(Address of principal executive offices) (Zip code)

W. Scott Jardine, Esq.

First Trust Portfolios L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187

(Name and address of agent for service)

registrant's telephone number, including area code: (630) 765-8000

Date of fiscal year end: December 31

Date of reporting period: June 30, 2015

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.

FIRST TRUST

SEMI-ANNUAL
REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2015

First Trust/
Aberdeen
Emerging
Opportunity
Fund
(FEO)

Aberdeen

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. ("First Trust" or the "Advisor") and/or 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 by investing in the Fund. See "Risk Considerations" in the Additional Information section of this report for a discussion of certain other material risks of investing in the Fund.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and common share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on the Fund's webpage at <http://www.ftportfolios.com>.

HOW TO READ THIS REPORT

This report contains information that may help you evaluate your investment in the Fund. It includes details about the Fund and presents data and analysis that provide insight into the Fund's performance and investment approach.

By reading the portfolio commentary by the portfolio management team of the Fund, you may obtain an understanding of how the market environment affected the Fund's performance. The statistical information that follows may help you understand the Fund's performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of 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 material risks of investing in the Fund are spelled out in the prospectus, the statement of additional information, this report and other Fund regulatory filings.

SHAREHOLDER LETTER

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
SEMI-ANNUAL LETTER FROM THE CHAIRMAN AND CEO
JUNE 30, 2015 (UNAUDITED)

Dear Shareholders:

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Thank you for your investment in First Trust /Aberdeen Emerging Opportunity Fund (the "Fund").

First Trust Advisors L.P. ("First Trust") is pleased to provide you with this semi-annual report which contains detailed information about your investment for the six months ended June 30, 2015, including a portfolio commentary from the Fund's management team, a performance analysis and a market and Fund outlook. Additionally, First Trust has compiled the Fund's financial statements for you to review. We encourage you to read this report and discuss it with your financial advisor.

U.S. markets, fueled by accelerating growth and an accommodating Federal Reserve, enjoyed a prosperous year in 2014. However, for the six months covered by this report, some economic and global factors, including the continued conflict in the Middle East and a sharp decline in oil prices, created volatility in the U.S. and global markets. Another factor that has impacted markets is the fact that many economists are predicting the Federal Reserve will begin to raise interest rates this year.

As I have written previously, First Trust believes investors should maintain perspective about the markets and have realistic expectations about their investments. Markets will always go up and down, but we believe that having a long-term investment horizon and being invested in quality products can help you reach your goals.

Thank you for giving First Trust the opportunity to be a part of your investment plan. We value the relationship and will continue to focus on our disciplined investment approach and long-term perspective to help investors reach their financial goals.

Sincerely,

/s/ James A. Bowen

James A. Bowen
Chairman of the Board of Trustees
Chief Executive Officer of First Trust Advisors L.P.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
"AT A GLANCE"
AS OF JUNE 30, 2015 (UNAUDITED)

FUND STATISTICS

Symbol on New York Stock Exchange	FEO
Common Share Price	\$15.89
Common Share Net Asset Value ("NAV")	\$18.09
Premium (Discount) to NAV	(12.16)%
Net Assets Applicable to Common Shares	\$96,372,459
Current Quarterly Distribution per Common Share (1)	\$0.350
Current Annualized Distribution per Common Share	\$1.400
Current Distribution Rate on Closing Common Share Price (2)	8.81%
Current Distribution Rate on NAV (2)	7.74%

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 COMMON SHARE PRICE & NAV (WEEKLY CLOSING PRICE)

	Common Share Price	NAV
6/14	\$19.11	\$21.38
	19.18	21.50
	19.33	21.59
	19.34	21.67
7/14	19.50	21.84
	18.95	21.32
	18.80	21.20
	19.01	21.57
	19.11	21.60
8/14	19.24	21.77
	19.41	21.87
	18.93	21.30
	18.73	21.19
9/14	18.04	20.47
	17.60	20.05
	17.71	20.00
	17.60	20.00
	17.83	20.06
10/14	17.88	20.33
	17.56	19.93
	17.52	19.90
	17.83	20.19
11/14	17.80	20.11
	17.53	19.65
	16.44	18.75
	16.57	18.89
12/14	16.37	18.68
	16.54	18.53
	16.50	18.58
	16.48	18.76
	17.00	19.19
1/15	16.69	18.74
	16.79	18.97
	17.09	19.11
	16.91	19.11
2/15	17.03	19.19
	16.90	18.83
	16.24	18.29
	16.13	18.44
3/15	16.25	18.40
	16.64	18.80
	16.92	19.18
4/15	16.92	19.31
	16.66	19.14
	16.83	19.25
	16.95	19.43
	16.57	19.24
5/15	16.44	18.82
	16.13	18.44
	16.11	18.44
	16.19	18.51
	15.80	18.22
6/15	15.89	18.09

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PERFORMANCE

	6 Months Ended 6/30/15	1 Year Ended 6/30/15	Average Annual 5 Years Ended 6/30/15
FUND PERFORMANCE (3)			
NAV	1.56%	-8.02%	5.37%
Market Value	0.81%	-9.61%	3.67%
INDEX PERFORMANCE			
Blended Index(4)	0.70%	-7.01%	4.40%
Barclays Global Emerging Markets Index	1.49%	-2.27%	6.57%
FTSE All World Emerging Market Index	3.96%	-1.83%	4.31%

TOP 10 HOLDINGS	% OF TOTAL INVESTMENTS
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/1/25	3.7%
Samsung Electronics Co., Ltd., Preference Shares	2.3
Russian Federal Bond - OFZ, 7.05%, 1/19/28	2.3
Housing Development Finance Corp., Ltd..	1.9
Taiwan Semiconductor Manufacturing Co., Ltd.	1.9
Argentina Bonar Bonds, 7.00%, 4/17/17	1.7
Turkey Government Bond, 10.40%, 3/20/24	1.7
AIA Group Ltd.	1.6
Fomento Economico Mexicano, S.A.B. de C.V., ADR	1.6
Mexican Bonos, 8.50%, 11/18/38	1.6
Total	20.3%

TOP 10 COUNTRIES(5)	% OF TOTAL INVESTMENTS
Brazil	9.9%
India	8.5
Mexico	7.7
Turkey	7.5
Russia	6.7
Hong Kong	5.8
South Africa	5.4
Indonesia	3.7
South Korea	3.1
Taiwan	2.4
Total	60.7%

(1) Most recent distribution paid or declared through 6/30/2015. Subject to change in the future.

(2) Distribution rates are calculated by annualizing the most recent

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distribution paid or declared through the report date and then dividing by Common Share Price or NAV, as applicable, as of 6/30/2015. Subject to change in the future.

- (3) Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods less than one year. Past performance is not indicative of future results.
- (4) Blended Index consists of the following: JP Morgan Emerging Markets Bond Index - Global Diversified (32.5%); JP Morgan Government Bond Index - Emerging Markets (32.5%); MSCI Global Emerging Markets Index (35.0%).
- (5) 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.
- (6) The credit quality and ratings information presented above reflects the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Ratings or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the highest ratings are used. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its Shares. Credit ratings are subject to change.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 "AT A GLANCE" (CONTINUED)
 AS OF JUNE 30, 2015 (UNAUDITED)

INDUSTRY CLASSIFICATION	% OF TOTAL INVESTMENTS
Sovereigns	36.2%
Banks	12.3
Real Estate Management & Development	4.0
Food & Staples Retailing	3.6
Wireless Telecommunications Services	3.4
Oil, Gas & Consumable Fuels	3.4
Construction Materials	3.4
Beverages	2.6
Technology Hardware, Storage & Peripherals	2.3
Automobiles	2.2
Metals & Mining	2.1
Thrifts & Mortgage Finance	1.9
Semiconductors & Semiconductor	1.9
Tobacco	1.6
Insurance	1.6
IT Services	1.3
Real Estate	1.2

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Household Products	1.1
Transportation Infrastructure	1.1
Government Agencies	1.1
Hotels Restaurants & Leisure	0.9
Specialty Retail	0.8
Integrated Oils	0.8
Exploration & Production	0.8
Energy Equipment & Services	0.8
Multiline Retail	0.7
Consumer Services	0.7
Financial Services	0.6
Diversified Financial Services	0.5
Pharmaceuticals	0.5
Central Bank	0.5
Oil & Gas Services & Equipment	0.5
Software & Services	0.4
Consumer Finance	0.4
Power Generation	0.4
Pipeline	0.4
Chemicals	0.3
Food & Beverage	0.3
Food Products	0.3
Wireline Telecommunications Services	0.3
Refining & Marketing	0.3
Home Improvement	0.2
Supermarkets & Pharmacies	0.2
Industrial Other	0.1

Total	100.0%
	=====

	% OF TOTAL FIXED-INCOME
CREDIT QUALITY(6)	INVESTMENTS

A	6.5%
BBB+	12.9
BBB	12.0
BBB-	15.6
BB+	12.1
BB	2.6
BB-	11.7
B+	13.1
B	7.4
CCC	0.9
Not Rated	5.2

Total	100.0%
	=====

 PORTFOLIO COMMENTARY

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SEMI-ANNUAL REPORT
JUNE 30, 2015 (UNAUDITED)

SUB-ADVISOR

Aberdeen Asset Management Inc. ("Aberdeen" or the "Sub-Advisor"), a Securities and Exchange Commission registered investment advisor, is a wholly-owned subsidiary of Aberdeen Asset Management PLC ("Aberdeen Group"). Aberdeen Group 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

Investment decisions for the First Trust/Aberdeen Emerging Opportunity Fund (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 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. Below are 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 Global Emerging Markets Equity

JOANNE IRVINE

Head of Global Emerging Markets ex Asia

MARK GORDON-JAMES

Senior Investment Manager, Global Emerging Markets Equity

FIONA MANNING

Senior Investment Manager, Global Emerging Markets Equity

PETER TAYLOR

Senior Investment Manager/Head of Corporate Governance,
Global Emerging Markets Equity

FIXED-INCOME MANAGEMENT TEAM

BRETT DIMENT

Head of Emerging Market Debt

KEVIN DALY

Senior Investment Manager, Emerging Market Debt

EDWIN GUTIERREZ

Head of Emerging Market Sovereign Debt

MAX WOLMAN

Senior Investment Manager, Emerging Market Debt

COMMENTARY

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND

The investment objective of the Fund is to provide a high level of total return. The Fund pursues its investment 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. There can be no assurance that the Fund's investment objective will be achieved, and the Fund may not be appropriate for all investors.

