

ABERDEEN EMERGING MARKETS SMALLER Co OPPORTUNITIES FUND, INC.

Form N-CSR

January 07, 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: 811-08076

Exact name of registrant as specified in charter: Aberdeen Emerging Markets Smaller Company  
Opportunities Fund, Inc.

Address of principal executive offices: 1735 Market Street, 32nd Floor  
Philadelphia, PA 19103

|   |  |
|---|--|
| Name and address of agent for service:              | Ms. Andrea Melia<br>Aberdeen Asset Management Inc.<br>1735 Market Street, 32nd Floor<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | 866-839-5205   |
| Date of fiscal year end:                            | October 31   |
| Date of reporting period:                           | October 31, 2014   |

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**Item 1 - Reports to Stockholders.**

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# Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

Annual Report

October 31, 2014



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3. Email us at [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com)

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## Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund) for the twelve-month period ended October 31, 2014. The Fund's principal investment objective is to seek long-term capital appreciation. The Fund seeks to achieve this investment objective by investing primarily in equity securities of emerging market smaller company issuers.

### Total Return Performance

For the year ended October 31, 2014, the total return to shareholders of the Fund based on the net asset value (NAV), net of fees, of the Fund was 1.0% assuming reinvestment of dividends and distributions versus a return of 3.5% for the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Emerging Markets Small Cap Index.<sup>1</sup> The Fund's total return for the year ended October 31, 2014 and per annum since inception is based on the reported NAV on each annual year end.

### Share Price and NAV

For the year ended October 31, 2014, based on market price, the Fund's total return was 1.0%, assuming reinvestment of dividends and distributions. The Fund's share price decreased 30.9% over the twelve months, from \$20.47 on October 31, 2013 to \$14.15 on October 31, 2014, in part due to the significant distribution as detailed below. The Fund's share price on October 31, 2014 represented a discount of 9.8% to the NAV per share of \$15.69 on that date, compared with a discount of 9.8% to the NAV per share of \$22.69 on October 31, 2013.

### Elective Cash Distribution Results

On December 6, 2013, the Board of Directors declared the payment of an elective cash distribution to be paid in the amount of \$6.02616 per share of common stock, on January 31, 2014, to shareholders of record at the close of business on December 20, 2013. This distribution was largely comprised of capital gains realized from sales of portfolio securities following the Fund's change in investment policy. The distribution was payable in shares of the Fund's common stock. However, shareholders had the option to request that their distributions be paid in cash in lieu of common stock. The aggregate amount of cash distributions to all shareholders was limited to 60% of the aggregate dollar amount of the total distribution. Because cash distribution requests exceeded this limit, the cash distribution was pro-rated among all stockholders who made such requests.

Shareholders who requested cash distributions received \$4.37 per share or 72.60% of the distribution in cash and received the balance in the Fund's common stock. For purposes of computing the stock portion of the dividend, the common stock distributed was valued at \$13.09 per share, which equaled the average closing price of the Fund's common shares on the NYSE MKT on January 23, 2014 and the two preceding trading days. Following the close of the elective stock distribution, the Fund issued 1,518,067 shares. Following the closing of the elective cash distribution, the Fund's number of shares was 9,764,732.

### Open Market Repurchase Program

The Fund's policy is generally to buy back Fund shares on the open market when the Fund trades at certain discounts to NAV. During the year ended October 31, 2014 the Fund did not repurchase any shares.

#### Portfolio Holdings Disclosure

The Fund's complete schedule of portfolio holdings is included in the Fund's semi-annual and annual reports to shareholders. 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 Form N-Q filings are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the information on Form N-Q available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205.

#### Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 30 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205; and (ii) on the SEC's website at <http://www.sec.gov>.

#### Investor Relations Information

As part of our ongoing commitment to provide information to our shareholders, I invite you to visit the Fund on the web at [www.aberdeenetf.com](http://www.aberdeenetf.com). From this page, you can view monthly fact sheets, portfolio manager commentary, distribution and performance



1           The MSCI Emerging Markets Small Cap Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of the small-cap segment of emerging markets. The MSCI Emerging Markets Small Cap Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

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## Letter to Shareholders (unaudited) (concluded)

information, updated daily fact sheets courtesy of Morningstar®, and view portfolio charting and other timely data.

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Please ensure that you are enrolled in our email services, which feature timely news from Aberdeen portfolio managers located around the world. Enroll today at [www.aberdeen-asset.us/aam.nsf/usclosed/email](http://www.aberdeen-asset.us/aam.nsf/usclosed/email) and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager web casts, films and other information. Please note that Aberdeen does not share our shareholder information with any other organizations.

Included within this report is a reply card with postage paid envelope. Please complete and mail the card if you would like to be added to our enhanced email service and receive future communications from Aberdeen.

Please contact Aberdeen Asset Management Inc. by:

- calling toll free at 1-866-839-5205 in the United States;
- emailing [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com);
- visiting Aberdeen Closed-End Fund Center at <http://www.aberdeen-asset.us/aam.nsf/usclosed/home>; or
- visiting [www.aberdeenetf.com](http://www.aberdeenetf.com)

Yours sincerely,

/s/ Christian Pittard

**Christian Pittard**  
President



## Dividend Reinvestment and Direct Stock Purchase Plan (unaudited)

Computershare Trust Company, N.A. ( Computershare ), the Fund's transfer agent, sponsors and administers a Dividend Reinvestment and Direct Stock Purchase Plan (the Plan ), which is available to shareholders.

The Plan allows registered stockholders and first time investors to buy and sell shares and automatically reinvest dividends and capital gains through the transfer agent. This is a cost-effective way to invest in the Fund.

Please note that for both purchases and reinvestment purposes, shares will be purchased in the open market at the current share price and cannot be issued directly by the Fund.

For more information about the Plan and a brochure that includes the terms and conditions of the Plan, please call Computershare at 1-800-647-0584 or visit [www.computershare.com/buyaberdeen](http://www.computershare.com/buyaberdeen).

**All amounts are U.S. Dollars unless otherwise stated.**

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## Report of the Investment Manager (unaudited)

## Market review

Shares of smaller companies in emerging stock markets, as measured by the MSCI Emerging Markets Small Cap Index, rose and outperformed their larger counterparts, as represented by the MSCI Emerging Markets Index<sup>1</sup>, over the 12-month period ended October 31, 2014. Despite an initial pullback because of early concerns over the U.S. Federal Reserve's (Fed) withdrawal of its monetary stimulus and China's slowing economic growth, markets subsequently resumed their uptrend, as it appeared that investors took the Fed's gradual reduction of its asset purchases in stride. Hopes of political change in key developing economies and continued monetary largesse from the world's major central banks provided further impetus to markets. The gains, however, were capped by renewed worries of an earlier-than-expected U.S. interest rate hike. In our view, a continued deceleration of growth in China and Europe also cast doubts over the global recovery, while the protests in Hong Kong exacerbated already-heightened geopolitical tensions caused by Ukraine and the Middle East.

## Fund performance review

The top contributors to the Fund's relative performance during the reporting period included several Indian holdings such as Container Corp. of India, Kansai Nerolac Paints Ltd., Ramco Cements Ltd., Castrol (India) Ltd., Godrej Consumer Products Ltd., and Piramal Enterprises Ltd. These holdings were beneficiaries of the election-related euphoria that pushed the Indian market to all-time highs. Other contributors to performance were Mexican airport operator Grupo Aeroportuario del Centro Norte SAB de CV, ADR and Jordan-based Hikma Pharmaceuticals PLC, as both companies posted good results. Healthy margins supported Grupo Aeroportuario del Centro Norte SAB de CV, ADR and Hikma Pharmaceuticals PLC was bolstered by its U.S., generics and injectables divisions.

Conversely, retail holdings O Key Group SA, GDR, Eurocash SA and Guinness Nigeria PLC detracted from Fund performance for the period. Russian hypermart operator O Key Group SA was hampered by the Kremlin's retaliatory ban on certain imported food products from the European Union. Shares of Polish cash-and-carry retailer Eurocash SA declined on the back of food price deflation, which squeezed its margins as it was unable to pass the rising costs on to its customers. Shares of brewer Guinness Nigeria PLC lagged as declining sales volumes and margin pressure hurt its full-year 2014 results.

At the country level, the Fund's underweight to China detracted from performance as the market rallied over the review period. Although the Chinese market remains one of Asia's most exciting growth stories, the macroeconomic environment does not always translate into stock

market gains. We prefer to gain exposure via well-established Hong Kong-domiciled companies that operate in the mainland. In Taiwan, the technology-dominated market was hurt by weak Chinese demand. Consequently, the Fund's lack of exposure to the market enhanced performance for the reporting period. The Fund has no exposure to the Taiwanese market because, while we think it is home to several interesting businesses, most are in lower-quality cyclical industries. Corporate transparency is also generally poor, in our opinion.

In Fund activity, we initiated positions in Grana y Montero SA, ADR, which we feel is a quality infrastructure operator in Peru, and EPAM Systems, Inc., a high-quality software engineering and IT outsourcing group, as we believe it has good growth prospects and an attractive valuation. We also participated in Parque Arauco SA's capital issuance as the Chilean real-estate developer raised equity to fund its expansion. Against this, we exited the Fund's position in miner Vale Indonesia Tbk PT after its strong

stock price rally, and sold the shares of BS Financial Group, Inc. to take up the rights offering that came at a discount.

## Outlook

The divergence in monetary policy across the world is becoming more pronounced, with other major central banks accelerating quantitative easing at a time when the Fed has just concluded its asset purchases. The European Central Bank has begun to purchase covered bonds in an effort to revive growth and keep deflation in check, while the Bank of Japan is injecting trillions of yen in a bid to boost the country's monetary base. How all these translate into capital flows into emerging markets remain to be seen, in our view. Meanwhile, the imminent change in U.S. monetary policy will be closely watched. Although volatility and capital outflows cannot be ruled out when the Fed eventually hikes rates, we think that a prolonged slump in emerging stock markets is unlikely.

Many developing economies, including those most vulnerable to capital flight, are better prepared now than during last year's taper tantrums, in our opinion. Current account deficits have narrowed (or at least have remained unchanged), and real interest rates have generally turned positive. We believe that, should the U.S. raise interest rates because of a sturdier economic rebound, developing economies, in particular those of the export-driven nations, would benefit. For China, we feel that the return to the previous pace of breakneck expansion appears slim as policymakers continue to balance reform and growth. But we believe the inevitable shift towards a more sustainable consumption-led economy is necessary, even if this could herald short-term risks.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 3

## Report of the Investment Manager (unaudited) (concluded)



For us at Aberdeen, investing in companies that we view as fundamentally sound and well managed is an imperative that we believe should help negate the vagaries of market sentiment. Recent earnings from our holdings have been largely steady or met expectations despite the muted economic backdrop. Renewed efforts to boost profits through cost cuts and improving margins are further

along, even though it may be some time before a broader rebound is evident. Many of these companies are market leaders and have weathered periods of crises; we think it should be no different this time. With valuations still attractive, in our view, we will be looking to add to favoured holdings when opportunities arise.

