

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND

Form N-Q

November 29, 2010

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

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: September 30, 2010

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (Sections 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. Section 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
PORTFOLIO OF INVESTMENTS (a) (b)
SEPTEMBER 30, 2010 (UNAUDITED)

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STAT MATUR
BONDS AND NOTES (c) - 57.1%			
	ARGENTINA - 3.7%		
2,970,903	Republic of Argentina (ARS) (d)	2.00%	02/04
3,600,000	Republic of Argentina (USD)	7.00%	04/17
	BELARUS - 0.6%		
680,000	Republic of Belarus (USD)	8.75%	08/03
	BRAZIL - 6.6%		
3,700,000	Brazil Notas do Tesouro Nacional Series F (BRL)	10.00%	01/01
4,070,000	Brazil Notas do Tesouro Nacional Series F (BRL)	10.00%	01/01
1,610,000	Brazil Notas do Tesouro Nacional Series F (BRL)	10.00%	01/01
144,000	Dasa Finance Corp. (USD)	8.75%	05/29
700,000	Gerdau Trade (USD)	5.75%	01/30
630,000	Globo Comunicacaos S.A. (USD)	6.25%	12/01
350,000	Odebrecht Finance Ltd. (USD)	7.50%	09/14
200,000	Petrobras International Finance Co. (USD)	7.88%	03/15
630,000	Rearden G Holdings Eins GmbH (USD)	7.88%	03/30
	COLOMBIA - 1.0%		
870,000,000	Republic of Columbia (COP)	7.75%	04/14
600,000	TGI International Ltd. (USD)	9.50%	10/03
	DOMINICAN REPUBLIC - 0.9%		
505,000	Cerveceria Nacional Dominica (USD) (d)	16.00%	03/27
528,000	Dominican Republic (USD)	8.63%	04/20
	EGYPT - 1.7%		
7,900,000	Egypt Treasury Bill (EGP)	(e)	10/05
4,000,000	Egypt Treasury Bills (EGP)	(e)	11/16
	EL SALVADOR - 2.0%		
1,540,000	Republic of El Salvador (USD)	7.65%	06/15
650,000	Telemovil Finance Ltd. (USD)	8.00%	10/01
	HONG KONG - 0.5%		
620,000	CFG Investment S.A.C. (USD)	9.25%	12/19
	HUNGARY - 2.6%		
227,370,000	Hungary Government Bond (HUF)	6.00%	10/24
87,000,000	Hungary Government Bond (HUF)	5.50%	02/12

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

334,000,000 Hungary Government Bond (HUF) 6.50% 06/24

See Notes to Quarterly Portfolio of Investments

Page 1

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) (b) - (CONTINUED)
 SEPTEMBER 30, 2010 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STAT MATUR
BONDS AND NOTES (c) - (CONTINUED)			
INDONESIA - 6.6%			
540,000	Berau Capital Resources (USD)	12.50%	07/08
340,000	Indo Integrated Energy II B.V. (USD)	9.75%	11/05
3,700,000,000	Indonesian Government Bond (IDR)	12.50%	03/15
11,230,000,000	Indonesian Government Bond (IDR)	10.75%	05/15
17,000,000,000	Indonesian Government Bond (IDR)	10.50%	08/15
1,850,000,000	Indonesian Recapitalization Bond (IDR)	13.40%	02/15
4,350,000,000	Indonesian Recapitalization Bond (IDR)	13.45%	08/15
250,000	Indosat Palapa (USD)	7.38%	07/29
810,000	Majapahit Holding B.V. (USD)	7.75%	10/17
650,000	Star Energy Geothermal (Wayang Windu) Ltd. (USD)	11.50%	02/12
IVORY COAST - 0.6%			
1,240,000	Ivory Coast Government Bond (USD)	2.50%	12/31
KAZAKHSTAN - 1.3%			
504,153	BTA Bank JSC (USD) (f) (g)	10.75%	07/01
1,041,530	BTA Bank JSC (USD) (d) (f)	0.00%	07/01
114,233	BTA Bank JSC (USD) (f)	7.20%	07/01
200,000	Kazakhstan Temir Zholy (USD)	6.38%	10/06
710,000	KazMunaiGaz Finance Sub B.V. (USD)	7.00%	05/05
LITHUANIA - 1.1%			
1,140,000	Republic of Lithuania (USD)	7.38%	02/11
MALAYSIA - 0.8%			
700,000	Petronas Capital Ltd. (USD)	7.88%	05/22
MEXICO - 7.1%			
450,000	Axtel S.A.B. de C.V. (USD)	9.00%	09/22
680,000	BBVA Bancomer S.A./Texas (USD)	7.25%	04/22