FUND RECAP

The Fund had a net asset value ("NAV") total return(1) of 1.56% and a market value total return of 0.81% for the six months ended June 30, 2015, compared to the Fund's blended index(2) total return of 0.70% over the same period. In addition to the blended index, the Fund currently uses other indexes for comparative purposes. The total returns for the six months ended June 30, 2015, for these indexes were as follows: the Barclays Global Emerging Markets Index was 1.49% and the FTSE All World Emerging Market Index was 3.96%.

An important factor impacting the return of the Fund relative to the indexes was the Fund's use of financial leverage through the use of bank borrowings. The Fund uses leverage because its managers believe that, over time, leverage provides opportunities for additional income and total return for common shareholders. However, the use of leverage can also expose common shareholders to additional volatility. For example, if the prices of securities held by the Fund decline, the negative impact of changes on Common Share NAV and Common Shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance Common Share returns during periods when the prices of securities held by the Fund generally are rising. Unlike the Fund, the Barclays Global Emerging Markets Index, the FTSE All World Emerging Market Index and the components of the blended index are not leveraged. Leverage had a positive impact on the performance of the Fund over this reporting period.

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- 1 Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods less than one year. Past performance is not indicative of future results.
 - 2 The blended index consists of the following: JPMorgan Emerging Markets Bond Index - Global Diversified (32.5%); JPMorgan Government Bond Index - Emerging Markets (32.5%); MSCI Global Emerging Markets Index (35.0%).

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PORTFOLIO COMMENTARY (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
SEMI-ANNUAL REPORT
JUNE 30, 2015 (UNAUDITED)

FIXED INCOME COMMENTARY

MARKET RECAP

Emerging market ("EM") debt performance was mixed over the period. Brief spells of strong performance in January and April were negated by volatility in crude oil prices, speculation over the commencement of U.S. interest rate hikes and increasing fears over a potential Greek exit from the Eurozone. On the other hand, the initiation of the European Central Bank's ("ECB") asset purchase program caused global bond market rates to rally in March (allowing Eurozone bonds to outperform) and limited ripple effects from other factors which may have affected sentiment towards EM debt.

The direction of oil price movements negatively drove sentiment in certain credits but those countries less affected by the volatility of commodity prices have benefitted from yield-hungry investors looking to diversify away from developed markets.

Speculation surrounding the start date for U.S. interest rate hikes also affected sentiment over the period. Disappointing macroeconomic data quickly ruled out the possibility of a June hike. Market conjecture now points to the third or fourth quarter of the year, although no formal groundwork has yet been laid by the U.S. Federal Reserve (the "Fed").

Elsewhere, in Greece, negotiations with the Troika group of official creditors⁽³⁾ failed and Prime Minister Alexis Tsipras called for a last minute referendum on whether the country should accept further austerity measures. The ECB board member, Benoit Coeure, said that the ECB would moderately frontload its asset purchases due to poor market liquidity during the summer months. This comment was leapt on by the market and triggered a complete unwind of the euro strength witnessed earlier in the period.

Over the period, the JPMorgan Emerging Markets Bond Index - Global Diversified returned 1.67%, with high yield comfortably outperforming investment grade assets, returning 3.13% and 0.54% respectively. On a country level, Russia (+15.7%), Belize (+12.0%) and Jamaica (+11.3%) performed the best. At the other end of the spectrum, Zambia and Ukraine (both -4.0%) performed the worst over the period.

In local currency debt, the JPMorgan Government Bond Index - Emerging Markets (unhedged in USD) returned -2.96%, with positive bond returns but weak currency performance. On a country level, Russia (+28.9%) was by far the top performer as it rebounded from oversold levels, while the Philippines (+3.4%) and Nigeria (+0.2%) were the only other countries to have positive returns. On the other side, Turkey (-14.0%) and Brazil (-10.1%) had the most negative returns.

PERFORMANCE ANALYSIS

The EM debt portion of the Fund outperformed the EM debt portion of its blended index over the six-month period. In hard currency debt, the Fund benefitted from overweight positions in Russia, Venezuela and Kazakhstan as well as off-index positioning in the United Arab Emirates. On the other side, an underweight in China, relative to the EM debt portion of the blended index detracted from the Fund, as did a lack of holdings in the Philippines, Hungary, Lebanon and Jamaica. In local currency debt, an underweight to Eastern Europe, specifically Romania, Hungary and Poland, was the main contributor to the Fund's performance, while an overweight to Russia was also beneficial. Overweights in Brazil and Colombia detracted from the Fund, while positioning in Indonesia was also negative.

During the period, we participated in new U.S. dollar ("USD") 10-year Eurobonds from Tunisia, Egypt and Gabon. We reduced the portfolio's Venezuela position, based on recent good performance, and bought Argentina local-law USD securities.

We also reduced the Fund's exposure to Romania, as recent political developments point to a loosening fiscal stance. We reduced some of the Fund's corporate positions, specifically Cementos Pacasmayo, a Peruvian cement company, Bharti Airtel, the Indian telecommunications company, and Offshore Drilling Holdings, a Mexican corporate. We also initiated a switch within Russian corporates, preferring Gazprom Neft over Rosneft. In local currency bonds, we switched part of our Brazil nominal bonds into inflation-linked ones. We reduced our Russia holding which has outperformed in 2015 and allowed positions in Egyptian and Serbian treasury bills to mature. In terms of currency allocations, we reduced our Colombian peso and Indonesia rupiah exposure; on the other side, we added to the Fund's Nigerian naira and Turkish lira positions.

MARKET OUTLOOK

In terms of issuance, the first six months of the year have played out much as recent years have suggested - that it is not the mainstream EM countries which are the main drivers of new Eurobond issuance, but the high-yield nations. Investment grade credits are more focused on using their local bond market for their financing needs rather than issue in foreign currency, while high yielding nations do not yet have a sophisticated pension fund system, banking sector or asset management or insurance industry which can absorb large amounts of government treasury bonds or bills. With new bonds this year from such countries as the Dominican Republic, Armenia, Tunisia and Gabon, we do expect this trend in "frontier market" bond growth to continue. We believe the exogenous risks surrounding Greece and U.S. monetary policy will likely continue to keep risk

3 International Monetary Fund, European Union and ECB.

PORTFOLIO COMMENTARY (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
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appetite subdued, although we do consider bond valuations attractive at this point in time. Recent credit rating upgrades to Uruguay and Jamaica and an upwards outlook revision in Malaysia indicate the improving nature of certain EM countries, in our opinion.

EQUITY COMMENTARY

MARKET RECAP

Continued loose monetary policies pushed most emerging stock markets higher despite heightened volatility towards the end of the six-month period. Together with the ECB, which started its quantitative easing program, many central banks across the world trimmed interest rates to stave off the threat of deflation. Hopes that China would add more stimuli to bolster growth and the Fed's suggestion of a more measured pace of interest rate hikes provided further support, for the most part. In the last two months of the review period, however, markets retreated amid growing uncertainty surrounding Greece's debt

saga and China's shaky markets.

PERFORMANCE ANALYSIS

The equity portion of the Fund underperformed the equity portion of its blended index over the period mainly because of the large underweight to China, as well as the overweight to both Turkey and Brazil.

The spectacular rise, and subsequent retreat, of China's stock markets was the main focus of investor attention. The MSCI China Index rose sharply in the first four months of the year in response to a tide of equity account openings, a surge in margin trading activity, and monetary easing. However, the market tumbled in May and June, as the weight of recent gains triggered profit-taking in the face of continuing weak macroeconomic data and a clampdown on margin financing. But China still ended as the best performing market in Asia at the end of the review period. This hurt the Fund's performance given the underweight. At the stock level, the lack of exposure to Tencent Holdings Limited hurt the Fund's performance, as its share price rose after it announced good results and planned to monetize its WeChat platform. However, the losses were pared by Yum! Brands, which rose on news that hedge fund Third Point had taken a stake in the company, citing the recovery of, and hidden value in, its Chinese business.

In Turkey, uncertainty over its political future weighed on the local stock market. The ruling AK Party lost its parliamentary majority in a landmark election, while investors were also worried that central bank impartiality might be compromised by President Erdogan's persistent hounding to trim interest rates. At the stock level, retailer BIM and lenders such as Garanti and Akbank fell along with the local market.

Brazil also tumbled on worries about the deepening slowdown. Although first-quarter GDP growth shrank by less than expected, inflation remained elevated and rising unemployment crimped domestic consumption. The central bank continued to tighten policy, lifting the benchmark rate to 13.75% in June to curb inflation; meanwhile, to meet fiscal targets, the government is cutting spending as well and raising taxes for financial institutions. Shares of local lenders, including holding Banco Bradesco, fell on concerns that the tax hikes may affect profitability across the sector. However, other Brazilian holdings such as clothing retailer Lojas Renner, fuels and chemical company Ultrapar, and tobacco company Souza Cruz outperformed the market, resulting in positive attribution.

MARKET AND FUND OUTLOOK

EM equities' bumpy ride in the first half of 2015 looks set to continue for the rest of the year, in our opinion. Besides Greece, there are other lingering concerns. Foremost is when the Fed will start normalizing monetary policy and its impact on financial markets (we think emerging markets have, to an extent, factored in higher interest rates). China is another worry. Further turmoil in domestic stock markets could destabilize the economy at a time when it is already decelerating. A bear market-induced downturn could reverberate beyond the mainland. But the Chinese government remains committed to supporting the market and the economy. At the time of writing, Beijing has eased monetary policy to boost growth and made a series of announcements aimed at restoring investor confidence following the recent sharp sell-off in domestic equities. In addition, further government intervention to stabilize growth is expected, either through interest rate cuts or higher infrastructure spending.