*Aberdeen Asset Managers Limited*



- 1 The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.
  
- 4 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Portfolio Summary (unaudited)

The following table summarizes the composition of the Fund's portfolio, in Geographic classification, expressed as a percentage of net assets as of October 31, 2014.

| <b>Region</b>                | <b>As a Percent of Net Assets</b> |
|------------------------------|-----------------------------------|
| Asia                         | 30.3%                             |
| Latin America                | 21.8%                             |
| Middle East                  | 20.0%                             |
| Africa                       | 19.9%                             |
| Europe                       | 4.4%                              |
| North America                | 1.9%                              |
| Global                       | 1.0%                              |
| Other Assets and Liabilities | 0.7%                              |
|                              | 100.0%                            |

The following table summarizes the composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard (GICS) sectors, expressed as a percentage of net assets. The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 156 subindustries. An industry classification standard sector can include more than one industry group. As of October 31, 2014, the Fund did not have more than 25% of its assets invested in any industry group. The sectors, as classified by GICS Sectors, are comprised of several industries. As of October 31, 2014, the Fund held 99.3% of its net assets in equities and 0.7% in other assets in excess of liabilities.

| <b>Asset Allocation</b>               | <b>As a Percent of Net Assets</b> |
|---------------------------------------|-----------------------------------|
| Financials                            | 21.7%                             |
| Consumer Staples                      | 18.6%                             |
| Industrials                           | 15.9%                             |
| Consumer Discretionary                | 15.1%                             |
| Materials                             | 12.3%                             |
| Information Technology                | 8.5%                              |
| Health Care                           | 5.4%                              |
| Private Equity                        | 1.8%                              |
| Other assets in excess of liabilities | 0.7%                              |
|                                       | 100.0%                            |

## Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten holdings as of October 31, 2014:

| Name of Security                                    | Percentage of Net Assets |
|---|--------------------------|
| Grupo Aeroportuario del Centro Norte SAB de CV, ADR | 3.8%                     |
| Parque Arauco SA                                    | 2.9%                     |
| Aeon Co. (M) Bhd                                    | 2.8%                     |
| Clicks Group Ltd.                                   | 2.5%                     |
| Cimsa Cimento Sanayi VE Ticaret A.S.                | 2.4%                     |
| Petra Foods Ltd.                                    | 2.2%                     |
| SPAR Group Ltd.                                     | 2.2%                     |
| BS Financial Group, Inc.                            | 2.2%                     |
| Arezzo Industria e Comercio SA                      | 2.1%                     |
| Godrej Consumer Products Ltd.                       | 2.1%                     |

## Total Investment Return (unaudited)

The following table summarizes average annual Fund performance compared to the MSCI Emerging Markets Small Cap Index, the Fund's benchmark, for the 1-year, 3-year, 5-year and 10-year periods as of October 31, 2014.(1)

|                                       | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------------------|--------|---------|---------|----------|
| Net Asset Value (NAV)                 | 1.0%   | 5.9%    | 6.8%    | 10.0%    |
| Market Value                          | 1.0%   | 6.0%    | 7.2%    | 10.6%    |
| MSCI Emerging Markets Small Cap Index | 3.5%   | 6.0%    | 6.5%    | n/a(2)   |

*Aberdeen Asset Managers Limited has entered into a written contract with the Fund to waive fees, without which performance would be lower. See Note 3 in the Notes to Financial Statements. This contract aligns with the term of the advisory agreement and may not be terminated prior to the next annual consideration of the advisory agreement. Returns represent past performance. Total investment return at net asset value is based on changes in the net asset value of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. Total investment return at market value is based on changes in the market price at which the Fund's shares traded on the NYSE MKT during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. The Fund's total investment return is based on the reported NAV on October 31, 2014. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. The Fund's total return for the year is based on the reported NAV on financial reporting period ends. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures*

*shown. The Fund's yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available at [www.aberdeenef.com](http://www.aberdeenef.com) or by calling 866-839-5205.*

*The gross operating expense ratio, excluding fee waivers based on the fiscal year ended October 31, 2014 is 1.66%. The net operating expense ratio net of fee waivers and/or expense reimbursements based on the fiscal year ended October 31, 2014 is 1.61%.*

- (1) Effective March 15, 2013, the Fund's investment strategy changed from an infrastructure focus to a global emerging markets smaller company issuer focus. In connection with the strategy change, the Fund's benchmark changed from the MSCI Emerging Markets Infrastructure Index to the MSCI Emerging Markets Small Cap Index. The Fund's performance information for periods that include performance prior to March 15, 2013, such as three-, five- and ten-year performance information, includes periods when the Fund was managed with an infrastructure focus. In light of this, a comparison of that performance to the MSCI Emerging Markets Small Cap Index may not provide useful information to investors evaluating older Fund performance in relation to its current Index.
- (2) There is no 10 year figure for the MSCI EM Small Cap Index because the inception date of the Index is June 1, 2007.

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## Portfolio of Investments

As of October 31, 2014

| Shares   | Description   | Value (US\$)      |
|--|---|-------------------|
| <b>LONG-TERM EQUITY SECURITIES IN EMERGING COUNTRIES 97.4%</b> |   |                   |
| <b>COMMON STOCKS 95.5%</b>                                     |   |                   |
| <b>BRAZIL 13.0%</b>  |   |                   |
| <b>COMMERCIAL SERVICES &amp; SUPPLIES 1.0%</b>                 |   |                   |
| 92,000   | Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA | \$ 1,476,960      |
| <b>HEALTH CARE PROVIDERS &amp; SERVICES 1.6%</b>               |   |                   |
| 697,000  | OdontoPrev SA   | 2,517,515         |
| <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 3.0%</b>           |   |                   |
| 173,155  | Iguatemi Empresa de Shopping Centers SA   | 1,753,982         |
| 134,000  | Multiplan Empreendimentos Imobiliaris SA  | 2,771,500         |
|  |   | <b>4,525,482</b>  |
| <b>ROAD &amp; RAIL 1.6%</b>                                    |   |                   |
| 171,450  | Localiza Rent a Car SA  | 2,471,526         |
| <b>SOFTWARE 1.3%</b>   |   |                   |
| 140,000  | Totvs SA  | 2,040,760         |
| <b>SPECIALTY RETAIL 0.9%</b>                                   |   |                   |
| 140,000  | Cia Hering  | 1,412,487         |
| <b>TEXTILES, APPAREL &amp; LUXURY GOODS 2.1%</b>               |   |                   |
| 280,413  | Arezzo Industria e Comercio SA  | 3,247,852         |
| <b>TRANSPORTATION INFRASTRUCTURE 1.5%</b>                      |   |                   |
| 161,000  | Wilson Sons Ltd., BDR   | 2,274,103         |
|  |   | <b>19,966,685</b> |
| <b>CHILE 4.1%</b>  |   |                   |
| <b>INFORMATION TECHNOLOGY SERVICES 1.2%</b>                    |   |                   |
| 745,000  | Sonda SA  | 1,812,589         |
| <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 2.9%</b>           |   |                   |
| 2,192,849  | Parque Arauco SA  | 4,496,442         |
|  |   | <b>6,309,031</b>  |
| <b>CHINA 2.3%</b>  |   |                   |
| <b>CHEMICALS 1.1%</b>  |   |                   |
| 2,200,000  | Yingde Gases Group Co. Ltd.(a)  | 1,717,852         |
| <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 1.2%</b>           |   |                   |
| 2,130,000  | Yanlord Land Group Ltd.(a)  | 1,816,988         |
|  |   | <b>3,534,840</b>  |
| <b>EGYPT 1.0%</b>  |   |                   |
| <b>FOOD PRODUCTS 1.0%</b>                                      |   |                   |
| 1,155,633  | Juhayna Food Industries(b)  | 1,486,958         |
| <b>HONG KONG 6.0%</b>  |   |                   |
| <b>BANKS 1.2%</b>  |   |                   |
| 1,000,000  | Dah Sing Banking Group Ltd.(a)  | 1,816,929         |
| <b>HOTELS, RESTAURANTS &amp; LEISURE 1.1%</b>                  |   |                   |
| 450,000  | Cafe de Coral Holdings Ltd.(a)  | 1,613,489         |

See Notes to Financial Statements.



## Portfolio of Investments (continued)

As of October 31, 2014

| Shares   | Description                                | Value<br>(US\$)   |
|--|--|-------------------|
| <b>LONG-TERM EQUITY SECURITIES IN EMERGING COUNTRIES (continued)</b> |  |                   |
| <b>COMMON STOCKS (continued)</b>                                     |  |                   |
| <b>MARINE 1.0%</b>   |  |                   |
| 3,300,000  | Pacific Basin Shipping Ltd.(a)             | \$ 1,579,541      |
| <b>SPECIALTY RETAIL 0.9%</b>   |  |                   |
| 2,700,000  | Giordano International Ltd.(a)             | 1,375,487         |
| <b>TEXTILES, APPAREL &amp; LUXURY GOODS 0.8%</b>                     |  |                   |
| 1,460,000  | Texwinca Holdings Ltd.(a)                  | 1,281,321         |
| <b>TRANSPORTATION INFRASTRUCTURE 1.0%</b>                            |  |                   |
| 136,000  | Hong Kong Aircraft Engineering Co. Ltd.(a) | 1,494,257         |
|  |  | <b>9,161,024</b>  |
| <b>INDIA 10.7%</b>   |  |                   |
| <b>CHEMICALS 3.0%</b>  |  |                   |
| 290,000  | Castrol (India) Ltd.(a)                    | 1,948,059         |
| 85,000   | Kansai Nerolac Paints Ltd.                 | 2,664,903         |
|  |  | <b>4,612,962</b>  |
| <b>CONSTRUCTION MATERIALS 1.6%</b>                                   |  |                   |
| 440,000  | Ramco Cements Ltd. (The)                   | 2,477,329         |
| <b>INFORMATION TECHNOLOGY SERVICES 1.1%</b>                          |  |                   |
| 263,074  | MphasiS Ltd.(a)                            | 1,714,063         |
| <b>PERSONAL PRODUCTS 2.1%</b>  |  |                   |
| 204,372  | Godrej Consumer Products Ltd.              | 3,202,050         |
| <b>PHARMACEUTICALS 1.3%</b>  |  |                   |
| 154,500  | Piramal Enterprises Ltd.                   | 2,028,127         |
| <b>ROAD &amp; RAIL 1.6%</b>  |  |                   |
| 109,000  | Container Corp. of India(a)                | 2,389,377         |
|  |  | <b>16,423,908</b> |
| <b>INDONESIA 7.1%</b>  |  |                   |
| <b>BANKS 1.2%</b>  |  |                   |
| 15,300,000   | Bank Permata Tbk PT                        | 1,873,728         |
| <b>CONSTRUCTION MATERIALS 1.6%</b>                                   |  |                   |
| 12,840,000   | Holcim Indonesia Tbk PT(a)                 | 2,496,442         |
| <b>FOOD PRODUCTS 2.2%</b>  |  |                   |
| 1,148,000  | Petra Foods Ltd.                           | 3,404,592         |
| <b>TRADING COMPANIES &amp; DISTRIBUTORS 2.1%</b>                     |  |                   |
| 7,665,500  | AKR Corporindo Tbk PT(a)                   | 3,123,056         |
|  |  | <b>10,897,818</b> |
| <b>JORDAN 1.5%</b>   |  |                   |
| <b>PHARMACEUTICALS 1.5%</b>  |  |                   |
| 75,806   | Hikma Pharmaceuticals PLC(a)               | 2,299,233         |
| <b>KENYA 1.6%</b>  |  |                   |
| <b>BEVERAGES 1.6%</b>  |  |                   |
| 753,800  | East African Breweries Ltd.                | 2,401,710         |

See Notes to Financial Statements.

