

FIRST TRUST/ABERDEEN GLOBAL OPPORTUNITY INCOME FUND
Form N-CSRS
September 07, 2018

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 811-21636

First Trust/Aberdeen Global Opportunity Income Fund
(Exact name of registrant as specified in charter)
120 East Liberty Drive, Suite 400
Wheaton, IL 60187
(Address of principal executive offices) (Zip code)
W. Scott Jardine, Esq.
First Trust Portfolios L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187
(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2018

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

Item 1. Report to Stockholders.

The Report to Shareholders is attached herewith.

First Trust/Aberdeen
Global Opportunity Income Fund (FAM)
Semi-Annual Report
For the Six Months Ended
June 30, 2018

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First Trust/Aberdeen Global Opportunity Income Fund (FAM)

Semi-Annual Report

June 30, 2018

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Caution Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”) and/or 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 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 Global Opportunity Income Fund (the “Fund”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and/or Sub-Advisor and their respective representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

Performance and Risk Disclosure

There is no assurance that the Fund will achieve its investment objectives. The Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in the Fund. See “Risk Considerations” in the Additional Information section of this report for a discussion of certain other risks of investing in the Fund.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit www.ftportfolios.com or speak with your financial advisor. Investment returns, net asset value and common share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost. The Advisor may also periodically provide additional information on Fund performance on the Fund's web page at www.ftportfolios.com.

How to Read This Report

This report contains information that may help you evaluate your investment in the Fund. It includes details about the Fund and presents data and analysis that provide insight into the Fund's performance and investment approach. By reading the portfolio commentary by the portfolio management team of the Fund, you may obtain an understanding of how the market environment affected the Fund's performance. The statistical information that follows may help you understand the Fund's performance compared to that of relevant market benchmarks. It is important to keep in mind that the opinions expressed by personnel of First Trust and 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.

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Shareholder Letter

First Trust/Aberdeen Global Opportunity Income Fund (FAM)

Semi-Annual Letter from the Chairman and CEO

June 30, 2018

Dear Shareholders,

First Trust is pleased to provide you with the semi-annual report for the First Trust/Aberdeen Global Opportunity Income Fund which contains detailed information about your investment for the six months ended June 30, 2018, including a market overview and a performance analysis for the period. We encourage you to read this report carefully and discuss it with your financial advisor.

As 2018 began, there was much enthusiasm for the “Tax Cuts and Jobs Act of 2017” tax reform bill, which President Trump had signed into law on December 22, 2017, and the potential increase in take-home pay for many Americans, as well as the reduction in the federal corporate tax rate from 35% to 21% that the new tax package would bring. Early in the new year, many investors were watching the Federal Reserve (the “Fed”) and its signaled intent to continue raising interest rates at a gradual pace (it had raised rates three times in 2017). Based on strong job growth and the economic outlook in the U.S., the Fed did, in fact, raise interest rates this year, on March 21 and June 13. Additionally, they indicated at their June 2018 meeting that two additional rate hikes are expected before year-end. For the entire first quarter of 2018, increased market volatility was the norm for U.S. markets. The Dow Jones Industrial Average (“DJIA”) was off to a strong start in January continuing its very strong performance displayed throughout 2017. However, February was a different story. Early in the month, the DJIA plunged 567 points and sank into “correction” territory (defined as a drop of 10% from the index’s high) and in just two weeks during February, was down more than 3,200 points. However, as February came to a close, the DJIA was back on track and up from the lows experienced earlier in the month.

For the second quarter of 2018, market volatility continued. Increasing trade tensions have had an impact on markets around the world and could continue to do so in the future. The talk from President Trump on tariffs and trade agreements gave many investors pause about the U.S. stock market and its long-standing economic growth and what the future might hold. The DJIA closed out both April and May slightly down but ended June slightly up. Despite this volatility, we continue to believe that the combination of low interest rates, low inflation and strong corporate earnings still point to a positive economic environment and further growth, though we understand that past performance can never guarantee future performance.