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

525,000	Corp. Geo S.A. de C.V. (USD)	8.88%	09/25
320,000	Corp. Geo S.A. de C.V. (USD)	9.25%	06/30
550,000	Corporativo Javer S.A. de C.V. (USD)	13.00%	08/04
660,000	Desarrolladora Homex S.A. (USD)	9.50%	12/11
450,000	Grupo Posadas S.A.B. de C.V. (USD)	9.25%	01/15
5,100,000	Mexican Bonos Desarr Fixed Rate Bond (MXN)	7.25%	12/15
27,950,000	Mexican Bonos Desarr Fixed Rate Bond (MXN)	8.00%	06/11
1,840,000	Mexican Bonos Desarr Fixed Rate Bond (MXN)	10.00%	11/20
9,300,000	Mexico Cetes (MXN)	(e)	12/09
650,000	Pemex Project Funding Master Trust (USD)	6.63%	06/15
	NIGERIA - 0.7%		
790,000	GTB Finance B.V. (USD)	8.50%	01/29

See Notes to Quarterly Portfolio of Investments

Page 2

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) (b) - (CONTINUED)
 SEPTEMBER 30, 2010 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STAT MATUR
BONDS AND NOTES (c) - (CONTINUED)			
	PERU - 0.9%		
2,440,000	Peru Bono Soberano (PEN)	8.20%	08/12
	PHILIPPINES - 0.8%		
250,000	Alliance Global Group (USD)	6.50%	08/18
500,000	Republic of Philippines (USD)	7.75%	01/14
	QATAR - 0.8%		
840,000	State of Qatar (USD)	5.25%	01/20
	RUSSIA - 1.8%		
450,000	Alfa Bank (USD)	7.88%	09/25
630,000	LUKOIL International Finance B.V. (USD)	7.25%	11/05
200,000	Russian Railways (USD)	5.74%	04/03
700,000	Vnesheconombank (USD)	6.90%	07/09
	SOUTH AFRICA - 3.9%		
20,900,000	Republic of South Africa (ZAR)	8.25%	09/15
9,200,000	Republic of South Africa (ZAR)	10.50%	12/21

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

	TURKEY - 3.8%			
450,000	Akbank TAS (USD)	.....	5.13%	07/22
2,800,000	Turkey Government Bond (TRY)	.....	16.00%	03/07
1,400,000	Turkey Government Bond (USD)	.....	5.63%	03/30
500,000	Yasar Holdings (USD)	.....	9.63%	10/07
	UKRAINE - 1.3%			
1,440,000	EX-IM Bank of Ukraine (USD)	.....	7.65%	09/07
80,000	Ukraine Government Bond (USD)	.....	6.58%	11/21
	UNITED ARAB EMIRATES - 1.2%			
650,000	Atlantic Finance Ltd. (USD)	.....	9.75%	05/27
650,000	Dubai Electricity & Water Authority (USD)	.....	8.50%	04/22
	UNITED KINGDOM - 0.6%			
750,000	Continental Trustees (USD) (d)	.....	7.38%	10/07
	URUGUAY - 1.3%			
20,320,000	Republic Orient Uruguay, Inflation Adjusted Bond (UYU) (h)	.....	5.00%	09/14

