

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
Form N-Q  
November 06, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21905  
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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
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(Exact name of registrant as specified in charter)

1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
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(Address of principal executive offices) (Zip code)

W. Scott Jardine, Esq.  
First Trust Portfolios L.P.  
1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 241-4141  
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Date of fiscal year end: DECEMBER 31  
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Date of reporting period: SEPTEMBER 30, 2007  
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Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

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

ITEM 1. SCHEDULE OF INVESTMENTS.

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The Schedule(s) of Investments is attached herewith.

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
 PORTFOLIO OF INVESTMENTS (a)  
 SEPTEMBER 30, 2007 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATE MATURITY
BONDS AND NOTES (b) - 58.7%			
	ARGENTINA - 4.8%		
760,000	Banco Hipotecario SA (USD) .....	9.75%	04/27/
3,797,421	Republic of Argentina (ARS) (c) .....	2.00%	02/04/
4,620,000	Republic of Argentina (USD) .....	7.00%	04/17/
	BRAZIL - 5.2%		
3,420,000	Brazil NTN - B Note (BRL) .....	6.00%	08/15/
1,000,000	Isa Capital do Brasil SA (USD) .....	7.88%	01/30/
5,530,000	Nota do Tesouro Nacional (BRL) .....	10.00%	01/01/
	CHINA - 1.0%		
670,000	Parkson Retail Group Ltd. (USD) .....	7.88%	11/14/
540,000	Parkson Retail Group Ltd. (USD) .....	7.13%	05/30/
	COLOMBIA - 4.1%		
5,275,000,000	Republic of Colombia (COP) .....	12.00%	10/22/
2,130,000	Republic of Colombia (USD) .....	7.38%	09/18/
	DOMINICAN REPUBLIC - 1.4%		
820,000	Cerveceria Nacional Dominica (USD) (c) .....	16.00%	03/27/1
740,000	Dominican Republic (USD) .....	8.63%	04/20/2
	ECUADOR - 1.6%		
630,000	Republic of Ecuador (USD) .....	9.38%	12/15/
1,610,000	Republic of Ecuador (USD) .....	10.00%	08/15/
	EGYPT - 2.7%		
7,500,000	Arab Republic of Egypt (EGP) .....	8.75%	07/18/
2,140,000	Egypt Government Bond (EGP) .....	9.10%	09/20/
10,000,000	Egypt Treasury Bill (EGP) .....	0.00%	04/29/

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	EL SALVADOR - 0.9%			
1,090,000	Republic of El Salvador (USD) .....	7.65%		06/15/
	GHANA - 1.3%			
1,600,000	Republic of Ghana (USD) .....	8.50%		10/04/
	INDIA - 1.8%			
65,000,000	JPMorgan Chase Bank NA (INR) (c) .....	8.07%		01/15/
28,000,000	JPMorgan International Derivatives (GBP) .....	7.49%		09/08/

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)  
 SEPTEMBER 30, 2007 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATE MATURI
BONDS AND NOTES (b) - (CONTINUED)			
	INDONESIA - 5.5%		
1,140,000	Adaro Finance BV (USD) .....	8.50%	12/08/
1,290,000	BLT Finance BV (USD) .....	7.50%	05/15/
28,500,000,000	Indonesian Government (IDR) .....	12.50%	03/15/
3,900,000,000	Indonesian Government (IDR) .....	10.25%	07/15/
120,000	Majapahit Holding BV (USD) .....	7.75%	10/17/
670,000	Majapahit Holding BV (USD) .....	7.25%	06/28/
	KAZAKHSTAN - 0.5%		
700,000	Intergas Finance BV (USD) .....	6.38%	05/14/
	MEXICO - 2.7%		
330,000	Desarrolladora Homex SA (USD) .....	7.50%	09/28/
15,580,000	Mexican Fixed Rate Bonds (MXN) .....	9.50%	12/18/
17,300,000	Mexican Fixed Rate Bonds (MXN) .....	8.00%	12/07/
	NIGERIA - 0.7%		
1,000,000	GTB Finance BV (USD) .....	8.50%	01/29/
	PAKISTAN - 1.3%		
1,020,000	Islamic Republic of Pakistan (USD) .....	6.88%	06/01/
830,000	Pakistan Mobile Communication (USD) .....	8.63%	11/13/
	PERU - 2.3%		