These macroeconomic issues, albeit significant, do not dim the long-term attractiveness of emerging markets, in our opinion. For one, we are investing in individual stocks, not entire economies. History shows there is little correlation between equity returns and economic growth. The widening valuation

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gap also favors the asset class. Emerging market stocks overall are still trading at a discount relative to historical levels and they remain attractive versus their developed market peers. Although subdued demand in developed markets has hampered exports and earnings in the developing world, we believe global growth - forecast to recover later this year - should help reverse this trend. Companies outside the commodity sector are already enjoying margin expansion, either through cost-cuts or declining input costs. We believe a potential pickup in top-line numbers may not be too far off.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a)
 JUNE 30, 2015 (UNAUDITED)

SHARES	DESCRIPTION

COMMON STOCKS - 51.5%	
	AUSTRALIA - 0.0%
15,636	South32 Ltd. (b).....
	BRAZIL - 5.5%
148,779	Banco Bradesco S.A., ADR.....
12,458	BRF S.A.....
20,000	Lojas Renner S.A.....
30,454	Multiplan Empreendimentos Imobiliarios S.A., Preference Shares.....
62,500	Souza Cruz S.A.....
58,267	Ultrapar Participacoes S.A.....
84,104	Vale S.A., ADR.....
58,842	Vale S.A., Preference Shares, ADR.....
	CHILE - 0.6%
30,459	Banco Santander Chile S.A., ADR.....
	CHINA - 1.0%
862,000	PetroChina Co., Ltd., Class H.....
	HONG KONG - 5.8%
247,000	AIA Group Ltd.....
120,000	China Mobile Ltd.....
202,000	Hang Lung Group Ltd.....
528,000	Swire Pacific Ltd., B Shares.....
89,600	Swire Properties Ltd.....
	HUNGARY - 0.6%
36,354	Richter Gedeon Nyrt.....
	INDIA - 8.2%
17,000	Grasim Industries Ltd.....
18,500	Hero MotoCorp Ltd.....

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78,000	Hindustan Unilever Ltd.....
93,500	Housing Development Finance Corp., Ltd.....
100,000	ICICI Bank Ltd.....
83,472	Infosys Ltd.....
231,173	ITC Ltd.....
7,428	UltraTech Cement Ltd.....
	INDONESIA - 2.1%
306,300	Indocement Tunggal Prakarsa Tbk PT.....
2,833,100	PT Astra International Tbk.....
	ITALY - 0.8%
27,900	Tenaris S.A., ADR.....
	MALAYSIA - 1.0%
234,167	CIMB Group Holdings Berhad.....
120,000	Public Bank Berhad.....

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

SHARES	DESCRIPTION

COMMON STOCKS (CONTINUED)	
	MEXICO - 4.1%
17,700	Fomento Economico Mexicano, S.A.B. de C.V., ADR.....
28,500	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., ADR.....
229,200	Grupo Financiero Banorte, S.A.B. de C.V., 0 Shares.....
	PHILIPPINES - 2.1%
1,400,000	Ayala Land, Inc.....
394,359	Bank of the Philippine Islands.....
	POLAND - 0.8%
17,000	Bank Pekao S.A.....
	PORTUGAL - 0.5%
41,692	Jeronimo Martins SGPS S.A.....

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	RUSSIA - 2.3%
26,500	LUKOIL, ADR.....
5,181	Magnit OJSC.....
	SOUTH AFRICA - 3.2%
48,610	Massmart Holdings Ltd.....
32,215	MTN Group Ltd.....
19,978	SABMiller PLC.....
119,729	Truworths International Ltd.....
	SOUTH KOREA - 3.2%
3,500	E-Mart Co., Ltd.....
2,620	Samsung Electronics Co., Ltd., Preference Shares.....
	TAIWAN - 2.5%
150,005	Taiwan Mobile Co., Ltd.....
409,954	Taiwan Semiconductor Manufacturing Co., Ltd.....
	THAILAND - 2.2%
67,700	Siam Cement Public (The) Co., Ltd.....
230,600	Siam Commercial Bank Public Co., Ltd.....
	TURKEY - 2.5%
188,635	Akbank TAS.....
40,444	BIM Birlesik Magazalar AS.....
146,150	Haci Omer Sabanci Holding AS.....
192,000	Turkiye Garanti Bankasi AS.....
	UNITED KINGDOM - 1.5%
26,000	BHP Billiton PLC.....
60,559	Standard Chartered PLC.....
	UNITED STATES - 1.0%
10,500	Yum! Brands, Inc.....
	TOTAL COMMON STOCKS.....
	(Cost \$38,101,702)

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PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	STATED COUPON	S MA
FOREIGN SOVEREIGN BONDS AND NOTES - 40.0%			
	ARGENTINA - 1.7%		
1,750,000	Argentina Bonar Bonds (USD).....	7.00%	04
	ARMENIA - 0.6%		
596,000	Republic of Armenia (USD) (c).....	6.00%	09
	BRAZIL - 3.8%		
13,160,000	Brazil Notas do Tesouro Nacional, Series F (BRL).....	10.00%	01
	CHILE - 0.3%		
250,000	Empresa Nacional del Petroleo (USD) (c).....	4.38%	10
	COLOMBIA - 1.7%		
833,000,000	Colombia Government International Bond (COP).....	7.75%	04
2,677,000,000	Colombia Government International Bond (COP).....	9.85%	06
	COSTA RICA - 0.3%		
300,000	Costa Rica Government International Bond (USD).....	4.25%	01
	CROATIA - 1.3%		
930,000	Croatia Government International Bond (USD).....	6.63%	07
200,000	Croatia Government International Bond (USD).....	6.00%	01
	DOMINICAN REPUBLIC - 1.2%		
200,000	Dominican Republic International Bond (USD).....	7.50%	05
400,000	Dominican Republic International Bond (USD).....	5.88%	04
458,000	Dominican Republic International Bond (USD).....	8.63%	04
	EGYPT - 0.5%		
540,000	Egypt Government International Bond (USD) (c).....	5.88%	06
	ETHIOPIA - 0.6%		
540,000	Federal Democratic Republic of Ethiopia (USD) (c).....	6.63%	12
	GABON - 0.2%		
200,000	Gabonese Republic (USD) (c).....	6.95%	06
	GEORGIA - 0.4%		
350,000	Georgian Oil and Gas Corp. JSC (USD) (c).....	6.88%	05
	GHANA - 0.8%		
500,000	Republic of Ghana (USD).....	8.13%	01
350,000	Republic of Ghana (USD) (c).....	8.13%	01

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	HONDURAS - 0.7%			
630,000	Honduras Government International Bond (USD) (c).....	7.50%		03
	HUNGARY - 0.6%			
140,630,000	Hungary Government Bond (HUF).....	5.50%		06
	INDONESIA - 1.8%			
700,000	Indonesia Government International Bond (USD) (c).....	5.88%		01
7,311,000,000	Indonesia Treasury Bond (IDR).....	8.38%		03
440,000	Pertamina Persero PT (USD) (c).....	4.30%		05

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	STATED COUPON	S MA

FOREIGN SOVEREIGN BONDS AND NOTES (CONTINUED)			
	IRAQ - 0.7%		
880,000	Republic of Iraq (USD).....	5.80%	01
	IVORY COAST - 0.8%		
240,000	Ivory Coast Government International Bond (USD) (c).....	6.38%	03
570,000	Ivory Coast Government International Bond (USD).....	5.75%	12
	KAZAKHSTAN - 1.1%		
1,170,000	Kazakhstan Government International Bond (USD) (c).....	3.88%	10
	KENYA - 0.2%		
200,000	Kenya Government International Bond (USD).....	6.88%	06
	MEXICO - 2.4%		
3,890,000	Mexican Bonos (MXN).....	6.50%	06
20,590,000	Mexican Bonos (MXN).....	8.50%	11
6,804,468	Mexican Udibonos, Inflation Adjusted Bond (MXN) (d).....	4.50%	11
	MONGOLIA - 1.0%		

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580,000	Development Bank of Mongolia LLC (USD).....	5.75%	03
400,000	Mongolia Government International Bond (USD).....	5.13%	12
	NIGERIA - 1.4%		
253,240,000	Nigeria Government Bond (NGN).....	16.00%	06
	POLAND - 0.7%		
1,670,000	Poland Government Bond (PLN).....	4.00%	10
640,000	Poland Government Bond (PLN).....	5.75%	04
	ROMANIA - 0.9%		
700,000	Romanian Government International Bond (USD).....	6.75%	02
	RUSSIA - 2.8%		
165,926,000	Russian Federal Bond - OFZ (RUB).....	7.05%	01
200,000	Russian Foreign Bond - Eurobond (USD).....	4.88%	09
200,000	Russian Foreign Bond - Eurobond (USD).....	5.88%	09
	RWANDA - 0.5%		
300,000	Rwanda International Government Bond (USD).....	6.63%	05
200,000	Rwanda International Government Bond (USD) (c).....	6.63%	05
	SENEGAL - 0.4%		
380,000	Senegal Government International Bond (USD).....	8.75%	05
	SERBIA - 1.2%		
1,120,000	Republic of Serbia (USD).....	5.25%	11
	SOUTH AFRICA - 2.4%		
450,000	Eskom Holdings SOC Ltd. (USD).....	6.75%	08
210,000	Eskom Holdings SOC Ltd. (USD) (c).....	6.75%	08
9,550,000	South Africa Government Bond (ZAR).....	10.50%	12
9,490,000	South Africa Government Bond (ZAR).....	8.00%	01