Globally, markets underperformed moderately in the first half of 2018, as the MSCI AC World Index, which captures 23 developed markets and 24 emerging markets, ended the six-month period down just slightly. Analysts believe European companies are set up for growing earnings and credit upswings, which seems to bode well for global market performance. In addition, we believe the longer-term drivers of positive demographics, lower debt levels and improving productivity may lead to a multi-year cyclical upswing in emerging market economic fundamentals. We continue to believe that one should invest for the long term and be prepared for market movements, which can happen at any time. You can do this by keeping current on your portfolio and investing goals and by speaking regularly with your investment professional. As we’ve said before, markets go up and they also go down, but savvy investors are prepared for either through careful attention to investment goals.

Thank you for giving First Trust the opportunity to be a part of your financial plan. We value our relationship with you and will report on your investment again in six months.

Sincerely,

James A. Bowen

Chairman of the Board of Trustees

Chief Executive Officer of First Trust Advisors L.P.

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First Trust/Aberdeen Global Opportunity Income Fund (FAM)

“AT A GLANCE”

As of June 30, 2018 (Unaudited)

Fund Statistics

Symbol on New York Stock Exchange	FAM
Common Share Price	\$10.03
Common Share Net Asset Value (“NAV”)	\$11.54
Premium (Discount) to NAV	(13.08)%
Net Assets Applicable to Common Shares	\$149,405,931
Current Monthly Distribution per Common Share ⁽¹⁾	\$0.0750
Current Annualized Distribution per Common Share	\$0.9000
Current Distribution Rate on Common Share Price ⁽²⁾	8.97%
Current Distribution Rate on NAV ⁽²⁾	7.80%
Common Share Price & NAV (weekly closing price)	

Performance

	Average Annual Total Return				
	6 Months	1 Year	5 Years	10 Years	Inception
	Ended 6/30/18	Ended 6/30/18	Ended 6/30/18	Ended 6/30/18	(11/23/04) to 6/30/18
Fund Performance⁽³⁾					
NAV	-7.20%	-2.71%	2.62%	5.27%	5.96%
Market Value	-10.42%	-6.80%	0.52%	4.91%	4.52%
Index Performance					
Blended Index ⁽⁴⁾	-4.26%	-0.79%	1.72%	3.75%	4.73%
Bloomberg Barclays Global Emerging Markets Index	-3.89%	-0.44%	4.13%	6.06%	6.76%
Bloomberg Barclays Global Aggregate Index	-1.46%	1.36%	1.49%	2.58%	3.13%

(1) Most recent distribution paid or declared through 6/30/2018. Subject to change in the future.

(2) Distribution rates are calculated by annualizing the most recent distribution paid or declared through the report date and then dividing by Common Share Price or NAV, as applicable, as of 6/30/2018. Subject to change in the future.

Total return is based on the combination of reinvested dividend, capital gain, and return of capital distributions, if any, at prices obtained by the Dividend Reinvestment Plan and changes in NAV per share for NAV returns and changes in Common Share Price for market value returns. Total returns do not reflect sales load and are not annualized for periods of less than one year. Past performance is not indicative of future results.

(3) Blended Index consists of the following: Citigroup World Government Bond Index (40.0%); JPMorgan Emerging Markets Bond Index - Global Diversified (30.0%); JPMorgan Global Bond Index - Emerging Markets Diversified (30.0%).