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6,040,000	Peru Bono Soberano (PEN) .....	7.84%	08/12/
790,000	Republic of Peru (USD) .....	6.55%	03/14/
	PHILIPPINES - 0.9%		
1,000,000	Republic of Philippines (USD) .....	8.25%	01/15/
	RUSSIA - 2.6%		
830,000	Alfa Bond ISS (USD) (c) .....	8.64%	02/22/
33,614,824	Red Arrow International Leasing PLC (RUB) .....	8.38%	03/31/
1,180,000	UBS (Vimpelcom) (USD) .....	8.25%	05/23/
	SERBIA - 1.0%		
1,460,000	Republic of Serbia (USD) .....	3.75%	11/01/
	TURKEY - 4.8%		
730,000	Republic of Turkey (USD) .....	8.00%	02/14/
330,000	Republic of Turkey (USD) .....	6.88%	03/17/
1,380,000	Turkey Government Bond (TRY) .....	10.00%	02/15/
4,780,000	Turkey Government Bond (TRY) .....	16.00%	03/07/

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See Notes to Quarterly Portfolio of Investments.

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)  
 SEPTEMBER 30, 2007 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STATE MATURI
BONDS AND NOTES (b) - (CONTINUED)			
	UKRAINE - 3.0%		
800,000	Alfa Bank Ukraine (USD) .....	9.75%	12/22/
1,070,000	EX-IM Bank of Ukraine (USD) .....	7.65%	09/07/
500,000	UBS AG Jersey Branch (USD) .....	9.13%	06/21/
910,000	Ukraine Government (USD) .....	6.39%	06/26/
660,000	Ukraine Government (USD) .....	6.58%	11/21/
	URUGUAY - 2.9%		
1,390,000	Republic Orient Uruguay (USD) .....	7.63%	03/21/
37,710,000	Republic Orient Uruguay (UYU) .....	5.00%	09/14/
8,560,000	Republic Orient Uruguay (UYU) .....	4.25%	04/05/

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	VENEZUELA - 5.7%		
1,370,000	Republic of Venezuela (USD) .....	5.75%	02/26/
2,600,000	Republic of Venezuela (USD) .....	7.65%	04/21/
3,820,000	Republic of Venezuela (USD) .....	9.25%	09/15/

TOTAL BONDS AND NOTES .....

(Cost \$74,712,173)

SHARES DESCRIPTION

COMMON STOCKS - 45.6%

23,200 ARGENTINA - 0.9%  
Tenaris SA, ADR .....

BRAZIL - 7.4%  
52,300 Banco Bradesco SA, ADR .....  
78,000 Companhia Vale do Rio Doce, ADR .....  
47,000 Lojas Renner SA .....  
30,300 Petroleo Brasileiro SA, ADR .....  
44,000 Souza Cruz SA .....  
28,000 Telecomunicacoes de Sao Paulo SA .....  
24,600 Ultrapar Participacoes SA, Preference Shares .....

29,000 CHILE - 1.1%  
Banco Santander Chile SA, ADR .....

CHINA - 7.4%  
140,000 China Mobile Ltd. ....  
170,000 CLP Holdings Ltd. ....  
300,000 Dah Sing Banking Group Ltd. ....  
200,000 Hang Lung Group Ltd. ....