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

PRINCIPAL
 VALUE
 (LOCAL

STATED

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CURRENCY)	DESCRIPTION	COUPON	MA
FOREIGN SOVEREIGN BONDS AND NOTES (CONTINUED)			
	TANZANIA - 0.3%		
300,000	Tanzania Government International Bond (USD) (e).....	6.40%	03
	TURKEY - 4.8%		
1,600,000	Turkey Government Bond (TRY).....	6.30%	02
4,150,000	Turkey Government Bond (TRY).....	10.40%	03
1,280,000	Turkey Government Bond (TRY).....	9.00%	07
2,110,000	Turkey Government Bond (TRY).....	8.00%	03
1,050,000	Turkey Government International Bond (USD).....	6.25%	09
	UNITED ARAB EMIRATES - 0.5%		
410,000	Emirate of Dubai Government International Bonds (USD).....	7.75%	10
	URUGUAY - 1.1%		
183,000	Uruguay Government International Bond (USD).....	7.63%	03
20,953,195	Uruguay Government International Bond, Inflation Adjusted Bond (UYU) (d).....	5.00%	09
	ZAMBIA - 0.3%		
250,000	Zambia Government International Bond (USD) (c).....	8.50%	04
	TOTAL FOREIGN SOVEREIGN BONDS AND NOTES.....		
	(Cost \$41,558,287)		
FOREIGN CORPORATE BONDS AND NOTES (F) - 12.4%			
	BANGLADESH - 0.3%		
250,000	Banglalink Digital Communications Ltd. (USD) (c).....	8.63%	05
	BRAZIL - 0.9%		
270,000	Marfrig Overseas Ltd. (USD).....	9.50%	05
350,000	OAS Finance Ltd. (USD) (c) (h) (i) (j).....	8.88%	
200,000	OAS Investments GmbH (USD) (c) (h) (i).....	8.25%	10
560,604	QGOG Atlantic/Alaskan Rigs Ltd. (USD).....	5.25%	07
	CHINA - 0.3%		
260,000	Country Garden Holdings Co., Ltd. (USD).....	7.50%	03
	COLOMBIA - 0.4%		
460,000	Pacific Rubiales Energy Corp. (USD) (c).....	5.38%	01
	DOMINICAN REPUBLIC - 0.4%		
350,000	AES Andres Dominicana, Ltd. / Itabo Dominicana, Ltd. (USD).....	9.50%	11
	GUATEMALA - 0.9%		
400,000	Comcel Trust via Comunicaciones Celulares SA (USD) (c).....	6.88%	02
400,000	Industrial Subordinated Trust (USD).....	8.25%	07
	HONG KONG - 0.3%		

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260,000 Shimao Property Holdings Ltd. (USD)..... 8.38% 02

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	STATED COUPON	S MA

FOREIGN CORPORATE BONDS AND NOTES (F) (CONTINUED)			
	INDIA - 0.6%		
270,000	ABJA Investment Co. Pte Ltd. (USD).....	5.95%	07
260,000	ICICI Bank Ltd. (USD) (j).....	6.38%	04
	KAZAKHSTAN - 0.4%		
400,000	Zhaikmunai LLP (USD) (c).....	7.13%	11
	MEXICO - 1.5%		
270,000	Alfa SAB de CV (USD).....	6.88%	03
350,000	CEMEX Espana S.A. (USD).....	9.88%	04
400,000	Sixsigma Networks Mexico S.A. de CV (USD) (c).....	8.25%	11
103,000	Southern Copper Corp. (USD).....	3.88%	04
290,000	Unifin Financiera SAPI de CV SOFOMENR (USD).....	6.25%	07
	MOZAMBIQUE - 0.7%		
700,000	EMATUM Via Mozambique EMATUM Finance 2020 BV (USD).....	6.31%	09
	NIGERIA - 0.7%		
320,000	Diamond Bank PLC (USD) (c).....	8.75%	05
400,000	Zenith Bank PLC (USD) (c).....	6.25%	04
	PARAGUAY - 0.6%		
500,000	Banco Regional SAECA (USD) (c).....	8.13%	01
	PERU - 0.4%		
160,000	InRetail Consumer (USD) (c).....	5.25%	10
200,000	Union Andina de Cementos SAA (USD).....	5.88%	10
	RUSSIA - 1.8%		

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400,000	Alfa Bank OJSC Via Alfa Bond Issuance PLC (USD).....	7.75%	04
430,000	Evrax Group S.A. (USD) (c).....	6.50%	04
350,000	Lukoil International Finance BV (USD).....	4.56%	04
310,000	Sberbank of Russia Via SB Capital SA (USD).....	6.13%	02
380,000	Vimpel Communications Via VIP Finance Ireland Ltd., OJSC (USD).....	7.75%	02
	TUNISIA - 0.5%		
550,000	Banque Centrale de Tunisie SA (USD) (c).....	5.75%	01
	TURKEY - 0.5%		
200,000	Arcelik AS (USD) (c).....	5.00%	04
300,000	Yasar Holdings AS (USD) (c).....	8.88%	05
	UNITED ARAB EMIRATES - 0.7%		
600,000	Jafz Sukuk Ltd. (USD).....	7.00%	06

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (a) (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	STATED COUPON	S MA

FOREIGN CORPORATE BONDS AND NOTES (F) (CONTINUED)			
	VENEZUELA - 0.5%		
690,000	Petroleos de Venezuela S.A. (USD).....	8.50%	11
	TOTAL FOREIGN CORPORATE BONDS AND NOTES.....		
	(Cost \$12,424,809)		
	TOTAL INVESTMENTS - 103.9%.....		
	(Cost \$92,084,798) (k)		
	OUTSTANDING LOAN - (6.0%).....		
	NET OTHER ASSETS AND LIABILITIES - 2.1%.....		
	NET ASSETS - 100.0%.....		

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- (a) All of these securities are available to serve as collateral for the outstanding loan.
- (b) Non-income producing security.
- (c) This security, sold within the terms of a private placement memorandum, is exempt from registration under Rule 144A under the Securities Act of 1933, as amended (the "1933 Act"), and may be resold in transactions exempt from registration, normally to qualified institutional buyers. Pursuant to procedures adopted by the Fund's Board of Trustees, this security has been determined to be liquid by the Fund's sub-advisor. At June 30, 2015, securities noted as such amounted to \$11,471,994 or 11.9% of net assets.
- (d) Security whose principal value is adjusted in accordance with changes to the country's Consumer Price Index. Interest is calculated on the basis of the current adjusted principal value.
- (e) Floating rate security. The interest rate shown reflects the rate in effect at June 30, 2015.
- (f) Portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the Fund's sub-advisor.
- (g) Perpetual maturity.
- (h) This issuer is in default and interest is not being accrued by the Fund.
- (i) This company has filed for protection in a Sao Paulo state court.
- (j) Fixed-to-floating rate security. The interest rate shown reflects the fixed rate in effect at June 30, 2015.
- (k) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$17,112,378 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$9,016,657.

ADR American Depositary Receipt

Currency Abbreviations:

BRL Brazilian Real	NGN Nigerian Naira
COP Colombian Peso	PHP Philippines Peso
EUR Euro	PLN Polish Zloty
GBP British Pound Sterling	RUB Russian Ruble
HKD Hong Kong Dollar	THB Thailand Baht
HUF Hungarian Forint	TRY Turkish Lira
IDR Indonesian Rupiah	TWD Taiwan New Dollar
INR Indian Rupee	USD United States Dollar
KRW South Korean Won	UYU Uruguayan Peso
MXN Mexican Peso	ZAR South African Rand
MYR Malaysian Ringgit	

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

 VALUATION INPUTS

A summary of the inputs used to value the Fund's investments as of June 30, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

INVESTMENTS	ASSETS TABLE		
	TOTAL VALUE AT 6/30/2015	LEVEL 1 QUOTED PRICES	LEVEL 2 SIGNIFICAN OBSERVABL INPUTS
Common Stocks*.....	\$ 49,683,284	\$ 49,683,284	\$
Foreign Sovereign Bonds and Notes*.....	38,562,745	--	38,562,
Foreign Corporate Bonds and Notes*.....	11,934,490	--	11,934,
Total Investments.....	100,180,519	49,683,284	50,497,
Forward Foreign Currency Contracts**.....	65,307	--	65,
Total.....	\$ 100,245,826	\$ 49,683,284	\$ 50,562,

INVESTMENTS	LIABILITIES TABLE		
	TOTAL VALUE AT 6/30/2015	LEVEL 1 QUOTED PRICES	LEVEL 2 SIGNIFICAN OBSERVABL INPUTS
Forward Foreign Currency Contracts**.....	\$ (162)	\$ --	\$ (

* See the Portfolio of Investments for country breakout.

** See the Forward Foreign Currency Contracts for contract and currency detail.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of June 30, 2015, the Fund transferred common stocks valued at \$36,810,292 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of foreign equities that are now being valued based on quoted prices. Previously, these securities were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the New York Stock Exchange close on December 31, 2014 exceeding a certain threshold.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2015 (UNAUDITED)

CURRENCY EXPOSURE DIVERSIFICATION	% OF TOTAL INVESTMENTS #
USD	40.4
INR	9.1
BRL	6.9
HKD	6.6
ZAR	5.3
TRY	4.9
MXN	3.6
RUB	3.4
KRW	3.1
IDR	2.6
TWD	2.4
THB	2.1
PHP	2.0
PLN	1.5
NGN	1.3
HUF	1.1
GBP	1.0
MYR	0.9
UYU	0.8
EUR	0.5
COP	0.5

Total	100.0%
	=====

The weightings include the impact of currency forwards.

FORWARD FOREIGN CURRENCY CONTRACTS
 (SEE NOTE 2C - FORWARD FOREIGN CURRENCY CONTRACTS IN THE NOTES TO FINANCIAL
 STATEMENTS).

FORWARD FOREIGN CURRENCY CONTRACTS						
SETTLEMENT DATE	COUNTERPARTY	AMOUNT PURCHASED (a)	AMOUNT SOLD (a)	PURCHASE VALUE AS OF JUNE 30, 2015		
08/28/15	DB	INR 66,980,000	USD 1,032,686	\$	1,039,764	
08/28/15	CIT	USD 1,149,060	COP 2,860,011,000		1,149,060	
07/16/15	CIT	USD 1,010,122	TRY 2,721,000		1,010,122	

Net Unrealized Appreciation (Depreciation).....

(a) Please see Portfolio of Investments for currency descriptions.

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See Note 2D - Offsetting on the Statement of Assets and Liabilities in the Notes to Financial Statements for a table that presents the forward foreign currency contracts' assets and liabilities on a gross basis.

Counterparty Abbreviations:

CIT Citibank, NA
 DB Deutsche Bank

See Notes to Financial Statements

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 STATEMENT OF ASSETS AND LIABILITIES
 JUNE 30, 2015 (UNAUDITED)

ASSETS:

Investments, at value
 (Cost \$92,084,798).....
 Cash.....
 Foreign currency (Cost \$166,389).....
 Unrealized appreciation on forward foreign currency contracts.....
 Receivables:
 Interest.....
 Dividends.....
 Miscellaneous.....
 Investment securities sold.....
 Dividend reclaims.....
 Prepaid expenses.....

 Total Assets.....