8 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Portfolio of Investments (continued)

As of October 31, 2014

| Shares   | Description   | Value<br>(US\$)   |
|--|---|-------------------|
| <b>LONG-TERM EQUITY SECURITIES IN EMERGING COUNTRIES (continued)</b> |   |                   |
| <b>COMMON STOCKS (continued)</b>                                     |   |                   |
| <b>LEBANON 1.0%</b>  |   |                   |
| <b>BANKS 1.0%</b>  |   |                   |
| 162,000  | BLOM Bank SAL, GDR                                  | \$ 1,524,420      |
| <b>MALAYSIA 6.9%</b>   |   |                   |
| <b>AUTOMOBILES 0.9%</b>  |   |                   |
| 640,200  | Oriental Holdings Bhd                               | 1,422,775         |
| <b>BEVERAGES 0.8%</b>  |   |                   |
| 12,200   | Fraser & Neave Holdings Bhd                         | 59,271            |
| 300,000  | Guinness Anchor Bhd(a)                              | 1,180,415         |
|  |   | <b>1,239,686</b>  |
| <b>FOOD PRODUCTS 1.2%</b>  |   |                   |
| 240,000  | United Plantations Bhd(a)                           | 1,868,308         |
| <b>MULTILINE RETAIL 2.8%</b>   |   |                   |
| 3,737,900  | Aeon Co. (M) Bhd                                    | 4,261,496         |
| <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 1.2%</b>                 |   |                   |
| 1,733,585  | SP Setia Bhd  | 1,733,980         |
|  |   | <b>10,526,245</b> |
| <b>MEXICO 3.8%</b>   |   |                   |
| <b>TRANSPORTATION INFRASTRUCTURE 3.8%</b>                            |   |                   |
| 147,000  | Grupo Aeroportuario del Centro Norte SAB de CV, ADR | 5,821,200         |
| <b>NETHERLANDS 1.4%</b>  |   |                   |
| <b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT 1.4%</b>             |   |                   |
| 55,000   | ASM International NV(a)                             | 2,203,999         |
| <b>NIGERIA 1.1%</b>  |   |                   |
| <b>BEVERAGES 1.1%</b>  |   |                   |
| 1,749,000  | Guinness Nigeria PLC(a)                             | 1,704,361         |
| <b>OMAN 1.4%</b>   |   |                   |
| <b>BANKS 1.4%</b>  |   |                   |
| 262,000  | Bank Muscat SAOG, GDR(a)                            | 2,096,000         |
| <b>PERU 0.9%</b>   |   |                   |
| <b>CONSTRUCTION &amp; ENGINEERING 0.9%</b>                           |   |                   |
| 102,000  | Grana y Montero SA, ADR                             | 1,399,440         |
| <b>PHILIPPINES 2.0%</b>  |   |                   |
| <b>HOTELS, RESTAURANTS &amp; LEISURE 2.0%</b>                        |   |                   |
| 705,660  | Jollibee Foods Corp.(a)                             | 3,081,696         |
| <b>POLAND 1.5%</b>   |   |                   |
| <b>FOOD &amp; STAPLES RETAILING 1.5%</b>                             |   |                   |

|                                     |  |                             |           |
|-------------------------------------|--|-----------------------------|-----------|
| 233,898                             |  | Eurocash SA(a)              | 2,299,592 |
| <b>REPUBLIC OF SOUTH KOREA 3.3%</b> |  |                             |           |
| <b>BANKS 2.2%</b>                   |  |                             |           |
| 214,283                             |  | BS Financial Group, Inc.(a) | 3,334,384 |

See Notes to Financial Statements.

## Portfolio of Investments (continued)

As of October 31, 2014

| Shares   | Description                                  | Value<br>(US\$)   |
|--|--|-------------------|
| <b>LONG-TERM EQUITY SECURITIES IN EMERGING COUNTRIES (continued)</b> |  |                   |
| <b>COMMON STOCKS (continued)</b>                                     |  |                   |
| <b>MULTILINE RETAIL 1.1%</b>   |  |                   |
| 9,000  | Shinsegae Co. Ltd.(a)                        | \$ 1,669,559      |
|  |  | <b>5,003,943</b>  |
| <b>ROMANIA 1.5%</b>  |  |                   |
| <b>BANKS 1.5%</b>  |  |                   |
| 1,045,000  | BRD-Groupe Societe Generale(b)               | 2,375,439         |
| <b>RUSSIA 2.4%</b>   |  |                   |
| <b>BEVERAGES 1.1%</b>  |  |                   |
| 133,150  | Synergy Co.(a)(b)                            | 1,619,090         |
| <b>FOOD &amp; STAPLES RETAILING 1.3%</b>                             |  |                   |
| 336,532  | O Key Group SA, GDR(a)                       | 2,026,518         |
|  |  | <b>3,645,608</b>  |
| <b>SOUTH AFRICA 9.3%</b>   |  |                   |
| <b>CHEMICALS 1.5%</b>  |  |                   |
| 1,303,000  | African Oxygen Ltd.                          | 2,291,820         |
| <b>DIVERSIFIED FINANCIAL SERVICES 1.7%</b>                           |  |                   |
| 267,059  | JSE Ltd.                                     | 2,600,434         |
| <b>FOOD &amp; STAPLES RETAILING 4.7%</b>                             |  |                   |
| 555,832  | Clicks Group Ltd.                            | 3,784,581         |
| 290,735  | SPAR Group Ltd.(a)                           | 3,401,619         |
|  |  | <b>7,186,200</b>  |
| <b>HOTELS, RESTAURANTS &amp; LEISURE 1.4%</b>                        |  |                   |
| 196,384  | City Lodge Hotels Ltd.                       | 2,190,007         |
|  |  | <b>14,268,461</b> |
| <b>SRI LANKA 1.3%</b>  |  |                   |
| <b>INDUSTRIAL CONGLOMERATES 1.3%</b>                                 |  |                   |
| 1,023,076  | John Keells Holdings PLC(a)                  | 2,015,815         |
| <b>THAILAND 5.8%</b>   |  |                   |
| <b>CONSTRUCTION MATERIALS 1.1%</b>                                   |  |                   |
| 134,000  | Siam City Cement PCL, Foreign Shares(a)      | 1,728,023         |
| <b>ELECTRONIC EQUIPMENT INSTRUMENTS &amp; COMPONENTS 1.6%</b>        |  |                   |
| 1,854,000  | Hana Microelectronics PCL, Foreign Shares(a) | 2,476,174         |
| <b>HEALTH CARE PROVIDERS &amp; SERVICES 1.0%</b>                     |  |                   |
| 380,000  | Bumrungrad Hospital PCL, Foreign Shares(a)   | 1,551,934         |
| <b>MEDIA 1.1%</b>  |  |                   |
| 1,086,100  | BEC World PCL, Foreign Shares(a)             | 1,609,427         |
| <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 1.0%</b>                 |  |                   |
| 1,020,000  | Central Pattana PCL, Foreign Shares(a)       | 1,512,260         |
|  |  | <b>8,877,818</b>  |

See Notes to Financial Statements.

10 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Portfolio of Investments (continued)

As of October 31, 2014

| Shares   | Description   | Value<br>(US\$)    |
|--|---|--------------------|
| <b>LONG-TERM EQUITY SECURITIES IN EMERGING COUNTRIES (continued)</b> |   |                    |
| <b>COMMON STOCKS (continued)</b>                                     |   |                    |
| <b>TURKEY 4.6%</b>   |   |                    |
| <b>BANKS 0.9%</b>  |   |                    |
| 1,627,000  | Turk Ekonomi Bankasi AS(a)(b)   | \$ 1,412,188       |
| <b>CONSTRUCTION MATERIALS 2.4%</b>                                   |   |                    |
| 501,702  | Cimsa Cimento Sanayi VE Ticaret A.S.(a)   | 3,710,669          |
| <b>INSURANCE 1.3%</b>  |   |                    |
| 1,593,000  | Aksigorta AS(a)   | 1,927,839          |
|  |   | <b>7,050,696</b>   |
|  |   | <b>146,375,940</b> |
| <b>PRIVATE EQUITY 1.8%</b>   |   |                    |
| <b>GLOBAL 1.0%</b>   |   |                    |
| 7,248,829(c)   | Emerging Markets Ventures I, L.P.(b)(d)(e)(f)   | 259,508            |
| 2,400,000(c)   | Telesoft Partners II QP, L.P.(b)(e)(f)  | 1,209,240          |
|  |   | <b>1,468,748</b>   |
| <b>ISRAEL 0.8%</b>   |   |                    |
| 1,674,587(c)   | BPA Israel Ventures, LLC(b)(d)(e)(f)  | 361,292            |
| 2,000,000(c)   | Concord Fund I Liquidating Main Trust(b)(e)(f)  | 79,400             |
| 2,750,000(c)   | Giza GE Venture Fund III, L.P.(b)(e)(f)   | 169,015            |
| 761,184(c)   | Neurone Ventures II, L.P.(b)(e)(f)  | 541,989            |
| 1,368(c)   | Vidyo, Inc. Trust Warrants(a)(b)(e)(f)  |                    |
| 1,802(c)   | Vidyo, Inc. Trust Common(a)(b)(e)(f)  | 1,388              |
| 32,574(c)  | Vidyo, Inc. Trust A (Preferred)(a)(b)(e)(f)   | 25,082             |
| 15,531(c)  | Vidyo, Inc. Trust B (Preferred)(a)(b)(e)(f)   | 14,590             |
| 13,219(c)  | Vidyo, Inc. Trust B1 (Preferred)(a)(b)(e)(f)  | 10,179             |
| 6,864(c)   | Vidyo, Inc. Trust C (Preferred)(a)(b)(e)(f)   | 5,286              |
| 4,150(c)   | Vidyo, Inc. Trust C1 (Preferred)(a)(b)(e)(f)  | 3,254              |
| 2,713(c)   | Vidyo, Inc. Trust D (Preferred)(a)(b)(e)(f)   | 2,127              |
| 1,375,001(c)   | Walden-Israel Ventures III, L.P.(b)(e)(f)   | 45,911             |
|  |   | <b>1,259,513</b>   |
|  |   | <b>2,728,261</b>   |
| <b>WARRANTS 0.1%</b>   |   |                    |
| <b>SRI LANKA 0.1%</b>  |   |                    |
| <b>INDUSTRIAL CONGLOMERATES 0.1%</b>                                 |   |                    |
| 81,028   | John Keells Holdings PLC, expires 11/11/16(b)   | 49,568             |
| 81,028   | John Keells Holdings PLC, expires 11/12/15(b)   | 46,470             |
|  |   | <b>96,038</b>      |
|  | <b>Total Long-Term Equity Securities in Emerging Countries 97.4% (cost \$164,805,493)</b> | <b>149,200,239</b> |
| <b>LONG-TERM EQUITY SECURITIES IN DEVELOPED COUNTRIES 1.9%</b>       |   |                    |
| <b>COMMON STOCK 1.9%</b>   |   |                    |
| <b>UNITED STATES 1.9%</b>  |   |                    |
| <b>INFORMATION TECHNOLOGY SERVICES 1.9%</b>                          |   |                    |
| 61,562   | EPAM Systems, Inc.(b)   | 2,938,970          |