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)  
SEPTEMBER 30, 2007 (UNAUDITED)

SHARES DESCRIPTION

COMMON STOCKS - (CONTINUED)

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	CHINA - (CONTINUED)
1,120,000	PetroChina Company Ltd., H Shares .....
490,000	Swire Pacific Ltd., B Shares .....
730,000	Zhejiang Expressway Company, Ltd., H Shares .....
	CZECH REPUBLIC - 1.1%
9,000	Erste Bank der Oesterreichischen Sparkassen AG .....
3,000	Komerčni Banka AS .....
	HUNGARY - 0.9%
5,300	Richter Gedeon, Sponsored GDR .....
	INDIA - 4.6%
90,000	Gail India Ltd. ....
20,000	Glaxosmithkline Pharmaceuticals Ltd. ....
8,000	Grasim Industries Ltd. ....
40,000	Hero Honda Motors Ltd. ....
22,000	Housing Development Finance Corp. Ltd. ....
33,000	ICICI Bank Ltd. ....
74,000	Satyam Computer Services Ltd. ....
	INDONESIA - 1.5%
300,000	PT Astra International Tbk .....
1,800,000	PT Unilever Indonesia Tbk .....
	ISRAEL - 0.4%
22,400	Check Point Software Technologies Ltd. (d) .....
	MALAYSIA - 1.6%
68,000	British American Tobacco Malaysia Berhad .....
420,000	Public Bank Berhad .....
	MEXICO - 4.3%
38,900	Fomento Economico Mexicano, S.A.B. de C.V., Sponsored ADR .....
34,000	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., ADR .....
361,000	Grupo Continental, S.A.B. ....
297,000	Grupo Financiero Banorte, S.A.B. de C.V., O Shares .....
274,000	Kimberly-Clark de Mexico, S.A.B. de C.V., A Shares .....
	PHILIPPINES - 1.1%
970,000	Bank of the Philippine Islands .....

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See Notes to Quarterly Portfolio of Investments.

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PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)  
 SEPTEMBER 30, 2007 (UNAUDITED)

SHARES	DESCRIPTION
COMMON STOCKS - (CONTINUED)	
	RUSSIA - 0.9%
15,000	LUKOIL, ADR .....
	SOUTH AFRICA - 1.9%
138,000	Massmart Holdings Ltd. ....
167,000	Truworths International Ltd. ....
	SOUTH KOREA - 3.1%
65,000	Pusan Bank .....
4,800	Samsung Electronics Company Ltd., Preference Shares .....
850	Shinsegae Company Ltd. ....
	TAIWAN - 3.2%
1,000,000	Fubon Financial Holdings Company, Ltd. ....
1,140,000	Taiwan Mobile Company, Ltd. ....
923,599	Taiwan Semiconductor Manufacturing Company, Ltd. ....
	THAILAND - 1.8%
220,000	PTT Exploration and Production Public Company Ltd. ....
200,000	Siam Cement Public (The) Company Ltd. ....
	TURKEY - 2.4%
249,000	Aksigorta AS .....
9,000	Bim Birlesik Magazalar AS .....
35,000	Migros Turk TAS .....
	TOTAL COMMON STOCKS .....
	(Cost \$43,682,160)

PRINCIPAL VALUE	DESCRIPTION	COUPON	STATE MATURITY
	U.S. TREASURY OBLIGATION - 1.1%		

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\$	1,480,000	U.S. Treasury Note .....	4.50%	4/30/
		TOTAL U.S. TREASURY OBLIGATION .....		
		(Cost \$1,488,885)		

See Notes to Quarterly Portfolio of Investments. Page 5

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
 PORTFOLIO OF INVESTMENTS (a) - (CONTINUED)  
 SEPTEMBER 30, 2007 (UNAUDITED)

DESCRIPTION

TOTAL INVESTMENTS - 105.4% .....
(Cost \$119,883,218) (e)
LOAN OUTSTANDING - (6.1)% .....
NET OTHER ASSETS AND LIABILITIES - 0.7% .....
NET ASSETS - 100.0% .....

- 
- (a) All percentages shown in the Portfolio of Investments are based on net assets.
  - (b) Fixed-income portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the Sub-Advisor.
  - (c) Variable rate security. The interest rate shown reflects the rate in effect at September 30, 2007.
  - (d) Non-income producing security.
  - (e) Aggregate cost for federal income tax and financial reporting purposes.