LIABILITIES:

Outstanding loan.....
 Unrealized depreciation on forward foreign currency contracts.....
 Payables:
 Deferred foreign capital gains tax.....
 Investment advisory fees.....
 Custodian fees.....
 Investment securities purchased.....
 Audit and tax fees.....
 Administrative fees.....
 Printing fees.....
 Transfer agent fees.....
 Legal fees.....
 Financial reporting fees.....
 Interest and fees on loan.....
 Trustees' fees and expenses.....

 Total Liabilities.....

NET ASSETS.....

NET ASSETS CONSIST OF:

Paid-in capital.....

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Par value.....
Accumulated net investment income (loss).....
Accumulated net realized gain (loss) on investments, forward foreign currency contracts and foreign currency transactions.....
Net unrealized appreciation (depreciation) on investments, forward foreign currency contracts and foreign currency translation.....	.....
NET ASSETS.....	.....
NET ASSET VALUE, per Common Share (par value \$0.01 per Common Share).....	.....
Number of Common Shares outstanding (unlimited number of Common Shares has been authorized)....

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See Notes to Financial Statements

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)

INVESTMENT INCOME:	
Interest (net of foreign withholding tax of \$3,371).....	.....
Dividends (net of foreign withholding tax of \$83,778).....	.....
Total investment income.....	.....
EXPENSES:	
Investment advisory fees.....	.....
Custodian fees.....	.....
Administrative fees.....	.....
Interest and fees on loan.....	.....
Audit and tax fees.....	.....
Printing fees.....	.....
Transfer agent fees.....	.....
Trustees' fees and expenses.....	.....
Financial reporting fees.....	.....
Legal fees.....	.....
Other.....	.....
Total expenses.....	.....
NET INVESTMENT INCOME (LOSS).....	.....
NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments.....	.....
Forward foreign currency contracts.....	.....
Foreign currency transactions.....	.....
Net realized gain (loss).....
Net change in unrealized appreciation (depreciation) on:	

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Investments.....	
Forward foreign currency contracts.....	
Foreign currency translation.....	
Net change in deferred foreign capital gains tax.....	
Net change in unrealized appreciation (depreciation).....	
NET REALIZED AND UNREALIZED GAIN (LOSS).....	
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	

See Notes to Financial Statements

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

	FOR THE MONTH ENDED 6/30/20 (UNAUDIT -----
OPERATIONS:	
Net investment income (loss).....	\$ 1,946
Net realized gain (loss).....	(3,618)
Net change in unrealized appreciation (depreciation).....	2,720

Net increase (decrease) in net assets resulting from operations.....	1,049

DISTRIBUTIONS TO SHAREHOLDERS FROM:	
Net investment income.....	(3,729)
Net realized gain.....	
Return of capital.....	

Total distributions to shareholders.....	(3,729)

Total increase (decrease) in net assets.....	(2,680)

NET ASSETS:	
Beginning of period.....	99,052

End of period.....	\$ 96,372
	=====
Accumulated net investment income (loss) at end of period.....	\$ (1,739)
	=====
CAPITAL TRANSACTIONS WERE AS FOLLOWS:	
Common Shares at end of period.....	5,327
	=====

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net increase (decrease) in net assets resulting from operations.....	\$ 1,049,292
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments.....	(24,029,677)
Sales, maturities and paydowns of investments.....	25,236,495
Net amortization/accretion of premiums/discounts on investments.....	(95,820)
Net realized gain/loss on investments.....	647,110
Net realized gain/loss on foreign currency transactions (a).....	2,684,029
Net change in unrealized appreciation/depreciation on forward foreign currency contracts.....	(123,074)
Net change in unrealized appreciation/depreciation on investments.....	(2,533,470)

CHANGES IN ASSETS AND LIABILITIES:

Decrease in interest receivable.....	136,643
Increase in dividend reclaim receivable.....	(2,501)
Increase in dividends receivable.....	(121,838)
Increase in prepaid expenses.....	(15,457)
Decrease in interest and fees on loan payable.....	(10,923)
Decrease in investment advisory fees payable.....	(5,520)
Decrease in audit and tax fees payable.....	(25,313)
Decrease in legal fees payable.....	(42)
Decrease in printing fees payable.....	(3,053)
Decrease in administrative fees payable.....	(17,742)
Increase in custodian fees payable.....	9,375
Decrease in transfer agent fees payable.....	(2,541)
Increase in Trustees' fees and expenses payable.....	23
Decrease in deferred foreign capital gains tax.....	(17,344)
Decrease in other liabilities.....	(496)

CASH PROVIDED BY OPERATING ACTIVITIES.....

CASH FLOWS FROM FINANCING ACTIVITIES:

Distributions to Common Shareholders from net investment income.....	(3,729,450)
--	-------------

CASH USED IN FINANCING ACTIVITIES.....

Decrease in cash and foreign currency (b).....
 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.....

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- (a) This amount is a component of net realized gain/loss on foreign currency transactions as shown on the Statement of Operations.
- (b) Includes net change in unrealized appreciation (depreciation) on foreign currency of \$388.

See Notes to Financial Statements

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

	SIX MONTHS ENDED 6/30/2015 (UNAUDITED)	YEAR ENDED 12/31/2014	YEAR ENDED 12/31/2013	YEAR ENDED 12/31/2012
Net asset value, beginning of period.....	\$ 18.59	\$ 20.61	\$ 23.67	\$ 20.61
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income (loss).....	0.37	0.77	0.79	0.79
Net realized and unrealized gain (loss).....	(0.17)	(1.39)	(2.45)	3.00
Total from investment operations.....	0.20	(0.62)	(1.66)	4.00
DISTRIBUTIONS PAID TO SHAREHOLDERS FROM:				
Net investment income.....	(0.70)	(0.32)	(0.76)	(0.76)
Net realized gain.....	--	(0.44)	(0.64)	(0.64)
Return of capital.....	--	(0.64)	--	--
Total from distributions.....	(0.70)	(1.40)	(1.40)	(1.40)
Capital share repurchases.....	--	--	--	--
Net asset value, end of period.....	\$ 18.09	\$ 18.59	\$ 20.61	\$ 23.67
Market value, end of period.....	\$ 15.89	\$ 16.45	\$ 18.05	\$ 22.10
Total return based on net asset value (a)...	1.56%	(2.49)%	(6.49)%	24.10%
Total return based on market value (a).....	0.81%	(1.47)%	(12.13)%	32.10%

RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:				
Net assets, end of period (in 000's).....	\$ 96,372	\$ 99,053	\$ 109,813	\$ 126,000
Ratio of expenses to average net assets.....	1.70%(b)	1.71%	1.75%	1.75%
Ratio of total expenses to average net assets excluding interest expense.....	1.63%(b)	1.64%	1.68%	1.68%
Ratio of net investment income (loss) to average net assets.....	3.91%(b)	3.73%	3.57%	4.00%
Portfolio turnover rate.....	23%	48%	50%	50%

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INDEBTEDNESS:

Total loan outstanding (in 000's).....	\$ 5,800	\$ 5,800	\$ 5,800	\$ 5,800
Asset coverage per \$1,000 senior indebtedness (c).....	\$ 17,616	\$ 18,078	\$ 19,933	\$ 22,700

- (a) Total return is based on the combination of reinvested dividend, capital gain and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan, and changes in net asset value per share for net asset value returns and changes in Common Share price for market value returns. Total returns do not reflect sales load and are not annualized for periods less than one year. Past performance is not indicative of future results.
- (b) Annualized.
- (c) 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 in 000's.

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See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
JUNE 30, 2015 (UNAUDITED)

1. ORGANIZATION

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 total asset value of the Fund minus the sum of the Fund's liabilities other than the principal amount of borrowings, if any. There can be no assurance that the Fund will achieve its investment objective.

2. SIGNIFICANT ACCOUNTING POLICIES

The Fund, which is an investment company within the scope of Financial Accounting Standards Board ("FASB") Accounting Standards Update 2013-08, follows accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, "Financial Services-Investment Companies." 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

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in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 Common Shares of the Fund is determined daily, 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. If the NYSE closes early on a valuation day, the NAV is determined as of that time. Domestic debt securities and foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. The Fund's NAV per Common Share is calculated by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses, dividends declared but unpaid and any borrowings of the Fund), 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. Market value prices represent last sale or official closing prices from a national or foreign exchange (i.e., a regulated market) and are primarily obtained from third-party pricing services. Fair value prices represent any prices not considered market value prices and are either obtained from a third-party pricing service or are determined by the Pricing Committee of the Fund's investment advisor, First Trust Advisors L.P. ("First Trust" or the "Advisor"), in accordance with valuation procedures adopted by the Fund's Board of Trustees, and in accordance with provisions of the 1940 Act. Investments valued by the Advisor's Pricing Committee, if any, are footnoted as such in the footnotes to the Portfolio of Investments. The Fund's investments are valued as follows:

Corporate bonds, corporate notes and other debt securities are valued on the basis of valuations provided by dealers who make markets in such securities or by an independent pricing service approved by the Fund's Board of Trustees, which may use the following valuation inputs when available:

- 1) benchmark yields;
- 2) reported trades;
- 3) broker/dealer quotes;
- 4) issuer spreads;
- 5) benchmark securities;
- 6) bids and offers; and
- 7) reference data including market research publications.

Fixed income and other debt securities having a remaining maturity of sixty days or less when purchased are fair valued at cost adjusted for amortization of premiums and accretions of discounts (amortized cost), provided the Advisor's Pricing Committee has determined that the use of amortized cost is an appropriate reflection of fair value given market and issuer specific conditions existing at the time of the determination. Factors that may be considered in determining the appropriateness of the use of amortized cost include, but are not limited to, the following:

- 1) the credit conditions in the relevant market and changes thereto;

- 2) the liquidity conditions in the relevant market and changes thereto;
- 3) the interest rate conditions in the relevant market and changes thereto (such as significant changes in interest rates);
- 4) issuer-specific conditions (such as significant credit deterioration); and
- 5) any other market-based data the Advisor's Pricing Committee considers relevant. In this regard, the Advisor's Pricing Committee may use last-obtained market-based data to assist it when valuing portfolio securities using amortized cost.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
JUNE 30, 2015 (UNAUDITED)

Common stocks and other securities listed on any national or foreign exchange (excluding The NASDAQ(R) Stock Market LLC ("NASDAQ") and the London Stock Exchange Alternative Investment Market ("AIM")) are valued at the last sale price on the exchange on which they are principally traded or, for NASDAQ and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities.