See Notes to Quarterly Portfolio of Investments

Page 3

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
PORTFOLIO OF INVESTMENTS (a) (b) - (CONTINUED)
SEPTEMBER 30, 2010 (UNAUDITED)

PRINCIPAL VALUE (LOCAL CURRENCY)	DESCRIPTION	COUPON	STAT MATUR

BONDS AND NOTES (c) - (CONTINUED)			
	VENEZUELA - 2.9%		
600,000	Bolivarian Republic of Venezuela (USD)	.....	7.75% 10/13
1,750,000	Republic of Venezuela (USD)	.....	8.50% 10/08
2,230,000	Republic of Venezuela (USD)	.....	5.75% 02/26
	TOTAL BONDS AND NOTES (Cost \$63,080,644)		.....

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

SHARES	DESCRIPTION
COMMON STOCKS - 45.2%	
BRAZIL - 8.8%	
94,924	Banco Bradesco S.A., ADR
34,000	Lojas Renner S.A
31,000	Multiplan Empreendimentos Imobiliarios S.A.....
61,000	Petroleo Brasileiro S.A., ADR
21,300	Souza Cruz S.A.....
25,000	Ultrapar Participacoes S.A., Preference Shares
80,000	Vale S.A., Preference Shares, ADR
CHILE - 0.9%	
11,600	Banco Santander Chile S.A., ADR
CHINA - 2.2%	
155,000	China Mobile Ltd.....
920,000	PetroChina Co., Ltd., H Shares
HONG KONG - 2.6%	
200,000	Hang Lung Group Ltd.....
700,000	Swire Pacific Ltd., B Shares
HUNGARY - 1.2%	
6,300	Richter Gedeon Nyrt.
INDIA - 4.8%	
32,000	Bharti Airtel Ltd.....
20,000	GlaxoSmithKline Pharmaceuticals Ltd.....
13,000	Grasim Industries Ltd.....
29,000	Hero Honda Motors Ltd.....
59,000	Hindustan Unilever Ltd.....
57,500	Housing Development Finance Corp., Ltd.....
20,000	ICICI Bank Ltd.....
10,000	Infosys Technologies Ltd.....
7,428	UltraTech Cement Ltd.....

See Notes to Quarterly Portfolio of Investments

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

SHARES	DESCRIPTION
COMMON STOCKS - (CONTINUED)	
	INDONESIA - 1.4%
258,000	PT Astra International Tbk
	ITALY - 0.8%
23,600	Tenaris S.A., ADR
	MALAYSIA - 1.9%
70,300	British American Tobacco Malaysia Berhad
289,000	Public Bank Berhad
	MEXICO - 3.8%
31,900	Fomento Economico Mexicano, S.A.B. de C.V., ADR
40,000	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., ADR ...
352,000	Grupo Financiero Banorte, S.A.B. de C.V., O Shares
152,000	Kimberly-Clark de Mexico, S.A.B. de C.V., A Shares
	PHILIPPINES - 1.3%
1,281,702	Bank of the Philippine Islands
	POLAND - 0.6%
13,000	Bank Pekao S.A
	RUSSIA - 1.1%
23,500	LUKOIL, ADR
	SOUTH AFRICA - 2.8%
89,000	Massmart Holdings Ltd
142,729	Truworths International Ltd
	SOUTH KOREA - 2.7%
27,008	Busan Bank.
4,900	Samsung Electronics Co., Ltd., Preference Shares
850	Shinsegae Co., Ltd
	TAIWAN - 2.4%
800,450	Taiwan Mobile Co., Ltd
643,953	Taiwan Semiconductor Manufacturing Co., Ltd
	THAILAND - 2.5%
250,000	PTT Exploration and Production Public Co., Ltd
147,000	Siam Cement Public (The) Co., Ltd
	TURKEY - 2.3%
73,635	Akbank TAS

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

253,000	Aksigorta AS.
33,220	Bim Birlesik Magazalar AS

See Notes to Quarterly Portfolio of Investments

Page 5

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS (a) (b) - (CONTINUED)
 SEPTEMBER 30, 2010 (UNAUDITED)