2,938,970

See Notes to Financial Statements.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 11



## Portfolio of Investments (concluded)

As of October 31, 2014

| Shares  | Description   | Value<br>(US\$)       |
|---|---|-----------------------|
| <b>LONG-TERM EQUITY SECURITIES IN DEVELOPED COUNTRIES (continued)</b> |   |                       |
| <b>PRIVATE EQUITY 0.0%</b>  |   |                       |
| <b>UNITED STATES 0.0%</b>   |   |                       |
| 1,952,000(c)  | Technology Crossover Ventures IV, L.P.(b)(d)(e)(f)                                      | \$ 7,710              |
|   |   | <b>7,710</b>          |
|   | <b>Total Long-Term Equity Securities in Developed Countries 1.9% (cost \$2,570,757)</b> | <b>2,946,680</b>      |
|   | <b>Total Investments 99.3% (cost \$167,376,250)(g)</b>                                  | <b>152,146,919</b>    |
|   | Other Assets in Excess of Liabilities 0.7%  | <b>1,068,695</b>      |
|   | <b>Net Assets 100.0%</b>  | <b>\$ 153,215,614</b> |

(a) Fair Valued Security. Fair Values are determined pursuant to procedures approved by the Fund's Board of Directors. See Note 2(a) of the accompanying Notes to Financial Statements.

(b) Non-income producing security.

(c) Represents contributed capital.

(d) As of October 31, 2014, the aggregate amount of open commitments for the Fund is \$1,524,584.

(e) Illiquid security.

(f) Restricted security, not readily marketable. See Note 6 of the accompanying Notes to Financial Statements.

(g) See Notes to Financial Statements for tax unrealized appreciation/depreciation of securities.

ADR American Depositary Receipt

BDR Brazilian Depositary Receipt

GDR Global Depositary Receipt

See Notes to Financial Statements.

12 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Statement of Assets and Liabilities

As of October 31, 2014

### Assets

|   |                    |
|---|--------------------|
| Investments, at value (cost \$167,376,250)    | \$ 152,146,919     |
| Foreign currency, at value (cost \$1,290,704) | 1,267,700          |
| Dividends receivable                          | 135,109            |
| Prepaid expenses                              | 25,862             |
| <b>Total assets</b>                           | <b>153,575,590</b> |

### Liabilities

|   |                |
|---|----------------|
| Investment management fees payable (Note 3) | 133,740        |
| Due to custodian                            | 105,132        |
| Director fees payable                       | 28,103         |
| Administration fees payable (Note 3)        | 10,261         |
| Investor relations fees payable (Note 3)    | 6,199          |
| Accrued expenses                            | 76,541         |
| <b>Total liabilities</b>                    | <b>359,976</b> |

### Net Assets

**\$153,215,614**

### Composition of Net Assets

|   |                      |
|---|----------------------|
| Common stock (par value \$.001 per share) (Note 5)  | \$ 9,765             |
| Paid-in capital in excess of par  | 164,382,145          |
| Accumulated net investment income   | 1,605,401            |
| Accumulated net realized gain from investment and foreign currency transactions                               | 2,474,036            |
| Net unrealized depreciation on investments and other assets and liabilities denominated in foreign currencies | (15,255,733)         |
| <b>Net Assets</b>   | <b>\$153,215,614</b> |
| Net asset value per common share based on 9,764,732 shares issued and outstanding                             | \$ 15.69             |

See Notes to Financial Statements.

## Statement of Operations

For the Year Ended October 31, 2014

### Net Investment Income

#### Income:

|  |              |
|--|--------------|
| Dividends and other income (net of foreign withholding taxes of \$344,092) | \$ 4,146,731 |
| Total investment income  | 4,146,731    |

#### Expenses:

|  |           |
|--|-----------|
| Investment management fee (Note 3)             | 1,656,206 |
| Directors' fees and expenses                   | 204,634   |
| Custodians' fees and expenses                  | 152,836   |
| Legal fees and expenses                        | 91,676    |
| Administration fee (Note 3)                    | 84,789    |
| Reports to shareholders and proxy solicitation | 68,273    |
| Investor relations fees and expenses (Note 3)  | 64,710    |
| Independent auditors' fees and expenses        | 60,670    |
| Insurance expense                              | 41,739    |
| Transfer agents' fees and expenses             | 35,775    |
| Miscellaneous                                  | 58,140    |
| Total expenses                                 | 2,519,448 |
| Less: Fee waivers (Note 3)                     | (68,054)  |
| Net expenses                                   | 2,451,394 |

|                       |           |
|-----------------------|-----------|
| Net investment income | 1,695,337 |
|-----------------------|-----------|

### Net Realized/Unrealized Gain/(Loss) from Investments and Foreign Currency

#### Related Transactions:

#### Net realized gain/(loss) from:

|                               |             |
|-------------------------------|-------------|
| Investment transactions(a)    | (5,013,141) |
| Foreign currency transactions | (19,970)    |
|                               | (5,033,111) |

#### Net change in unrealized appreciation/(depreciation) on:

|                              |           |
|------------------------------|-----------|
| Investments                  | (676,411) |
| Foreign currency translation | (24,250)  |
|                              | (700,661) |

|   |               |
|---|---------------|
| Net realized and unrealized loss from investments and foreign currency transactions | (5,733,772)   |
| Net Decrease in Net Assets Resulting from Operations                                | \$(4,038,435) |

(a) Includes realized gain portion of distributions from underlying private equity investments of \$266,670.

See Notes to Financial Statements.

## Statements of Changes in Net Assets

|  | For the<br>Year Ended<br>October 31, 2014 | For the<br>Year Ended<br>October 31, 2013 |
|--|---|---|
| <b>Increase/(Decrease) in Net Assets</b>   |   |   |
| <b>Operations:</b>   |   |   |
| Net investment income  | \$ 1,695,337                              | \$ 1,875,459                              |
| Net realized gain/(loss) from investment and foreign currency related transactions                     | (5,033,111)                               | 48,017,991                                |
| Net change in unrealized appreciation/depreciation on investments and foreign currency translations    | (700,661)                                 | (48,762,895)                              |
| <b>Net increase/(decrease) in net assets resulting from operations</b>                                 | <b>(4,038,435)</b>                        | <b>1,130,555</b>                          |
| <b>Distributions to Shareholders from:</b>   |   |   |
| Net investment income  | (2,854,581)                               | (3,224,149)                               |
| Net realized gains   | (46,909,496)                              |   |
| Net decrease in net assets from distributions  | (49,764,077)                              | (3,224,149)                               |
| <b>Common Stock Transactions</b>   |   |   |
| Issuance of 1,518,067 and 0 shares, respectively, due to stock distribution (Note 5)                   | 19,871,497                                |   |
| Change in net assets from common stock transactions  | 19,871,497                                |   |
| Change in net assets resulting from operations   | (33,931,015)                              | (2,093,594)                               |
| <b>Net Assets:</b>   |   |   |
| Beginning of year  | 187,146,629                               | 189,240,223                               |
| End of year (including accumulated net investment income of \$1,605,401 and \$1,428,466, respectively) | <b>\$153,215,614</b>                      | <b>\$187,146,629</b>                      |

Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

## Financial Highlights

|   | For the Fiscal Years Ended October 31, |           |           |           |           |
|---|--|-----------|-----------|-----------|-----------|
|   | 2014                                   | 2013      | 2012      | 2011      | 2010      |
| <b>PER SHARE OPERATING PERFORMANCE(a)</b>   |  |           |           |           |           |
| Net asset value per common share, beginning of year   | \$22.69                                | \$22.95   | \$20.02   | \$20.86   | \$17.99   |
| Net investment income   | 0.18                                   | 0.23      | 0.42      | 0.41      | 0.57      |
| Net realized and unrealized gains/(losses) on investments and foreign currency transactions | (0.93)                                 | (0.10)    | 2.85      | (0.72)    | 2.69      |
| Total from investment operations applicable to common shareholders                          | (0.75)                                 | 0.13      | 3.27      | (0.31)    | 3.26      |
| Distributions to common shareholders from:  |  |           |           |           |           |
| Net investment income   | (0.30)                                 | (0.39)    | (0.34)    | (0.53)    | (0.39)    |
| Net realized gains  | (5.73)                                 |           |           |           |           |
| Total distributions   | (6.03)                                 | (0.39)    | (0.34)    | (0.53)    | (0.39)    |
| Capital Share Transactions:   |  |           |           |           |           |
| Impact due to capital shares issued from stock distribution (Note 5)                        | (0.22)                                 |           |           |           |           |
| Net asset value per common share, end of year   | \$15.69                                | \$22.69   | \$22.95   | \$20.02   | \$20.86   |
| Market value, end of year   | \$14.15                                | \$20.47   | \$20.65   | \$18.03   | \$19.08   |
| <b>Total Investment Return Based on(b):</b>   |  |           |           |           |           |
| Market value  | 1.00%                                  | 1.04%     | 16.56%    | (2.76%)   | 22.35%    |
| Net asset value   | 1.03%                                  | 0.77%     | 16.67%    | (1.24%)   | 18.60%    |
| <b>Ratio to Average Net Assets Applicable to</b>  |  |           |           |           |           |
| <b>Common Shareholders/Supplementary Data:</b>  |  |           |           |           |           |
| Net assets applicable to common shareholders, end of year (000 omitted)                     | \$153,216                              | \$187,147 | \$189,240 | \$165,075 | \$172,030 |
| Average net assets applicable to common shareholders (000 omitted)                          | \$151,939                              | \$190,084 | \$175,613 | \$169,025 | \$157,099 |
| Net operating expenses, net of fee waivers  | 1.61%                                  | 1.47%     | 1.43%     | 1.50%     | 1.53%     |
| Gross operating expenses, excluding fee waivers   | 1.66%                                  | 1.52%     | 1.48%     | 1.55%     | 1.61%     |
| Net investment income   | 1.12%                                  | 0.99%     | 1.97%     | 2.00%     | 2.97%     |
| Portfolio turnover  | 9.88%                                  | 99.18%    | 5.14%     | 49.48%    | 5.36%     |

(a) Based on average shares outstanding.