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



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See Notes to Quarterly Portfolio of Investments.

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
SCHEDULE OF FORWARD FOREIGN CURRENCY CONTRACTS  
SEPTEMBER 30, 2007 (UNAUDITED)

FORWARD FOREIGN CURRENCY CONTRACTS TO BUY CONTRACTS TO RECEIVE						
EXPIRATION DATE	LOCAL CURRENCY (a)	VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS U.S. \$	NET UNREALIZED DEPRECIATION OF CONTRACTS U.S. \$	
10/24/07	BRL	10,285,000	\$ 5,594,619	\$ 5,326,056	\$ 268,563	\$ --
10/24/07	COP	1,564,825,000	771,194	795,135	--	(23,941)
10/24/07	IDR	23,353,160,000	2,547,015	2,481,738	65,277	--
10/24/07	INR	59,442,000	1,491,089	1,451,044	40,045	--
10/24/07	MXN	10,947,000	999,018	988,943	10,075	--
10/24/07	TRY	4,399,000	3,612,088	3,311,067	301,021	--
				\$ 684,981	\$ (23,941)	

FORWARD FOREIGN CURRENCY CONTRACTS TO SELL CONTRACTS TO DELIVER						
EXPIRATION DATE	LOCAL CURRENCY (a)	VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS U.S. \$	NET UNREALIZED DEPRECIATION OF CONTRACTS U.S. \$	
10/24/07	BRL	18,398,000	\$ 10,007,759	\$ 9,529,398	\$ --	\$ (478,361)
10/24/07	COP	5,996,738,000	2,955,378	2,946,800	--	(8,578)
10/24/07	IDR	23,353,160,000	2,547,015	2,486,665	--	(60,350)
10/24/07	INR	59,442,000	1,491,089	1,408,578	--	(82,511)
10/24/07	MXN	43,016,000	3,929,029	3,954,650	25,621	--
10/24/07	TRY	8,932,000	7,334,206	6,789,933	--	(544,273)
				\$ 25,621	\$ (1,174,073)	
Unrealized Appreciation (Depreciation) .....				\$ 710,602	\$ (1,198,014)	
Net Unrealized Appreciation (Depreciation) .....					\$ (487,412)	

(a) Please see page 6 for currency descriptions.

See Notes to Quarterly Portfolio of Investments.

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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
PORTFOLIO COMPONENTS (a)  
SEPTEMBER 30, 2007 (UNAUDITED)

### PORTFOLIO COMPONENTS -- BY INDUSTRY

[THE FOLLOWING TABLE WAS REPRESENTED BY A BAR CHART IN THE PRINTED MATERIAL.]

Government Bonds and Notes	43.7%
Commercial Banks Non-US	8.9%
Diversified Financial Services	6.9%
Oil & Gas	4.5%
Retail	4.3%
Cellular Telecommunications	3.7%
Semiconductors	2.9%
Beverages	2.3%
Building Products-Cement/Aggregates	1.6%
Diversified Minerals	1.6%
Electric Utilities	1.4%
Tobacco	1.4%
Insurance	1.3%
Medical-Drugs	1.2%
Telecommunications	1.2%
Gas Utilities	1.1%
Food-Retail	1.0%
Household Products	1.0%
Paper & Related Products	0.9%
Steel Producers	0.9%
Transportation	0.9%
Coal	0.9%
Diversified Operations	0.9%
Real Estate	0.8%
Export/Import Bank	0.8%
Commercial Services	0.8%
Airport Development/Maintenance	0.7%
Chemicals	0.7%
Applications Software	0.6%
Leisure Time	0.5%
Internet Security	0.4%
Building-Residential/Commercial	0.2%

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

Page 8 See Notes to Quarterly Portfolio of Investments.

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
PORTFOLIO COMPONENTS (a) (b) - (CONTINUED)  
SEPTEMBER 30, 2007 (UNAUDITED)

### PORTFOLIO COMPONENTS -- BY COUNTRY

[THE FOLLOWING TABLE WAS REPRESENTED BY A BAR CHART IN THE PRINTED MATERIAL.]