SHARES	DESCRIPTION

COMMON STOCKS - (CONTINUED)	
	TURKEY - (CONTINUED)
181,150	Haci Omer Sabanci Holding AS.
	UNITED KINGDOM - 1.1%
45,696	Standard Chartered PLC.
	TOTAL COMMON STOCKS
	(Cost \$34,892,676)
	TOTAL INVESTMENTS - 102.3%
	(Cost \$97,973,320) (i)
	OUTSTANDING LOAN - (4.8)%
	NET OTHER ASSETS AND LIABILITIES - 2.5%
	NET ASSETS - 100.0%

-
- (a) All percentages shown in the Portfolio of Investments are based on net assets.
 - (b) All portfolio securities are available to serve as collateral for the outstanding loan.
 - (c) Fixed-income portfolio securities are included in a country based upon their underlying credit exposure as determined by Aberdeen Asset Management Inc., the investment sub-advisor.
 - (d) Variable rate security. The interest rate shown reflects the rate in effect at September 30, 2010.
 - (e) Zero coupon bond.
 - (f) This security, sold within the terms of a private placement memorandum, is exempt from registration under Rule 144A of the Securities Act of 1933, as amended, 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

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

liquid by the Fund's investment sub-advisor. At September 30, 2010, securities noted as such amounted to \$647,418 or 0.5% of net assets.

- (g) Security is a "step-up" bond where the coupon increases or steps up at a predetermined date.
- (h) 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.
- (i) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of September 30, 2010, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$25,793,840 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,007,878.

ADR American Depositary Receipt

Currency Abbreviations:

ARS Argentine Peso
 BRL Brazilian Real
 COP Colombian Peso
 EGP Egyptian Pound
 HUF Hungarian Forint
 IDR Indonesian Rupiah
 MXN Mexican Peso
 PEN Peruvian New Sol
 TRY Turkish Lira
 USD United States Dollar
 UYU Uruguayan Peso
 ZAR South African Rand

See Notes to Quarterly Portfolio of Investments

Page 6

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 PORTFOLIO OF INVESTMENTS - (CONTINUED)
 SEPTEMBER 30, 2010 (UNAUDITED)

VALUATION INPUTS

A summary of the inputs used to value the Fund's investments as of September 30, 2010 is as follows (see Note 1A - Portfolio Valuation in the Notes to Quarterly Portfolio of Investments):

ASSETS TABLE

	TOTAL VALUE AT 09/30/2010	LEVEL 1 QUOTED PRICES	LEVEL 2 SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
	-----	-----	-----	-----
Bonds and Notes *	\$ 68,568,631	\$ --	\$68,568,631	\$--

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

Common Stocks *	54,190,651	54,190,651	--	--
	-----	-----	-----	-----
Total Investments	122,759,282	54,190,651	68,568,631	--
	-----	-----	-----	-----
Other Financial Instruments:				
Forward Foreign Currency Contracts ** ..	29,151	29,151	--	--
	-----	-----	-----	-----
	\$122,788,433	\$54,219,802	\$68,568,631	\$--
	=====	=====	=====	=====

LIABILITIES TABLE

	TOTAL VALUE AT 09/30/2010	LEVEL 1 QUOTED PRICES	LEVEL 2 SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
	-----	-----	-----	-----
Forward Foreign Currency Contracts ** ..	\$(221,714)	\$(221,714)	\$--	\$--
	=====	=====	=====	=====

* See the Portfolio of Investments for country breakout.