Securities traded in an over-the-counter market are fair valued at the mean of their most recent bid and asked prices, if available, and otherwise at their closing bid price.

Forward foreign currency contracts are valued at the current day's interpolated foreign exchange rate, as calculated using the current day's spot rate, and the thirty, sixty, ninety and one-hundred eighty day forward rates provided by an independent pricing service.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Fund's Board of Trustees or its delegate, the Advisor's Pricing Committee, at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market or fair value price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of the Fund's NAV or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security's fair value. As a general

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principle, the current fair value of a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. When fair value prices are used, generally they will differ from market quotations or official closing prices on the applicable exchanges. A variety of factors may be considered in determining the fair value of such securities, including, but not limited to, the following:

- 1) the fundamental business data relating to the issuer, or economic data relating to the country of issue;
- 2) an evaluation of the forces which influence the market in which these securities are purchased and sold;
- 3) the type, size and cost of security;
- 4) the financial statements of the issuer, or the financial condition of the country of issue;
- 5) the credit quality and cash flow of the issuer, or country of issue, based on the Sub-Advisor's or external analysis;
- 6) the information as to any transactions in or offers for the security;
- 7) the price and extent of public trading in similar securities (or equity securities) of the issuer/borrower, or comparable companies;
- 8) the coupon payments;
- 9) the quality, value and salability of collateral, if any, securing the security;
- 10) the business prospects of the issuer, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's management (for corporate debt only);
- 11) the economic, political and social prospects/developments of the country of issue and the assessment of the country's governmental leaders/officials (for sovereign debt only);
- 12) the prospects for the issuer's industry, and multiples (of earnings and/or cash flows) being paid for similar businesses in that industry (for corporate debt only); and
- 13) other relevant factors.

Fair valuation of an equity security will be based on the consideration of all available information, including, but not limited to, the following:

- 1) the type of security;
- 2) the size of the holding;
- 3) the initial cost of the security;
- 4) transactions in comparable securities;
- 5) price quotes from dealers and/or pricing services;
- 6) relationships among various securities;
- 7) information obtained by contacting the issuer, analysts, or the

- appropriate stock exchange;
- 8) an analysis of the issuer's financial statements; and
- 9) the existence of merger proposals or tender offers that might affect the value of the security.

If the equity security in question is a foreign security, the following additional information may be considered:

- 1) the value of similar foreign securities traded on other foreign markets;
- 2) ADR trading of similar securities;
- 3) closed-end fund trading of similar securities;
- 4) foreign currency exchange activity;
- 5) the trading prices of financial products that are tied to baskets of foreign securities;
- 6) factors relating to the event that precipitated the pricing problem;
- 7) whether the event is likely to recur; and
- 8) whether the effects of the event are isolated or whether they affect entire markets, countries or regions.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
JUNE 30, 2015 (UNAUDITED)

The Fund is subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- o Level 1 - Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- o Level 2 - Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
 - o Quoted prices for similar investments in active markets.
 - o Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are

not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.

- o Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- o Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- o Level 3 - Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment.

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value the Fund's investments as of June 30, 2015, is included with the Fund's Portfolio of Investments.

B. 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 daily on the accrual basis. Amortization of premiums and accretion of discounts are recorded by using the effective interest method.

Securities purchased on a when-issued, delayed-delivery or forward commitment basis may have extended settlement periods. The value of the security so purchased is subject to market fluctuations during this period. The Fund maintains liquid assets with a current value at least equal to the amount of its when-issued, delayed-delivery or forward purchase commitments until payment is made. At June 30, 2015, the Fund had no when-issued, delayed-delivery or forward purchase commitments.

C. FORWARD FOREIGN CURRENCY CONTRACTS

The Fund is subject to foreign currency risk in the normal course of pursuing its investment objective. Forward foreign currency contracts are agreements between two parties ("Counterparties") to exchange one currency for another at a future date and at a specified price. The Fund uses 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 "Unrealized appreciation/(depreciation) on forward foreign currency contracts" on the Statement of Assets and Liabilities. The change in unrealized appreciation/(depreciation) is included in "Net change in unrealized appreciation(depreciation) on forward foreign currency contracts" on the Statement of Operations. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or the cost of) the closing transaction and the Fund's basis in the contract. This realized gain or loss is included in "Net realized gain (loss) on forward foreign currency contracts" on the 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 in excess of the net unrealized value shown

on the Forward Foreign Currency Contracts table in the Portfolio of Investments. In the event of default by the Counterparty, the Fund will provide notice to the Counterparty of the Fund's intent to convert the currency held by the Fund into the currency that the Counterparty agreed to exchange with the Fund. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Fund may obtain only limited recovery or may obtain no recovery in such circumstances.

D. OFFSETTING ON THE STATEMENT OF ASSETS AND LIABILITIES

Accounting Standards Update No. 2011-11 "Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11") requires entities to disclose both gross and net information about instruments and transactions eligible for offset on the Statement of Assets and Liabilities, and disclose instruments and transactions subject to master netting or similar agreements. These disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a fund's financial position. In addition, Accounting Standards Update No. 2013-1 "Clarifying the Scope of Offsetting Assets and Liabilities" ("ASU 2013-1"), specifies exactly which transactions are subject to offsetting disclosures. The scope of the disclosure requirements is limited to derivative instruments, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions.

 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 JUNE 30, 2015 (UNAUDITED)

For financial reporting purposes, the Fund does not offset financial assets and financial liabilities that are subject to master netting arrangements ("MNAs") or similar agreements on the Statement of Assets and Liabilities. MNAs provide the right, in the event of default (including bankruptcy and insolvency) for the non-defaulting Counterparty to liquidate the collateral and calculate the net exposure to the defaulting party or request additional collateral.

At June 30, 2015, derivative assets and liabilities (by type) on a gross basis are as follows:

				Gross Amounts not Offset in the Statement of Assets and Liabilities
	Gross amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Assets Presented in the Statement of Assets and Liabilities	Financial Instruments
-----				-----

Forward Foreign

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	Gross amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Gross Amo not Offset Statemen Assets and Li ----- Financial Instruments
Currency Contracts*	\$ 65,307	\$ --	\$ 65,307	\$ (162)

Forward Foreign				
Currency Contracts*	\$ (162)	\$ --	\$ (162)	\$ 162

* The respective Counterparties for each contract are disclosed in the Forward Foreign Currency Contracts table in the Portfolio of Investments.

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 investments and items of income and expense are translated on the respective dates of such transactions. Unrealized gains and losses on assets and liabilities, other than investments in securities, 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. Unrealized gains and losses on investments in securities which result from changes in foreign exchange rates are included with fluctuations arising from changes in market price and are shown in "Net change in unrealized appreciation (depreciation) on investments" 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 fluctuation 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 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.

Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio

securities held by the Fund and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some point in the future.

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
 JUNE 30, 2015 (UNAUDITED)

The tax character of distributions paid during the fiscal year ended December 31, 2014 was as follows:

Distributions paid from:	
Ordinary income.....	\$ 1,761,380
Capital gain.....	2,282,548
Return of capital.....	3,414,971

As of December 31, 2014, the distributable earnings and net assets on a tax basis were as follows:

Undistributed ordinary income.....	\$ --
Undistributed capital gains.....	--

Total undistributed earnings.....	--
Accumulated capital and other losses.....	(219,132)
Net unrealized appreciation (depreciation).....	5,441,219

Total accumulated earnings (losses).....	5,222,087
Other.....	(190,975)
Paid-in capital.....	94,021,505

Net assets.....	\$ 99,052,617
	=====

G. INCOME AND OTHER 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 (the "Code"), which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal and state income taxes. However, due to the timing and amount of distributions, the Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of the Fund's taxable income exceeds the distributions from such taxable income for the calendar year.

Certain countries assess a capital gains tax on securities sold in their local markets. This tax is accrued as the securities in these foreign markets appreciate in value and is paid at the time of sale to the extent a capital gain is realized. Taxes accrued on securities in an unrealized appreciation position are included in "Net change in unrealized appreciation (depreciation)" on the

Statement of Operations. The capital gains tax paid on securities sold is included in "Other" expenses on the Statement of Operations.

The Fund intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward indefinitely following the year of the loss and offset such loss against any future realized capital gains. The Fund is subject to certain limitations under U.S. tax rules on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership. At December 31, 2014, the Fund had no non-expiring capital loss carryforwards for federal income tax purposes.

Certain losses realized during the current fiscal year may be deferred and treated as occurring on the first day of the following fiscal year for federal income tax purposes. For the fiscal year ended December 31, 2014, the Fund incurred and elected to defer capital losses of \$219,132.

The Fund is subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ended 2011, 2012, 2013 and 2014 remain open to federal and state audit. As of June 30, 2015, management has evaluated the application of these standards to the Fund and has determined that no provision for income tax is required in the Fund's financial statements for uncertain tax positions.

H. EXPENSES

The Fund will pay all expenses directly related to its operations.

3. INVESTMENT ADVISORY FEE, AFFILIATED TRANSACTIONS AND OTHER FEE ARRANGEMENTS

First Trust, the investment advisor to the Fund, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust is responsible for the ongoing monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain administrative services necessary for the management of the Fund. 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. First Trust also provides fund reporting services to the Fund for a flat annual fee in the amount of \$9,250.

Aberdeen Asset Management, Inc. ("Aberdeen" or 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 a monthly portfolio management fee calculated at an annual rate of 0.50% of the Fund's Managed Assets that is paid by First Trust out of its investment advisory fee.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
JUNE 30, 2015 (UNAUDITED)

BNY Mellon Investment Servicing (US) Inc. ("BNYM IS") serves as the Fund's Administrator, Fund Accountant and Transfer Agent in accordance with certain fee arrangements. As administrator and fund accountant, BNYM IS is responsible for providing certain administrative and accounting services to the Fund, including maintaining the Fund's books of account, records of the Fund's securities transactions, and certain other books and records. As transfer agent, BNYM IS is responsible for maintaining shareholder records for the Fund. The Bank of New York Mellon ("BNYM") serves as the Fund's Custodian in accordance with certain fee arrangements. As custodian, BNYM is responsible for custody of the Fund's assets.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates ("Independent Trustees") is paid a fixed annual retainer that is allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Each Independent Trustee is also paid an annual per fund fee that varies based on whether the fund is a closed-end or other actively managed fund, or is an index fund.