(b) Total investment return based on market value is calculated assuming that shares of the Fund's common stock were purchased at the closing market price as of the beginning of the period, dividends, capital gains, and other distributions were reinvested as provided for in the Fund's dividend reinvestment plan and then sold at the closing market price per share on the last day of the period. The computation does not reflect any sales commission investors may incur in purchasing or selling shares of the Fund. The total investment return based on the net asset value is similarly computed except that the Fund's net asset value is substituted for the closing market value.

Amounts listed as      are \$0 or round to \$0.

See Notes to Financial Statements.

16 Aberdeen Emerging Markets Smaller Company Opportunities  
Fund, Inc.

## Notes to Financial Statements

October 31, 2014



## 1. Organization

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund ) was incorporated in Maryland on October 12, 1993, and is registered under the Investment Company Act of 1940, as amended, as a closed-end, nondiversified management investment company. The Fund trades on the NYSE MKT under the ticker symbol ETF .

The Fund s name reflects the new investment policies which were approved by the Fund s Board of Directors (the Board ) and also by shareholders at a Special Meeting of Shareholders on March 14, 2013. As a result of these policy changes, effective March 15, 2013, the Fund s new investment policies are as follows:

As a fundamental policy, under normal market conditions, at least 80% of the Fund s net assets, plus any borrowings for investment purposes, will be invested in equity securities of emerging market smaller company issuers. An emerging market country is any country determined by Aberdeen Asset Managers Limited, the Fund s investment adviser (the Adviser ), to have an emerging market economy, considering factors such as the country s credit rating, its political and economic stability and the development of its financial and capital markets. Emerging market countries for purposes of this policy can include every nation in the world except the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. Smaller companies for the purposes of this policy can be companies that, at the time of purchase, have a market capitalization of less than \$5 billion.

The approved changes have not altered the Fund s investment objective of seeking long-term capital appreciation.

## 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies conform to accounting principles generally accepted in the United States of America ( GAAP ). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The accounting records of the Fund are maintained in U.S. Dollars.

### (a) Security Valuation:

The Fund values its securities at current market value or fair value consistent with regulatory requirements. Fair value is defined in the Fund s valuation and liquidity procedures as the price that could be received to sell an asset or paid to transfer a liability in an orderly

transaction between willing market participants without a compulsion to contract at the measurement date.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is traded at the Valuation Time subject to application, when appropriate, of the valuation factors described in the paragraph below. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Closed-end funds and exchange-traded funds ( ETFs ) are valued at the market price of the security at the Valuation Time. A security using any of these pricing methodologies is determined to be a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to the Valuation Time are valued by applying valuation factors to the last sale price or the mean price as noted above. Valuation factors are provided by an independent pricing service provider. These valuation factors are used when pricing the Fund's portfolio holdings to estimate market movements between the time foreign markets close and the time the Fund values such foreign securities. These valuation factors are based on inputs such as depositary receipts, indices, futures, sector indices/ETFs, exchange rates, and local exchange opening and closing prices of each security. When prices with the application of valuation factors are utilized, the value assigned to the foreign securities may not be the same as quoted or published prices of the securities on their primary markets. A security that applies a valuation factor is determined to be a Level 2 investment because the exchange-traded price has been adjusted. Valuation factors are not utilized if the independent pricing service provider is unable to provide a valuation factor or if the valuation factor falls below a predetermined threshold; in such case, the security is determined to be a Level 1 investment.

In the event that a security's market quotations are not readily available or are deemed unreliable (for reasons other than because the foreign exchange on which it trades closes before the Valuation Time), the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved and established by the Board. A security that has been fair valued by the Pricing Committee may be classified as Level 2 or 3 depending on the nature of the inputs.

The Fund also invests in private equity private placement securities, which represented 1.8% of the net assets of the Fund as of October 31, 2014. The private equity private placement securities are deemed to

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2014

be restricted securities. In the absence of readily ascertainable market values, these securities are valued at fair value as determined in good faith by, or under the direction of the Board, under procedures established by the Board. The Fund's estimate of fair value assumes a willing buyer and a willing seller neither of whom are acting under the compulsion to buy or sell. Although these securities may be resold in privately negotiated transactions, the prices realized on such sales could differ from the prices originally paid by the Fund or the current carrying values, and the difference could be material. These securities are categorized as Level 3 investments. Level 3 investments have significant unobservable inputs, as they trade infrequently. In determining the fair value of these investments, management uses the market approach which includes as the primary input the capital balance reported; however, adjustments to the reported capital balance may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, and any restrictions or illiquidity of such interests, and the fair value of these private equity investments.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments using a three-level hierarchy that classifies the inputs to valuation techniques used to measure the fair value. The hierarchy assigns Level 1 measurements to valuations based upon unadjusted quoted prices in active markets for identical assets, Level 2 measurements to valuations based upon other significant observable inputs, including adjusted quoted prices in active markets for identical

assets, and Level 3 measurements to valuations based upon unobservable inputs that are significant to the valuation. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. The three-level hierarchy of inputs is summarized below:

Level 1 quoted prices in active markets for identical investments;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk); or

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

The following is a summary of the inputs used as of October 31, 2014 in valuing the Fund's investments at fair value. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

| <b>Investments, at Value</b>                  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Long-Term Investments                         |                |                |                |              |
| Banks   | \$5,773,587    | \$8,659,501    | \$             | \$14,433,088 |
| Beverages                                     | 2,460,981      | 4,503,866      |                | 6,964,847    |
| Chemicals                                     | 4,956,723      | 3,665,911      |                | 8,622,634    |
| Construction Materials                        | 2,477,329      | 7,935,134      |                | 10,412,463   |
| Electronic Equipment Instruments & Components |                | 2,476,174      |                | 2,476,174    |
| Food & Staples Retailing                      | 3,784,581      | 7,727,729      |                | 11,512,310   |
| Food Products                                 | 4,891,550      | 1,868,308      |                | 6,759,858    |
| Health Care Providers & Services              | 2,517,515      | 1,551,934      |                | 4,069,449    |
| Hotels, Restaurants & Leisure                 | 2,190,007      | 4,695,185      |                | 6,885,192    |
| Industrial Conglomerates                      |                | 2,111,853      |                | 2,111,853    |
| Information Technology Services               | 4,751,559      | 1,714,063      |                | 6,465,622    |
| Insurance                                     |                | 1,927,839      |                | 1,927,839    |
| Marine  |                | 1,579,541      |                | 1,579,541    |
| Media   |                | 1,609,427      |                | 1,609,427    |
| Multiline Retail                              | 4,261,496      | 1,669,559      |                | 5,931,055    |
| Pharmaceuticals                               | 2,028,127      | 2,299,233      |                | 4,327,360    |

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2014

| <b>Investments, at Value</b>             | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>     | <b>Total</b>         |
|--|---------------------|---------------------|--------------------|----------------------|
| Real Estate Management & Development     | \$10,755,904        | \$3,329,248         | \$                 | \$14,085,152         |
| Road & Rail                              | 2,471,526           | 2,389,377           |                    | 4,860,903            |
| Semiconductors & Semiconductor Equipment |                     | 2,203,999           |                    | 2,203,999            |
| Specialty Retail                         | 1,412,487           | 1,375,487           |                    | 2,787,974            |
| Textiles, Apparel & Luxury Goods         | 3,247,852           | 1,281,321           |                    | 4,529,173            |
| Trading Companies & Distributors         |                     | 3,123,056           |                    | 3,123,056            |
| Transportation Infrastructure            | 8,095,303           | 1,494,257           |                    | 9,589,560            |
| Other                                    | 12,142,419          |                     |                    | 12,142,419           |
| Private Equity                           |                     |                     | 2,735,971          | 2,735,971            |
| <b>Total</b>                             | <b>\$78,218,946</b> | <b>\$71,192,002</b> | <b>\$2,735,971</b> | <b>\$152,146,919</b> |

Amounts listed as      are \$0 or round to \$0.

For movements between the Levels within the fair value hierarchy, the Fund has adopted a policy of recognizing transfers at the end of each period. The utilization of valuation factors may result in transfers between Level 1 and Level 2. For the year ended October 31, 2014, the securities issued by Bank Muscat SAOG, GDR, Castrol (India) Ltd., Container Corp. of India, Guinness Nigeria PLC, Hana Microelectronics PCL, MphasiS Ltd., O Key Group SA and United Plantations Bhd in the amounts of \$2,096,000, \$1,948,059, \$2,389,377, \$1,704,361, \$2,476,174, \$1,714,063, \$2,026,518 and \$1,868,308, respectively, transferred from Level 1 to Level 2 because there was a valuation factor applied at October 31, 2014. The securities issued by Bank Permata Tbk PT, Clicks Group Ltd., Fraser & Neave Holdings Bhd, Oriental Holdings Bhd, Petra Foods Ltd., Piramal Enterprises Ltd. and The Ramco

Cements Ltd., in the amounts of \$1,873,728, \$3,784,581, \$59,271, \$1,422,775, \$3,404,592, \$2,028,127 and \$2,477,329, respectively, transferred from Level 2 to Level 1 because there was not a valuation factor applied at October 31, 2014.