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First Trust/Aberdeen Global Opportunity Income Fund (FAM)

“AT A GLANCE” (Continued)

As of June 30, 2018 (Unaudited)

Credit Quality ⁽⁵⁾	% of Total Fixed-Income Investments
AAA	14.5%
AA	2.7
A+	6.4
A	3.0
A-	12.1
BBB	14.0
BBB-	12.1
BB+	3.1
BB	2.7
BB-	7.9
B+	7.0
B	7.3
B-	3.6
CCC+	0.1
Not Rated	3.5
Total	100.0%

Top 10 Countries ⁽⁶⁾	% of Total Investments
Brazil	7.0%
Japan	6.4
Russia	6.3
United States	6.2
Italy	5.5
Turkey	5.5
South Africa	5.0
Mexico	4.7
Spain	4.3
Canada	4.1
Total	55.0%

Industry Classification	% of Total Investments
Sovereigns	76.3%
Government Regional	3.3
Banks	3.0
Utilities	2.6
Metals & Mining	2.0
Exploration & Production	1.6
Integrated Oils	1.3
Pipelines	1.2
Wireless Telecommunication Services	1.1
Power Generation	1.1
Food & Beverage	0.8

Government Development Banks	0.7
Central Bank	0.7
Oil & Gas Services & Equipment	0.6
Supranationals	0.5
Retail - Consumer Discretionary	0.4
Life Insurance	0.4
Real Estate	0.4
Software & Services	0.4
Wireline Telecommunication Services	0.3
Communications Equipment	0.3
Commercial Finance	0.3
Chemicals	0.3
Airlines	0.3
Industrial Other	0.1
Total	100.0%

Top Ten Holdings	% of Total Investments
Brazil Notas do Tesouro Nacional, Series F, 10.00%, 1/01/29	4.1%
Russian Federal Bond - OFZ, 7.05%, 1/19/28	3.8
Japan Government Ten Year Bond, 0.10%, 6/20/27	3.6
Spain Government Bond, 5.90%, 7/30/26	3.4
Treasury Corp. of Victoria, 6.00%, 10/17/22	3.3
Japan Government Thirty Year Bond, 2.40%, 3/20/37	2.8
Republic of South Africa Government Bond, 10.50%, 12/21/26	2.7
Peruvian Government International Bond, 6.90%, 8/12/37	2.6
Italy Buoni Poliennali Del Tesoro, 9.00%, 11/01/23	2.3
United States Treasury Note, 3.75%, 11/15/43	2.2
Total	30.8%

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 (5) situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the highest ratings are used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

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

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Portfolio Commentary

First Trust/Aberdeen Global Opportunity Income Fund (FAM)

Semi-Annual Report

June 30, 2018 (Unaudited)

Advisor

First Trust Advisors L.P. (“First Trust” or the “Advisor”) is the investment advisor to the First Trust/Aberdeen Global Opportunity Income Fund (the “Fund”). First Trust is responsible for the ongoing monitoring of the Fund’s investment portfolio, managing the Fund’s business affairs and providing certain administrative services necessary for the management of the Fund.

Sub-Advisor

Aberdeen Asset Management Inc. (“Aberdeen” or the “Sub-Advisor”), a Securities and Exchange Commission registered investment advisor, is an indirect wholly-owned subsidiary of Standard Life Aberdeen plc. Standard Life Aberdeen plc is a publicly-traded global provider of long-term savings and investments listed on the London Stock Exchange, managing assets for institutional and retail clients from offices around the world.

Portfolio Management Team

Investment decisions for the Fund are made by Aberdeen using a team approach and not by any one individual. By making team decisions, Aberdeen seeks to ensure that the investment process results in consistent returns across all portfolios with similar objectives. Aberdeen does not employ separate research analysts. Instead, Aberdeen’s investment managers combine 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.

James Athey

Senior Investment Manager, Global Macro

Brett Diment

Head of Global 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

Patrick O’Donnell

Senior Investment Manager, Global Macro and Pan Euro

Commentary

First Trust/Aberdeen Global Opportunity Income Fund

The Fund’s primary investment objective is to seek a high level of current income. As a secondary objective, the Fund seeks capital appreciation. The Fund pursues these objectives by investing its Managed Assets in the world bond markets through a diversified portfolio of investment grade and below-investment grade government and corporate debt securities. “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 objectives. The Fund may not be appropriate for all investors.