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

INDUSTRY CLASSIFICATION	% OF TOTAL INVESTMENTS
-----	-----
Government Bonds and Notes	37.0%
Commercial Banks	11.1
Oil, Gas & Consumable Fuels	7.6
Real Estate Management & Development	3.7
Construction Materials	3.2
Diversified Financial Services	3.2
Semiconductors & Semiconductor Equipment	3.0
Food Retailing & Staples	2.7
Wireless Telecommunications	2.6
Specialty Retail	2.4
Metals & Mining	2.4
Automobiles	2.3
Pharmaceuticals	2.0
Electric Utilities	1.9
Diversified Telecommunication Services	1.8
Tobacco	1.8
Beverages	1.7
Household Durables	1.4
Import/Export Bank	1.2
Household Products	1.1
Transportation Infrastructure	1.0
Other	4.9

Total	100.0%
	=====

See Notes to Quarterly Portfolio of Investments

Page 7

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
 SCHEDULE OF FORWARD FOREIGN CURRENCY CONTRACTS
 SEPTEMBER 30, 2010 (UNAUDITED)

FORWARD FOREIGN CURRENCY CONTRACTS TO BUY CONTRACTS TO RECEIVE							
SETTLEMENT DATE	COUNTERPARTY	LOCAL CURRENCY (a)	LOCAL CURRENCY VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS U.S. \$	NET UNREALIZED DEPRECIATION OF CONTRACTS U.S.	
10/22/10	JPM	HUF	31,720,000	\$156,112	\$146,920	\$ 9,192	\$ --
10/22/10	RBS	HUF	16,355,000	80,493	75,278	5,215	--
12/03/10	UBS	IDR	2,834,363,000	313,966	315,806	--	(1,84)
10/22/10	JPM	MXN	4,878,000	386,429	371,685	14,744	--
						--	--
						-----	-----
						\$29,151	\$ (1,84)
						-----	-----

FORWARD FOREIGN CURRENCY CONTRACTS TO SELL CONTRACTS TO DELIVER							
SETTLEMENT DATE	COUNTERPARTY	LOCAL CURRENCY (a)	LOCAL CURRENCY VALUE IN U.S. \$	IN EXCHANGE FOR U.S. \$	NET UNREALIZED APPRECIATION OF CONTRACTS U.S. \$	NET UNREALIZED DEPRECIATION OF CONTRACTS U.S.	
12/03/10	JPM	BRL	3,834,000	\$2,235,117	\$2,124,100	\$ --	\$ (111)
10/22/10	BAR	HUF	248,477,000	1,222,898	1,131,122	--	(91)
12/03/10	RBS	IDR	2,834,363,000	313,966	308,362	--	(5)
10/22/10	BAR	MXN	4,878,000	386,429	374,952	--	(11)
						--	--
						-----	-----
						\$ --	\$ (219)
						-----	-----
Unrealized Appreciation (Depreciation)						\$29,151	\$ (221)
Net Unrealized Appreciation (Depreciation)						=====	=====
							\$ (192)
							=====

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

(a) Please see page 6 for currency descriptions.

Counterparty Abbreviations:

BAR Barclay's Bank PLC
JPM JPMorgan Chase
RBS Royal Bank of Scotland
UBS Union Bank of Switzerland

See Notes to Quarterly Portfolio of Investments

Page 8

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
SEPTEMBER 30, 2010 (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 dividing the value of all assets of the Fund (including accrued dividends and interest), 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 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, the Fund's Board of Trustees has designated First Trust Advisors L.P. ("First Trust") to use a fair value method to value the Fund's securities and other investments. Additionally, if events occur after the close of the principal markets for particular securities (e.g., domestic debt and foreign securities), but before the Fund values its assets, that could materially affect NAV, First Trust may use a fair value method to value the Fund's securities and other 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 (the "1940 Act").

Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") or the London Stock Exchange Alternative Investment Market ("AIM") are valued at the last sale price on the business day as of which such value is being determined. Securities listed on the NASDAQ or the AIM are valued at the official closing price on the business day as of which such value is being determined. If there has been no sale on such day, or no official closing

price in the case of securities traded on the NASDAQ or the AIM, the securities are valued at the mean of the most recent bid and asked prices on such day. Portfolio securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities trading on the NASDAQ or the AIM, are valued at the closing bid prices. Fixed income securities with a remaining maturity of 60 days or more will be valued by the Fund using a pricing service. Short-term investments that mature in less than 60 days when purchased are valued at amortized cost.