The significant unobservable inputs used in the fair value measurement of the Fund's private equity holdings are audited financial statements, interim financial statements, capital calls, distributions, and discussions with investment companies. These unobservable inputs are used by taking the most recent quarterly valuation statements and adjusting the value using the unobservable inputs mentioned above. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.



|                | <b>Fair Value<br/>at 10/31/14</b> | <b>Valuation Technique</b>               | <b>Unobservable Inputs</b>    | <b>Range</b>     |
|----------------|-----------------------------------|--|-------------------------------|------------------|
| Private Equity | \$2,735,971                       | Partner Capital<br>Value/Net Asset Value | Capital Calls & Distributions | \$0-\$ (114,442) |

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

| <b>Investments,<br/>at value</b> | <b>Balance<br/>as of<br/>10/31/13</b> | <b>Accrued<br/>Discounts<br/>(Premiums)</b> | <b>Realized<br/>Gain (Loss)</b> | <b>Change in<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</b> | <b>Capital<br/>Contributed</b> | <b>Distributions/<br/>Sales</b> | <b>Net<br/>Transfers<br/>in to<br/>Level 3</b> | <b>Net<br/>Transfers<br/>out of<br/>Level 3</b> | <b>Balance<br/>as of<br/>10/31/14</b> |
|----------------------------------|---------------------------------------|---|---------------------------------|---|--------------------------------|---------------------------------|--|---|---------------------------------------|
| Private Equity                   | \$2,802,568                           | \$ (1,836,108)                              | \$ (1,836,108)                  | \$2,006,445   | \$                             | \$ (236,934)                    | \$   | \$  | \$2,735,971                           |
| <b>Total</b>                     | <b>\$2,802,568</b>                    | <b>\$ (1,836,108)</b>                       | <b>\$ (1,836,108)</b>           | <b>\$2,006,445</b>  | <b>\$</b>                      | <b>\$ (236,934)</b>             | <b>\$</b>                                      | <b>\$</b>                                       | <b>\$2,735,971</b>                    |

Amounts listed as are \$0 or round to \$0.

Change in unrealized appreciation/depreciation relating to investments still held at October 31, 2014 is \$306,095.

## Notes to Financial Statements (continued)

October 31, 2014

(b) Foreign Currency Translation:

Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate of said currencies against the U.S. Dollar, as of the Valuation Time, as provided by an independent pricing service approved by the Board.

Foreign currency amounts are translated into U.S. Dollars on the following basis:

- (i) market value of investment securities, other assets and liabilities at the exchange rates at the current daily rates of exchange; and
- (ii) purchases and sales of investment securities, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

The Fund does not isolate that portion of gains and losses on investments in equity securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of equity securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

The Fund reports certain foreign currency related transactions and foreign taxes withheld on security transactions as components of realized gains for financial reporting purposes, whereas such foreign currency related transactions are treated as ordinary income for U.S. federal income tax purposes.

Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation/depreciation in value of investments, and translation of other assets and liabilities denominated in foreign currencies.

Net realized foreign exchange gains or losses represent foreign exchange gains and losses from transactions in foreign currencies and forward foreign currency contracts, exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Fund's books and the U.S. Dollar equivalent of the amounts actually received.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. Dollar. Generally, when the U.S. Dollar rises in value against foreign currency, the Fund's investments denominated in that foreign currency will lose value because the foreign

currency is worth fewer U.S. Dollars; the opposite effect occurs if the U.S. Dollar falls in relative value.

(c) Warrants

The Fund may hold warrants either through direct purchase or pursuant to corporate actions. Warrants are securities that give the holder the right, but not the obligation, to purchase securities from an issuer at a fixed price within a certain time frame. The Fund holds warrants until exercised, sold or expired. Warrants are valued at the last sale price on the exchange on which they are traded.

(d) Security Transactions and Investment Income:

Security transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Interest income and expenses are recorded on an accrual basis.

(e) Distributions:

On an annual basis, the Fund intends to distribute its net realized capital gains, if any, by way of a final distribution to be declared during the calendar quarter ending December 31. Dividends and distributions to shareholders are recorded on the ex-dividend date.

Dividends and distributions to shareholders are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments for foreign currencies, passive foreign investment companies, wash sales, and partnership basis adjustments.

(f) Federal Income Taxes:

The Fund intends to continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended, and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all federal income taxes. Therefore, no federal income tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended October 31 are subject to such review.

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2014

(g) Partnership Accounting Policy:

The Fund records its pro-rata share of the income/(loss) and capital gains/(losses) allocated from the underlying partnerships and adjusts the cost of the underlying partnerships accordingly. These amounts are included in the Fund's Statement of Operations.

### 3. Agreements and Transactions with Affiliates

(a) Investment Adviser:

Aberdeen Asset Managers Limited ( AAML or the Adviser ) serves as the Fund's investment adviser with respect to all investments. AAML is a direct wholly-owned subsidiary of Aberdeen Asset Management PLC. AAML receives as compensation for its advisory services from the Fund, an annual fee, calculated weekly and paid quarterly, equal to 1.25% of the first \$100 million of the Fund's average weekly market value or net assets (whichever is lower), 1.125% of the next \$100 million and 1.00% of amounts in excess of \$200 million. Effective March 6, 2013, AAML has agreed to contractually waive 0.05% of its annual advisory fee waiver agreement ( Waiver Agreement ). The Waiver Agreement shall continue until the end of the current term of the Advisory Agreement and may continue thereafter if specifically approved by the Adviser and the Fund's Board. Prior to March 6, 2013, AAML voluntarily waived an equal portion of its advisory fee. For the year ended October 31, 2014, AAML earned \$1,656,206 for advisory services, of which AAML waived \$68,054.

(b) Fund Administration:

Effective April 1, 2014, Aberdeen Asset Management Inc. ( AAMI ), an affiliate of the Investment Adviser, is the Fund's Administrator, pursuant to an agreement under which AAMI receives a fee payable quarterly by the Fund, at an annual fee rate of 0.08% of the Fund's average monthly Managed Assets . For the seven months ended October 31, 2014, AAMI earned \$72,289 from the Fund for administration services.

Prior to April 1, 2014, Brown Brothers Harriman & Co. ( BBH & Co. ) was the administrator for the Fund and certain other funds advised by AAML and its affiliates (collectively the Funds ). The Funds paid BBH & Co. a monthly administration and fund accounting service fee at an annual rate of 0.02% of the Funds' aggregate assets up to \$250 million, 0.015% for the next \$250 million and 0.01% in excess of \$500 million. The rate would have increased had BBH & Co. been retained to continue to serve as the administrator to the Fund.

The Fund paid its pro rata portion of the fee based on its level of assets with a monthly minimum of \$2,500. For the five months ended March 31, 2014, BBH & Co. earned \$12,500 from the Fund for administrative and fund accounting services.

(c) Investor Relations:

Under the terms of an Investor Relations Services Agreement, Aberdeen Asset Management Inc. ( AAMI ), an affiliate of AAML, serves as the Fund's investor relations services provider.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI provides, among other things, objective and timely information to shareholders based on publicly-available information; provides information efficiently through the use of technology while offering shareholders immediate access to knowledgeable investor relations representatives; develops and maintains effective communications with investment professionals from a wide variety of firms; creates and maintains investor relations communication materials such as fund manager interviews, films

and webcasts, published white papers, magazine and articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops and maintains effective communications with large institutional shareholders; responds to specific shareholder questions; and reports activities and results to the Board and management detailing insight into general shareholder sentiment.

For the year ended October 31, 2014, the Fund incurred fees of approximately \$64,542 for investor relations services. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

(d) Directors' Purchase Plan:

Fifty percent (50%) of the annual retainer of the Independent Directors is invested in Fund shares and, at the option of each Independent Director, 100% of the annual retainer can be invested in shares of the Fund. During the year ended October 31, 2014, 3,803 shares were purchased pursuant to the Directors compensation plan. As of October 31, 2014, the Directors as a group owned less than 1% of the Fund's outstanding shares.

#### 4. Investment Transactions

Purchases and sales of investment securities (excluding short-term securities) for the fiscal year ended October 31, 2014, were \$15,399,033 and \$42,701,990, respectively.

#### 5. Capital

The authorized capital of the Fund is 100,000,000 shares of \$0.001 par value common stock. As of October 31, 2014, there were 9,764,732 shares of common stock issued and outstanding.

On December 6, 2013, the Board of Directors declared the payment of an elective cash distribution in the amount of \$6.02616 per share of common stock to be paid, on January 31, 2014, to shareholders of record at the close of business on December 20, 2013. The distribution



Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2014

was payable in shares of the Fund's common stock. However, shareholders had the option to request that their distributions be paid in cash in lieu of common stock. The aggregate amount of cash distributions to all shareholders was limited to 60% of the aggregate dollar amount of the total distribution. Because cash distribution requests exceeded this limit, the cash distribution was pro-rated among all stockholders who made such requests. Shareholders who requested cash distributions received \$4.37 per share of the distribution in cash

and received the balance in the Fund's common stock. For purposes of computing the stock portion of the dividend, the common stock distributed was valued at \$13.09 per share, which equalled the average closing price of the Fund's common shares on the NYSE MKT on January 23, 2014 and the two preceding trading days. Following the close of the elective stock distribution, the Fund issued 1,518,067 shares. Following the closing of the elective cash distribution, the Fund's number of shares was 9,764,732.

## 6. Restricted Securities:

Certain of the Fund's investments are restricted as to resale and are valued at fair value as determined in good faith by, or under the direction of, the Board under procedures established by the Board in the absence of readily ascertainable market values.

| Security                               | Acquisition Date(s) | Cost        | Fair Value At 10/31/14 | Percent of Net Assets | Cumulative Distributions Received | Open Commitments |
|--|---------------------|-------------|------------------------|-----------------------|-----------------------------------|------------------|
| BPA Israel Ventures, LLC               | 10/05/00 12/09/05   | \$989,431   | \$361,292              | 0.24                  | \$268,344                         | \$625,413        |
| Concord Fund I Liquidating Main Trust  | 12/08/97 09/29/00   | 1,194,943   | 79,400                 | 0.05                  | 1,386,405                         |                  |
| Emerging Markets Ventures I, L.P.      | 01/22/98 01/10/05   | 2,509,231   | 259,508                | 0.17                  | 7,518,174                         | 851,171          |
| Giza GE Venture Fund III, L.P.         | 01/31/00 11/23/05   | 1,717,032   | 169,015                | 0.11                  | 885,262                           |                  |
| Neurone Ventures II, L.P.              | 11/24/00 12/21/10   | 223,817     | 541,989                | 0.36                  | 431,533                           |                  |
| Technology Crossover Ventures IV, L.P. | 03/08/00 09/27/10   | 359,691     | 7,710                  | 0.00                  | 3,036,050                         | 48,000           |
| Telesoft Partners II QP, L.P.          | 07/14/00 03/01/10   | 1,285,581   | 1,209,240              | 0.79                  | 1,109,561                         |                  |
| Vidyo, Inc. Trust Warrants             | 10/24/12            | 1,251       |                        | 0.00                  |                                   |                  |
| Vidyo, Inc. Trust Common               | 10/24/12            | 1,648       | 1,388                  | 0.00                  |                                   |                  |
| Vidyo, Inc. Trust A (Preferred)        | 10/24/12            | 29,796      | 25,082                 | 0.02                  |                                   |                  |
| Vidyo, Inc. Trust B (Preferred)        | 10/24/12            | 14,207      | 14,590                 | 0.01                  |                                   |                  |
| Vidyo, Inc. Trust B1 (Preferred)       | 10/24/12            | 12,092      | 10,179                 | 0.01                  |                                   |                  |
| Vidyo, Inc. Trust C (Preferred)        | 10/24/12            | 6,279       | 5,286                  | 0.00                  |                                   |                  |
| Vidyo, Inc. Trust C1 (Preferred)       | 10/24/12            | 3,796       | 3,254                  | 0.00                  |                                   |                  |
| Vidyo, Inc. Trust D (Preferred)        | 10/24/12            | 2,482       | 2,127                  | 0.00                  |                                   |                  |
| Walden-Israel Ventures III, L.P.       | 02/23/01 10/20/10   | 692,704     | 45,911                 | 0.03                  | 1,295,125                         |                  |
| Total                                  |                     | \$9,043,981 | \$2,735,971            | 1.79                  | \$15,930,454                      | \$1,524,584      |

Amounts listed as are \$0 or round to \$0.