Additionally, the Lead Independent Trustee and the Chairmen of the Audit Committee, Nominating and Governance Committee and Valuation Committee are paid annual fees to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and Committee Chairmen rotate every three years. The officers and "Interested" Trustee receive no compensation from the Trust for acting in such capacities.

4. PURCHASES AND SALES OF SECURITIES

Cost of purchases and proceeds from sales of investments, excluding short-term investments, for six months ended June 30, 2015, were \$23,928,190 and \$25,253,890, respectively.

5. DERIVATIVE TRANSACTIONS

The following table presents the type of derivative held by the Fund at June 30, 2015, the primary underlying risk exposure and location of these instruments as presented on the Statement of Assets and Liabilities.

DERIVATIVE INSTRUMENT	RISK EXPOSURE	ASSET DERIVATIVES		LIABILITY D
		STATEMENT OF ASSETS AND LIABILITIES LOCATION	VALUE	STATEMENT OF ASSETS AND LIABILITIES LOCATI
Forward foreign currency contracts	Currency Risk	Unrealized appreciation on forward foreign currency contracts	\$ 65,307	Unrealized deprecia on forward foreign currency contracts

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized for the six months ended June 30, 2015, on derivative instruments, as well as the primary underlying risk exposure associated with each instrument.

STATEMENT OF OPERATIONS LOCATION	EQUITY RISK
----------------------------------	-------------

CURRENCY RISK EXPOSURE

Net realized gain (loss) on forward foreign currency contracts	\$ (12,143)
Net change in unrealized appreciation (depreciation) on forward foreign currency contracts	123,074

During the six months ended June 30, 2015, notional values of forward foreign currency contracts opened and closed were \$23,497,212 and \$14,397,082, respectively.

6. BORROWINGS

The Fund has a credit agreement with The Bank of Nova Scotia, which provides for a revolving credit facility to be used as leverage for the Fund. The revolving 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 \$15,000,000. The borrowing rate under the revolving credit facility is equal to the 1-month LIBOR plus 75 basis points. As of June 30, 2015, the Fund had one loan outstanding under the revolving credit facility totaling \$5,800,000. For six months ended June 30, 2015, the average amount outstanding was \$5,800,000. The high and low annual interest rates during the six months ended June 30, 2015 were 0.96% and 0.92%, respectively, and the weighted average interest rate was 0.93%. The interest rate at June 30, 2015 was 0.94%. The Fund pays a commitment fee of 0.15% (or 0.30% if loan balance drops below 40% of total commitment) per year, which is included in "Interest and fees on loan" on the Statement of Operations.

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
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7. 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.

8. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events to the Fund through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements that have not already been disclosed.

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ADDITIONAL INFORMATION

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
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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 BNY Mellon Investment Servicing (US) 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 the Plan Agent, as the 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 net asset value ("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 market price at the time of valuation, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market within 30 days of the valuation date except where temporary curtailment or suspension of purchases is necessary to comply with federal securities laws. Interest will not be paid on any uninvested cash payments.

You may elect to opt-out of or withdraw from the Plan at any time by giving written notice to the Plan Agent, or by telephone at (866) 340-1104, in accordance with such reasonable requirements as the Plan Agent and the Fund may agree upon. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan, and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all Common Shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. Common Shares in your account will be held by the Plan Agent in non-certificated form. The Plan Agent will forward to each participant any proxy solicitation material and will vote any shares so held only in accordance with proxies returned to the Fund. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due upon receiving dividends and distributions. Capital gains and income are realized although cash is not received by you. Consult your financial advisor for more information.

If you hold your Common Shares with a brokerage firm that does not participate in the Plan, you will not be able to participate in the Plan and any dividend reinvestment may be effected on different terms than those described above.

The Fund reserves the right to amend or terminate the Plan if in the judgment of the Board of Trustees the change is warranted. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained by writing BNY Mellon Investment Servicing (US) Inc., 301 Bellevue Parkway, Wilmington, Delaware 19809.

PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Fund uses to determine how to vote proxies and information on how the Fund voted proxies relating to portfolio investments during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Fund's website located at <http://www.ftportfolios.com>; and (3) on the Securities and Exchange Commission's ("SEC") website located at <http://www.sec.gov>.

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ADDITIONAL INFORMATION (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
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PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available (1) by calling (800) 988-5891; (2) on the Fund's website located at <http://www.ftportfolios.com>; (3) on the SEC's website at <http://www.sec.gov>; and (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling (800) SEC-0330.

SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

The Joint Annual Meeting of Shareholders of the Common Shares of Macquarie/First

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Trust Global Infrastructure/Utilities Dividend & Income Fund, First Trust Energy Income and Growth Fund, First Trust Enhanced Equity Income Fund, First Trust/Aberdeen Global Opportunity Income Fund, First Trust Mortgage Income Fund, First Trust Strategic High Income Fund II, First Trust/Aberdeen Emerging Opportunity Fund, First Trust Specialty Finance and Financial Opportunities Fund, First Trust Dividend and Income Fund, First Trust High Income Long/Short Fund, First Trust Energy Infrastructure Fund, First Trust MLP and Energy Income Fund and First Trust Intermediate Duration Preferred & Income Fund was held on April 20, 2015 (the "Annual Meeting"). At the Annual Meeting, Richard E. Erickson and Thomas R. Kadlec were elected by the Common Shareholders of the First Trust/Aberdeen Emerging Opportunity Fund as a Class II Trustees for a three-year term expiring at the Fund's Annual Meeting of Shareholders in 2018. The number of votes cast for Mr. Erickson was 3,646,897, the number of votes against was 812,053 and the number of broker non-votes was 868,835. The number of votes cast for Mr. Kadlec was 3,646,657, the number of votes against was 812,293 and the number of broker non-votes was 868,835. James A. Bowen, Robert F. Keith and Niel B. Nielson are the other current and continuing Trustees.

ADVISORY AND SUB-ADVISORY AGREEMENTS

BOARD CONSIDERATION REGARDING CONTINUATION OF INVESTMENT MANAGEMENT AND SUB-ADVISORY AGREEMENTS

The Board of Trustees of First Trust/Aberdeen Emerging Opportunity Fund (the "Fund"), including the Independent Trustees, unanimously approved the continuation of the Investment Management Agreement (the "Advisory Agreement") between the Fund and First Trust Advisors L.P. (the "Advisor") and the Investment Sub-Advisory Agreement (the "Sub-Advisory Agreement" and together with the Advisory Agreement, the "Agreements") among the Fund, the Advisor and Aberdeen Asset Management Inc. (the "Sub-Advisor"), at a meeting held on June 16, 2015. The Board determined that the continuation of the Agreements is in the best interests of the Fund in light of the extent and quality of the services provided and such other matters as the Board considered to be relevant in the exercise of its reasonable business judgment.

To reach this determination, the Board considered its duties under the Investment Company Act of 1940, as amended (the "1940 Act"), as well as under the general principles of state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; the fiduciary duty of investment advisors with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards have fulfilled their duties; and the factors to be considered by the Board in voting on such agreements. At meetings held on April 20, 2015 and June 16, 2015, the Board, including the Independent Trustees, reviewed materials provided by the Advisor and the Sub-Advisor responding to requests for information from counsel to the Independent Trustees that, among other things, outlined the services provided by the Advisor and the Sub-Advisor (including the relevant personnel responsible for these services and their experience); the advisory and sub-advisory fees for the Fund as compared to fees charged to other clients of the Advisor and the Sub-Advisor and as compared to fees charged to a peer group of funds selected by Management Practice, Inc. ("MPI"), an independent source (the "MPI Peer Group"); expenses of the Fund as compared to expense ratios of the funds in the MPI Peer Group; performance information for the Fund; the nature of expenses incurred in providing services to the Fund and the potential for economies of scale, if any; financial data on the Advisor and the Sub-Advisor; any fall-out benefits to the Advisor and the Sub-Advisor; and information on the Advisor's and the Sub-Advisor's compliance programs. The Board reviewed initial materials with the Advisor at a special meeting held on April 20, 2015, at which the Independent Trustees and their counsel met separately to discuss the information provided by the Advisor and the Sub-Advisor. Following the April meeting, independent legal counsel on behalf of the Independent Trustees requested certain clarifications and supplements to the

materials provided, and those were considered at an executive session of the Independent Trustees and independent legal counsel held prior to the June 16, 2015 meeting, as well as at the meeting. The Board applied its business judgment to determine whether the arrangements between the Fund and the Advisor and among the Fund, the Advisor and the Sub-Advisor are reasonable business arrangements from the Fund's perspective as well as from the perspective of shareholders. The Board considered that shareholders chose to invest or remain invested in the Fund knowing that the Advisor and the Sub-Advisor manage the Fund.

In reviewing the Agreements, the Board considered the nature, extent and quality of services provided by the Advisor and the Sub-Advisor under the Agreements. With respect to the Advisory Agreement, the Board considered that the Advisor is responsible for the overall management and administration of the Fund and reviewed the services provided by the Advisor to the Fund, including the oversight of the Sub-Advisor. The Board noted the compliance program that had been developed by the Advisor and considered that it includes a robust

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ADDITIONAL INFORMATION (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND (FEO)
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program for monitoring the Sub-Advisor's compliance with the 1940 Act and the Fund's investment objective and policies. The Board considered the significant asset growth of the First Trust Fund Complex and the Advisor's concomitant investment in infrastructure and personnel dedicated to the First Trust funds. With respect to the Sub-Advisory Agreement, the Board noted the background and experience of the Sub-Advisor's portfolio management team. The Board reviewed the materials provided by the Sub-Advisor and considered the services that the Sub-Advisor provides to the Fund, including the Sub-Advisor's day-to-day management of the Fund's investments. In light of the information presented and the considerations made, the Board concluded that the nature, extent and quality of services provided to the Fund by the Advisor and the Sub-Advisor under the Agreements have been and are expected to remain satisfactory and that the Sub-Advisor, under the oversight of the Advisor, has managed the Fund consistent with its investment objective and policies.