Foreign securities traded outside the United States are generally valued as of the time their trading is complete, which is usually different from the close of the NYSE. Occasionally, events affecting the value of such securities may occur between such times and the close of the NYSE that will not always be reflected in the computation of the value of such securities. If events materially affecting the value of such securities occur during such period, these securities will be valued at their fair value according to procedures adopted by the Fund's Board of Trustees. All securities and other assets of the Fund initially expressed in foreign currencies will be converted to U.S. dollars using exchange rates in effect at the time of valuation.

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:

- Level 1 - Level 1 inputs are quoted prices in active markets for identical securities. An active market is a market in which transactions for the security occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
 - Quoted prices for similar securities in active markets.
 - Quoted prices for identical or similar securities in markets that are non-active. A non-active market is a market where there are few transactions for the security, 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.
 - Inputs other than quoted prices that are observable for the security (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

SEPTEMBER 30, 2010 (UNAUDITED)

- Level 3 - Level 3 inputs are unobservable inputs. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the security.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of the inputs used to value the Fund's investments as of September 30, 2010, is included with the Fund's Portfolio of Investments.

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. As of September 30, 2010, the Fund had no when-issued or delayed-delivery purchase commitments.

C. CREDIT LINKED NOTES:

The Fund may invest in credit linked notes. Credit linked notes are securities that are collateralized by one or more designated securities that are referred to as "reference securities". Through the purchase of a credit linked note, the buyer assumes the risk of the default or, in some cases, other declines in credit quality of the reference securities. The buyer also takes on exposure to the issuer of the credit linked note in the full amount of the purchase price of the note. The issuer of a credit linked note normally will have hedged its risk on the reference securities without acquiring any additional credit exposure. The Fund has the right to receive periodic interest payments from the issuer of the credit linked note at an agreed-upon interest rate, and, if there has been no default or, if applicable, other declines in credit quality, a return of principal at the maturity date.

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

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

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

D. FORWARD FOREIGN CURRENCY CONTRACTS:

The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. 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 on the Schedule of Forward Foreign Currency Contracts. 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 would exceed the net unrealized value shown on the Schedule of Forward Foreign Currency Contracts.

During the period ended September 30, 2010, the open and close values of forward foreign currency contracts were \$12,833,628 and \$4,638, respectively.

E. FOREIGN CURRENCY:

The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investment securities and items of income and expense are translated on the respective dates of such transactions. 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.

Page 10

NOTES TO QUARTERLY PORTFOLIO OF INVESTMENTS - (CONTINUED)

FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND
SEPTEMBER 30, 2010 (UNAUDITED)

2. SUBSEQUENT EVENT

On October 12, 2010, First Trust announced that James A. Bowen, its President, acquired 100% of the voting stock of The Charger Corporation, the general partner of First Trust (the "Transaction"). First Trust is a limited partnership with one limited partner and one general partner (The Charger Corporation). The Transaction is not expected to impact the day-to-day operations of the Fund. The consummation of the Transaction is deemed to be an "assignment" (as defined in the 1940 Act) of the Fund's investment management agreement and investment sub-advisory agreement and resulted in the automatic termination of the agreements.

The Board of Trustees of the Fund has approved an interim investment management agreement with First Trust and an interim investment sub-advisory agreement, which were entered into effective upon the closing of the Transaction and will be in effect for a maximum period of 150 days. A new investment management agreement with First Trust and a new investment sub-advisory agreement have been approved by the Board of Trustees of the Fund and will be submitted to shareholders of the Fund as of the record date (September 30, 2010) for approval and will take effect upon such shareholder approval. A special shareholder meeting of the Fund to vote on a proposal to approve the new investment management and the new investment sub-advisory agreement is expected to be held on December 6, 2010.

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

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 23, 2010

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 23, 2010

Edgar Filing: FIRST TRUST/ABERDEEN EMERGING OPPORTUNITY FUND - Form N-Q

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

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

Date November 23, 2010

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