The Fund may incur certain costs in connection with the disposition of the above securities.

## 7. Open Market Repurchase Program

The Board authorized, but does not require, Fund management to make open market purchases from time to time in an amount up to 10% of the Fund's outstanding shares, in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and other applicable federal securities laws. Such purchases may be made when, in the reasonable judgment of Fund management, such repurchases may enhance shareholder value and when the Fund's shares are trading at

a discount to net asset value of 12% or more, subject to intraday fluctuations that may result in repurchases at discounts below 12%. The Board has instructed Fund management to report repurchase activity to it regularly, and to post the number of shares repurchased on the Fund's website on a monthly basis. For the year ended October 31, 2014, the Fund did not repurchase shares through this program.

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2014

## 8. Portfolio Investment Risks

### (a) Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments, which could adversely affect investments in those countries.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries.

### (b) Risks Associated with Emerging Markets:

The emerging countries securities markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. A high proportion of the securities of many companies in emerging countries may be held by a limited number of persons, which may limit the number of securities available for investment by the Fund. The limited liquidity of emerging country securities markets may also affect the Fund's ability to acquire or dispose of securities at the price and time it wishes to do so.

### (c) Risks Associated with Restricted Securities:

The Fund, subject to local investment limitations, may invest up to 30% of its assets (at the time of commitment) in illiquid equity securities, including securities of private equity funds (whether in corporate or partnership form) that invest primarily in emerging markets. When investing through another investment fund, the Fund will bear its proportionate share of the expenses incurred by that underlying fund, including management fees. Such securities are expected to be illiquid and may involve a high degree of business and financial risk and may result in substantial losses. Because of the current absence of any liquid trading market for these investments, the private equity funds may take longer to liquidate than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on such sales could be substantially less than those originally paid by the Fund or the current carrying values and these differences could be material. Further, companies whose securities are not publicly traded may not be subject to the disclosures and other investor protection requirements applicable to companies whose securities are publicly traded.

### (d) Risks Associated with Focus on Emerging Markets Smaller Companies:

The Fund focuses its investments in the equity securities of emerging markets smaller companies issuers. Securities of companies in emerging market countries are generally more volatile, harder to price and less liquid than U.S. securities, due to less stable governments, more volatile currencies and less established markets. Additionally, securities of smaller companies are usually less stable in price and less liquid than those of larger, more established companies. These risks will have a greater impact on the Fund's net asset value and will cause its shares to fluctuate more than if the Fund did not focus its investments in these types of securities.

## 9. Contingencies



In the normal course of business, the Fund may provide general indemnifications pursuant to certain contracts and organizational documents. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund, and therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

## 10. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized appreciation as of October 31, 2014 were as follows:

| <b>Tax Basis of Investments</b> | <b>Appreciation</b> | <b>Depreciation</b> | <b>Net Unrealized Depreciation</b> |
|---------------------------------|---------------------|---------------------|------------------------------------|
| \$162,311,153                   | \$15,389,411        | \$(25,553,645)      | \$(10,164,234)                     |

Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (concluded)

October 31, 2014

The tax character of distributions paid during the fiscal years ended October 31, 2014 and October 31, 2013 was as follows:

|   | October 31, 2014    | October 31, 2013   |
|---|---------------------|--------------------|
| Distributions paid from:                    |                     |                    |
| Ordinary Income                             | \$2,854,581         | \$3,224,149        |
| Net long-term capital gains                 | 46,909,496          |                    |
| <b>Total tax character of distributions</b> | <b>\$49,764,077</b> | <b>\$3,224,149</b> |

As of October 31, 2014, the components of accumulated earnings (deficit) on a tax basis were as follows:

|  |                       |
|--|-----------------------|
| Undistributed ordinary income net              | \$2,028,932           |
| Undistributed long-term capital gains net      |                       |
| Total undistributed earnings                   | \$2,028,932           |
| Capital loss carryforward                      | (3,014,589)*          |
| Other currency gains                           |                       |
| Unrealized appreciation/(depreciation)         | (10,190,639)          |
| <b>Total accumulated earnings/(losses) net</b> | <b>\$(11,176,296)</b> |

\* During the year ended October 31, 2014 the Fund generated a capital loss carryforward of \$3,014,589, which consisted of \$2,422,435 of short-term post RIC-Mod losses and \$592,154 long-term post RIC-Mod losses with no expiration date. Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, the table below details the necessary reclassifications, which are a result of permanent differences primarily attributable to partnerships, distribution re-designations, and foreign currency losses. These reclassifications have no effect on net assets or net asset values per share.

| <b>Accumulated<br/>net investment<br/>income</b> | <b>Accumulated<br/>net realized gain from<br/>investments and foreign<br/>currency transactions</b> |
|--|---|
| \$1,336,179                                      | \$(1,336,179)   |

## 11. Recent Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of repurchase agreements and other similar transactions. The guidance includes expanded disclosure requirements for entities that enter into repurchase agreements and similar transactions accounted for as secured borrowings. The guidance is effective for financial statements with fiscal years beginning on or after December 15, 2014 and interim periods within those fiscal years.

Management is evaluating the impact, if any, of this guidance on the Funds' financial statement disclosures.

## 12. Subsequent Events

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no disclosures or adjustments were required to the financial statements as of October 31, 2014.

On December 19, 2014 the Fund announced that it will pay, on January 12, 2015, a distribution of \$0.20779 per share to all shareholders of record as of December 31, 2014.

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of  
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund ) at October 31, 2014, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 2014 by correspondence with the custodian and venture capital issuers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
December 23, 2014

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 25

## Federal Tax Information: Dividends and Distributions (unaudited)

The following information is provided with respect to the distributions paid by Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. during the fiscal year ended October 31, 2014:

| <b>Payable Date</b> | <b>Total Cash Distribution</b> | <b>Long-Term Capital Gain</b> | <b>Tax Return of Capital</b> | <b>Net Ordinary Dividend</b> | <b>Foreign Taxes Paid(1)</b> | <b>Gross Ordinary Dividend</b> | <b>Qualified Dividends(2)</b> | <b>Foreign Source Income</b> |
|---------------------|--------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|-------------------------------|------------------------------|
| 1/31/14             | 6.026160                       | 5.680850                      | 0.00000                      | 0.345310                     | 0.020882                     | 0.366192                       | 0.311232                      | 0.334371                     |
| 7/29/14             | 0.007000                       | 0.006300                      | 0.00000                      | 0.000700                     | 0.015391                     | 0.016091                       | 0.000700                      | 0.000678                     |

- (1) The foreign taxes paid represent taxes incurred by the Fund on interest received from foreign sources. Foreign taxes paid may be included in taxable income with an offsetting deduction from gross income or may be taken as a credit for taxes paid to foreign governments. You should consult your tax advisor regarding the appropriate treatment of foreign taxes paid.
- (2) The Fund hereby designates the amount indicated above or the maximum amount allowable by law.



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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Management of the Fund (unaudited)

The names of the Directors and Officers of the Fund, their addresses, year of birth, and principal occupations during the past five years are provided in the tables below. Directors that are deemed interested persons (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended) of the Fund or the Fund's investment adviser are included in the table below under the heading Interested Directors. Directors who are not interested persons, as described above, are referred to in the table below under the heading Independent Directors.

### Board of Directors Information

| Name, Address and Age  | Position(s) Held With the Fund   | Term of Office and Length of Time Served                                      | Principal Occupation(s) During Past Five Years  | Number of Funds in Fund Complex* Overseen by Director | Other Directorships Held by Director   |
|--|--|---|---|---|--|
| <b>Independent Directors</b>   |  |   |   |   |  |
| <b>Enrique R. Arzac</b><br>c/o Aberdeen Asset Management Inc.<br>Attn: US Legal<br>1735 Market Street,<br>32nd Floor,<br>Philadelphia, PA 19103<br><br>Year of Birth: 1941 | Chairman of the Board of Directors, Nominating Committee Chairman and Audit and Valuation Committee Member | Since 1996; Chairman since 2005; current term ends at the 2016 annual meeting | Mr. Arzac is a Professor of Finance and Economics at Columbia University (education). He has served in this position since 1971.  | 5   | Director of The Adams Express Company since 1983; Director of Petroleum and Resources Corporation, since 1987; Director of Mirae Asset Funds (6) since 2010; Director of Credit Suisse Funds (9) since 1990; Director of Credit Suisse High Yield Bond Fund, Inc. since 2001; Director of Credit Suisse Asset Management Income Fund, Inc. since 1990. |
| <b>James Cattano</b><br>1366 Wood Duck Trail<br>Naples, FL 34108<br><br>Year of Birth: 1943  | Director, Audit and Valuation Committee Chairman and Nominating and Cost Review Committee Member           | Since 1993; current term ends at the 2016 annual Meeting                      | Mr. Cattano is the President of Costal Trade Corporation (international commodity trade) October 2011. Previously, he was the President of Primary Resources Inc. (agricultural and raw materials) from 1996 to 2011. | 5   | Director of Credit Suisse Asset Management Income Fund, Inc. since 2006 and Director of Credit Suisse High Yield Bond Fund since 2006  |
| <b>Steven Rappaport</b><br>c/o Aberdeen Asset Management Inc.<br>Attn: US Legal  | Director, Audit and Valuation, Nominating, and Cost Review   | Since 2006; current term ends at the 2015 annual meeting                      | Mr. Rappaport has been a Partner of Lehigh Court, LLC (private investment firm) and RZ Capital LLC (private   | 5   | Director of iCAD, Inc., since 2006; Director of Credit Suisse Funds (9)  |