The Board considered the advisory and sub-advisory fees paid under the Agreements. The Board considered the advisory fees charged by the Advisor to similar funds and other non-fund clients, noting that the Advisor provides advisory services to another closed-end fund sub-advised by the Sub-Advisor and certain separately managed accounts that may have investment objectives and policies similar to the Fund's. The Board noted that the Advisor charges the same advisory fee rate to the Fund and the other closed-end fund sub-advised by the Sub-Advisor and a lower advisory fee rate to the separately managed accounts. The Board noted the Advisor's statement that the nature of the services provided to the separately managed accounts is not comparable to those provided to the Fund. The Board considered the sub-advisory fee and how it relates to the Fund's overall advisory fee structure and noted that the sub-advisory fee is paid by the Advisor from its advisory fee. The Board also considered information provided by the Sub-Advisor as to the fees it charges to other clients, noting that the Sub-Advisor does not manage any other funds

directly comparable to the Fund, but that the sub-advisory fee rate is the same as that received from the Advisor for the other closed-end fund for which it serves as sub-advisor, and is generally lower than or equal to the fees the Sub-Advisor charges to the other North American closed-end fixed income funds it manages. In addition, the Board reviewed data prepared by MPI showing the advisory fee and expense ratio of the Fund as compared to the advisory fees and expense ratios of the MPI Peer Group. The Board discussed with representatives of the Advisor the limitations in creating a relevant peer group for the Fund, including that (i) the Fund is unique in its composition, which makes assembling peers with similar strategies and asset mix difficult; (ii) peer funds may use different amounts and types of leverage with different costs associated with them or may use no leverage; (iii) none of the peer funds employ an advisor/sub-advisor management structure; and (iv) all of the peer funds are larger than the Fund, which causes the Fund's fixed expenses to be higher on a percentage basis as compared to the larger peer funds. The Board took these limitations into account in considering the peer data. In reviewing the peer data, the Board noted that the Fund's advisory fee, based on average net assets, was above the median of the MPI Peer Group.

The Board also considered performance information for the Fund, noting that the performance information included the Fund's quarterly performance report, which is part of the process that the Board has established for monitoring the Fund's performance and portfolio risk on an ongoing basis. The Board determined that this process continues to be effective for reviewing the Fund's performance. In addition to the Board's ongoing review of performance, the Board also reviewed data prepared by MPI comparing the Fund's performance for periods ended December 31, 2014 to the performance of the MPI Peer Group and to a blended benchmark index. In reviewing the Fund's performance as compared to the performance of the MPI Peer Group, the Board took into account the limitations described above with respect to creating a relevant peer group for the Fund. The Board also considered data from MPI on the Fund's annual distribution rate as of December 31, 2014 as compared to the MPI Peer Group and the Fund's leverage costs versus the leverage costs of applicable funds in the MPI Peer Group. The Board considered information provided by the Advisor on the impact of leverage on the Fund's returns as well. In addition, the Board compared the Fund's premium/discount over the past eight quarters to the average and median premium/discount over the same period of a peer group selected by the Advisor, as well as data on the average premium/discount for 2014 for the funds in the MPI Peer Group, and considered factors that may impact a fund's premium/discount.

On the basis of all the information provided on the fees, expenses and performance of the Fund, the Board concluded that the advisory and sub-advisory fees were reasonable and appropriate in light of the nature, extent and quality of services provided by the Advisor and the Sub-Advisor under the Agreements.

The Board noted that the Advisor has made and continues to make significant investments in personnel and infrastructure and considered whether fee levels reflect any economies of scale for the benefit of shareholders. The Board determined that due to the Fund's closed-end structure, the potential for realization of economies of scale as Fund assets grow was not a material factor to be considered. The Board also considered the costs of the services provided and profits realized by the Advisor from serving as investment advisor to the Fund for the twelve months ended December 31, 2014, as well as product-line profitability data for the same period, as set forth in the materials provided to the Board. The Board noted the inherent limitations in the profitability analysis, and concluded that the pre-tax profits estimated to have been realized by the Advisor in connection with the management of the Fund were not unreasonable. In addition, the Board considered fall-out benefits described by the Advisor that may be realized from its relationship with the Fund, including the Advisor's compensation for fund reporting services pursuant to a separate Fund Reporting Services Agreement.

The Board considered the Sub-Advisor's representation that because it manages the Fund in a similar fashion to other accounts it is able to achieve economies of scale through relationships with brokers, administrative systems and other operational efficiencies and that while it expects operating costs in general to continue to rise, it continues to expect to experience the benefits of economies

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of scale. The Board considered that the sub-advisory fee rate was negotiated at arm's length between the Advisor and the Sub-Advisor, an unaffiliated third party. The Board also considered data provided by the Sub-Advisor as to the profitability of the Sub-Advisory Agreement to the Sub-Advisor. The Board noted the inherent limitations in the profitability analysis and concluded that the profitability analysis for the Advisor was more relevant, although the estimated profitability of the Sub-Advisory Agreement appeared to be not unreasonable in light of the services provided to the Fund. The Board considered fall-out benefits that may be realized by the Sub-Advisor from its relationship with the Fund, including that the Sub-Advisor may enter into soft dollar and commission sharing arrangements, and considered a summary of such arrangements.

Based on all of the information considered and the conclusions reached, the Board, including the Independent Trustees, unanimously determined that the terms of the Agreements continue to be fair and reasonable and that the continuation of the Agreements is in the best interests of the Fund. No single factor was determinative in the Board's analysis.

RISK CONSIDERATIONS

Risks are inherent in all investing. The following summarizes some, but not all, of the risks that should be considered for the Fund. For additional information about the risks associated with investing in the Fund, please see the Fund's prospectus and statement of additional information, as well as other Fund regulatory filings.

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. When the Advisor or Sub-Advisor determines that it is temporarily unable to follow the Fund's investment strategy or that it is impractical to do so (such as when a market disruption event has occurred and trading in the

securities is extremely limited or absent), the Fund may take temporary defensive positions.

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 or; (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 reinvestment 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's portfolio 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.

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NON-U.S. ISSUER 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.

CURRENCY RISK: The value of securities denominated or quoted in foreign currencies may be adversely affected by fluctuations in the relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are denominated or quoted. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities denominated or quoted in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar. While certain of the Fund's non-U.S. dollar-denominated securities may be hedged into U.S. dollars, hedging may not alleviate all currency risks.

LEVERAGE RISK: The use of leverage results in additional risks and can magnify the effect of any losses. The funds borrowed pursuant to a leverage borrowing program constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The rights of lenders to receive payments of interest on and repayments of principal on any borrowings made by the Fund under a leverage borrowing program are senior to the rights of holders of Common Shares with respect to payment of dividends or upon liquidation. If the Fund is not in compliance with certain credit facility provisions, the Fund may not be permitted to declare dividends or other distributions, including dividends and distributions with respect to Common Shares or purchase Common Shares.

GOVERNMENT SECURITIES RISK: The ability of a government issuer, especially in an emerging market country, to make timely and complete payments on its debt obligations will be strongly influenced by the government issuer's balance of payments, including export performance, its access to international credits and investments, fluctuations of interest rates and the extent of its foreign reserves. A country whose exports are concentrated in a few commodities or whose economy depends on certain strategic imports could be vulnerable to fluctuations in international prices of these commodities or imports. To the extent that a country receives payment for its exports in currencies other than U.S. dollars, its ability to make debt payments denominated in U.S. dollars could be adversely affected. If a government issuer cannot generate sufficient earnings from foreign trade to service its external debt, it may need to depend on continuing loans and aid from foreign governments, commercial banks, and multinational organizations. There are no bankruptcy proceedings similar to those in the United States by which defaulted government debt may be collected. Additional factors that may influence a government issuer's ability or willingness to service debt include, but are not limited to, a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due,

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the relative size of its debt service burden to the economy as a whole, and the issuer's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies to which a government debtor may be subject.

NON-U.S. GOVERNMENT SECURITIES RISK: Economies and social and political climates in individual countries may differ unfavorably from the United States. Non-U.S. economies may have less favorable rates of growth of gross domestic product, rates of inflation, currency valuation, capital reinvestment, resource self-sufficiency and balance of payments positions. Many countries have experienced extremely high rates of inflation for many years. Unanticipated economic, political and social developments may also affect the values of the Fund's investments and limit the availability of additional investments in such countries. Furthermore, such developments may significantly disrupt the financial markets or interfere with the Fund's ability to enforce its rights against non-U.S. government issuers.

Investments in debt instruments of issuers located in emerging market countries are considered speculative. Heightened risks of investing in emerging markets government debt include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible 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.

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FIRST TRUST

INVESTMENT ADVISOR

First Trust Advisors L.P.
120 E. Liberty Drive, Suite 400
Wheaton, IL 60187

INVESTMENT SUB-ADVISOR

Aberdeen Asset Management Inc.
1735 Market Street, 32nd Floor
Philadelphia, PA 19103

ADMINISTRATOR,

FUND ACCOUNTANT &

TRANSFER AGENT

BNY Mellon Investment Servicing (US) Inc.
301 Bellevue Parkway
Wilmington, DE 19809

CUSTODIAN

The Bank of New York Mellon
101 Barclay Street, 20th Floor
New York, NY 10286

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INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
Deloitte & Touche LLP
111 S. Wacker Drive
Chicago, IL 60606

LEGAL COUNSEL
Chapman and Cutler LLP
111 W. Monroe Street
Chicago, IL 60603

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ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. INVESTMENTS.

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

(a) Not applicable.

(b) There have been no changes, as of the date of this filing, in any of the

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portfolio managers identified in response to paragraph (a)(1) of this Item in the Registrant's most recent annual report on Form N-CSR.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's board of directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a)(1) Not applicable.
- (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a)(3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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(registrant) First Trust/Aberdeen Emerging Opportunity Fund

By (Signature and Title)* /s/ Mark R. Bradley

Mark R. Bradley, President and
Chief Executive Officer
(principal executive officer)

Date: August 14, 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 (Signature and Title)* /s/ Mark R. Bradley

Mark R. Bradley, President and
Chief Executive Officer
(principal executive officer)

Date: August 14, 2015

By (Signature and Title)* /s/ James M. Dykas

James M. Dykas, Treasurer,
Chief Financial Officer and
Chief Accounting Officer
(principal financial officer)

Date: August 14, 2015

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