Brazil	12.0%
China	7.9%
Turkey	6.8%
Indonesia	6.7%
Mexico	6.6%

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India	6.0%
Venezuela	5.5%
Argentina	5.5%
Colombia	3.9%
Russia	3.3%
Taiwan	3.1%
South Korea	2.9%
Ukraine	2.9%
Uruguay	2.7%
Egypt	2.5%
Peru	2.2%
Philippines	1.8%
South Africa	1.8%
Thailand	1.7%
Malaysia	1.5%
Ecuador	1.5%
Dominican Republic	1.3%
Pakistan	1.2%
Ghana	1.2%
United States	1.1%
Chile	1.1%
Czech Republic	1.0%
Serbia	1.0%
El Salvador	0.9%
Hungary	0.8%
Nigeria	0.7%
Kazakhstan	0.5%
Israel	0.4%

- (a) Percentages are based on total investments. Please note that the percentages on the Portfolio of Investments are based on net assets.
- (b) Fixed-income portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the Sub-Advisor.

See Notes to Quarterly Portfolio of Investments.

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### NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS

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#### FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND SEPTEMBER 30, 2007 (UNAUDITED)

##### 1. VALUATION AND INVESTMENT PRACTICES

###### A. PORTFOLIO VALUATION:

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

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The Fund's investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value according to procedures adopted by the Fund's Board of Trustees. A majority of the Fund's assets are valued using market information supplied by third parties. In addition, structured products, including currency-linked notes and credit-linked notes, as well as interest rate swaps and credit default swaps, are valued using a pricing service or quotes provided by the selling dealer or financial institution. In the event that market quotations are not readily available, the pricing service does not provide a valuation for a particular asset, or the valuations are deemed unreliable, First Trust Advisors L.P. ("First Trust") may use a fair value method to value the Fund's securities and investments. Additionally, if events occur after the close of the principal market for particular securities (e.g., domestic debt and foreign securities), but before the Fund values its assets, that could materially affect NAV, First Trust may use a fair value method to value the Fund's securities and investments. The use of fair value pricing by the Fund is governed by valuation procedures adopted by the Fund's Board of Trustees and in accordance with the provisions of the Investment Company Act of 1940, as amended.

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

### B. SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis.

Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date; interest income on such securities is not accrued until settlement date. The Fund maintains liquid assets with a current value at least equal to the amount of its when-issued or delayed-delivery purchase commitments. At September 30, 2007, the Fund had no when-issued or delayed-delivery purchase commitments.

### C. FORWARD FOREIGN CURRENCY CONTRACTS:

Forward foreign currency contracts are agreements to exchange one currency for another at a future date and at a specified price. The Fund may use forward foreign currency contracts to facilitate transactions in foreign securities and to manage the Fund's foreign currency exposure. These contracts are valued daily, and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in Net Other Assets and Liabilities on the Portfolio of Investments. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Due to the risks, the Fund could incur losses up to the entire contract amount, which may exceed the net unrealized value shown in the Schedule of Forward Foreign Currency Contracts.

### D. FOREIGN CURRENCY:

The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investment securities are translated on the respective dates of such transactions. Net realized foreign currency gains and losses include the effect of changes in exchange rates between trade date and settlement date on investment security and foreign currency transactions.

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NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS - (CONTINUED)  
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FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND  
SEPTEMBER 30, 2007 (UNAUDITED)

2. UNREALIZED APPRECIATION (DEPRECIATION)

As of September 30, 2007, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$19,281,559 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,699,241.

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ITEM 2. CONTROLS AND PROCEDURES.

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

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

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

(Registrant) FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND

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

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

Date NOVEMBER 5, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

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

Date NOVEMBER 5, 2007

By (Signature and Title)\* /S/ MARK R. BRADLEY

Mark R. Bradley, Treasurer, Controller, Chief  
Financial Officer and Chief Accounting Officer  
(principal financial officer)

Date NOVEMBER 5, 2007

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