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|   |  |   |   |   |   |
|---|--|---|---|---|---|
| 1735 Market Street,<br>32nd Floor,<br>Philadelphia, PA 19103  | Committee<br>Member  |   | investment firm) since 2004.  |   | since 1999; Director<br>of Credit Suisse<br>High Yield Bond<br>Fund, Inc. since<br>2005; Director of<br>Credit Suisse Asset<br>Management<br>Income Fund, Inc.<br>since 2005. |
| Year of Birth: 1948   |  |   |   |   |   |
| <b>Martin Torino</b><br>c/o Aberdeen Asset<br>Management Inc.<br>Attn: US Legal<br>1735 Market Street,<br>32nd Floor,<br>Philadelphia, PA 19103 | Director, Audit and<br>Valuation,<br>Nominating, and<br>Cost Review<br>Committee<br>Member | Since 1993;<br>current term ends<br>at the 2014<br>annual meeting | Mr. Torino has been President<br>of TA USA (agricultural sector)<br>since May 1991; President of<br>Rio Calchaqui SA (food and<br>beverages) since June 2007;<br>President of Expreso Morell<br>SA (transportation and<br>logistics) (2009-2012). | 3 | Director of San<br>Lucas S.A.   |
| Year of Birth: 1949   |  |   |   |   |   |

## Management of the Fund (unaudited) (continued)

| Name, Address and Age   | Position(s) Held With the Fund | Term of Office and Length of Time Served                    | Principal Occupation(s) During Past Five Years   | Number of Funds in Fund Complex* Overseen by Director | Other Directorships Held by Director  |
|---|--------------------------------|---|--|---|---|
| <b>Interested Directors</b>   |                                |   |  |   |   |
| <b>Alexander Zagoreos</b><br>210 Jermain Hill Lane<br>Eagle Bridge, NY 12057<br><br>Year of Birth: 1937 | Director                       | Since 2011;<br>current term ends at the 2015 annual meeting | Mr. Zagoreos has been Senior Advisor to Lazard Asset Management (asset management) since 2007. Previously, he was a Partner and Managing Director of Lazard Asset Management (asset management) from 1977 to 2006. | 1   | Director, since 2008, Alpha Andromeda Fund, and Chairman, Utilico Emerging Markets Trust since 2006, and The Taiwan Opportunities Fund since 2006 |

\* Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Singapore Fund, Inc., Aberdeen Japan Equity Fund, Inc., The Asia-Tigers Fund, Inc., The India Fund, Inc., Aberdeen Greater China Fund Inc. Aberdeen Investment Funds, Aberdeen Global Select Opportunities Fund, Inc. and Aberdeen Funds have a common investment manager and/or investment adviser, or an investment adviser that is affiliated with the Investment Adviser, and may thus be deemed to be part of the same Fund Complex.

### Information Regarding Officers who are not Directors

| Name, Address and Age   | Position(s) Held With the Fund                      | Term of Office and Length of Time Served | Principal Occupation(s) During Past Five Years  |
|---|---|--|---|
| <b>Officers</b>   |   |  |   |
| <b>Christian Pittard*</b><br>c/o Aberdeen Asset Management Inc.<br>Attn: US Legal<br>1735 Market Street, 32nd Floor,<br>Philadelphia, PA 19103<br><br>Year of Birth: 1973 | President   | Since July 2009                          | Currently, Group Head of Product Development of Aberdeen Asset Management PLC and Director of Aberdeen Managers Limited. Previously, Director and Vice President (2006-2008), Chief Executive Officer (from October 2005 to September 2006) and employee (since June 2005) of Aberdeen Asset Management Inc.    |
| <b>Jeffrey Cotton*</b><br>c/o Aberdeen Asset Management Inc.<br>Attn: US Legal<br>1735 Market Street, 32nd Floor,   | Chief Compliance Officer, Vice President Compliance | Since March 2011                         | Currently, Vice President and Head of Compliance Americas for Aberdeen Asset Management Inc. Mr. Cotton joined Aberdeen in 2010. Prior to joining Aberdeen, Mr. Cotton was a Senior Compliance Officer at Old Mutual Asset Management (2009-2010) supporting its affiliated investment advisers and mutual fund |

Philadelphia, PA 19103

platform.

Year of Birth: 1977

**Andrea Melia\***

Treasurer

Since  
November 2009

Currently, Head of Fund Administration US for Aberdeen Asset Management Inc. Ms. Melia joined Aberdeen Asset Management Inc. in September 2009.

c/o Aberdeen Asset Management Inc.  
Attn: US Legal  
1735 Market Street, 32nd Floor,  
Philadelphia, PA 19103

Year of Birth: 1969

**Megan Kennedy\***

Secretary and Vice  
President

Since July 2009

Currently, Head of Product Management for Aberdeen Asset Management Inc. Ms. Kennedy joined Aberdeen Asset Management Inc. in 2005.

c/o Aberdeen Asset Management Inc.  
Attn: US Legal  
1735 Market Street, 32nd Floor,  
Philadelphia, PA 19103

Year of Birth: 1974

## Management of the Fund (unaudited) (continued)

| Name, Address and Age  | Position(s) Held With the Fund | Term of Office and Length of Time Served | Principal Occupation(s) During Past Five Years   |
|--|--------------------------------|--|--|
| <p><b>Alan Goodson*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p>     | Vice President                 | Since July 2009                          | Currently, Head of Product US, overseeing Product Management, Product Development and Investor Services for Aberdeen s registered and unregistered investment companies in the US and Canada. Mr. Goodson is Vice President of Aberdeen Asset Management Inc. and joined Aberdeen in 2000. |
| Year of Birth: 1974  |                                |  |  |
| <p><b>Joanne Irvine*</b><br/>c/o Aberdeen Asset Managers Limited<br/><br/>Bow Bells House<br/><br/>1 Bread Street<br/><br/>London, United Kingdom</p>    | Vice President                 | Since July 2009                          | Currently, Head of Emerging Markets Ex. Asia on the global emerging markets equities team in London (since 1997). Ms. Irvine joined Aberdeen in 1996 in a group development role.  |
| EC4M 9HH   |                                |  |  |
| Year of Birth: 1968  |                                |  |  |
| <p><b>Devan Kaloo*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p>      | Vice President                 | Since July 2009                          | Currently, Head of Global Emerging Markets (since 2005). Mr. Kaloo joined Aberdeen in 2000 on the Asian portfolio team before becoming responsible for the Asian ex Japan region as well as regional portfolios within emerging market mandates and technology stocks                      |
| Year of Birth: 1972  |                                |  |  |
| <p><b>Jennifer Nichols*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p> | Vice President                 | Since July 2009                          | Currently, Global Head of Legal for Aberdeen Asset Management Inc. Director and Vice President for Aberdeen Asset Management Inc. (since October 2006).  |
| Year of Birth: 1978  |                                |  |  |
| <p><b>Nick Robinson*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p>    | Vice President                 | Since June 2011                          | Currently, Director and Head of Brazilian Equities, of Aberdeen s operations in São Paulo since 2009.  |
| Year of Birth: 1978  |                                |  |  |

**Lucia Sitar\***

c/o Aberdeen Asset  
Management Inc.  
Attn: US Legal  
1735 Market Street, 32nd Floor,  
Philadelphia, PA 19103

Vice President

Since July 2009

Currently, Managing U.S. Counsel for Aberdeen Asset  
Management Inc. Ms. Sitar joined Aberdeen Asset Management  
Inc. in July 2007 as U.S. Counsel.

Year of Birth: 1971

## Management of the Fund (unaudited) (concluded)

| Name, Address and Age   | Position(s) Held With the Fund                     | Term of Office and Length of Time Served | Principal Occupation(s) During Past Five Years  |
|---|--|--|---|
| <p><b>Hugh Young**</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1958</p>    | Vice President                                     | Since July 2009                          | Mr. Young is currently a member of the Executive Management Committee of Aberdeen Asset Management PLC. He has been Managing Director of Aberdeen Asset Management Asia Limited ( AAMAL ), since 1991. Mr. Young also served as a Director of Aberdeen Asset Managers (C.I.) Limited from 2000 to June 2005 and a Director of AAMAL since 2000. |
| <p><b>Sharon Ferrari*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1977</p> | Assistant Treasurer                                | Since June 2011                          | Currently, Senior Fund Administration Manager for Aberdeen Asset Management Inc. Ms. Ferrari joined Aberdeen Asset Management Inc. as a Senior Fund Administrator in 2008.  |
| <p><b>Heather Hasson*</b><br/>c/o Aberdeen Asset Management Inc.<br/>Attn: US Legal<br/>1735 Market Street, 32nd Floor,<br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1982</p> | Assistant Secretary                                | Since March 2012                         | Currently, Senior Product Manager for Aberdeen Asset Management Inc. Ms. Hasson joined AAMI as a Fund Administrator in November 2006.   |
| <p><b>Sofia Rosala*</b><br/>Aberdeen Asset Management Inc.<br/>1735 Market St. 32nd Floor<br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1974</p>                               | Vice President and Deputy Chief Compliance Officer | Since 2014                               | Currently, Deputy Fund Chief Compliance Officer and U.S. Counsel for Aberdeen Asset Management Inc. (since July 2012). Prior to joining Aberdeen, Ms. Rosala was Counsel for Vertex, Inc. from April 2011 to June 2012. She was also an Associate attorney with Morgan, Lewis and Bockius from May 2008-April 2011.                             |

\* As of October 2014, Messrs. Pittard, Cotton, Goodson, Kaloo, and Robinson and Meses. Nichols, Irvine, Melia, Kennedy, Sitar, Ferrari, Rosala and Hasson hold officer position(s) in one or more of the following: Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Singapore Fund Inc., Aberdeen Japan Equity Fund, Inc., The India Fund Inc., The Asia-Tigers Fund Inc., Aberdeen Greater China Fund, Inc., Aberdeen Investment Funds, Aberdeen Global Select Opportunities Fund, Inc. and the Aberdeen Funds, each of which may also be deemed to be a part of the same Fund Complex.



\*\* Mr. Young serves as an Interested Director on the Aberdeen Australia Equity Fund, Inc. and The India Fund, Inc. which has a common investment manager and/or Investment Adviser with the Fund, or an investment adviser that is affiliated with the investment manager and Investment Adviser with the Fund, and may thus be deemed to be part of the same Fund Complex as the Fund.



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## Corporate Information

### Directors

Enrique R. Arzac, *Chairman*  
James J. Cattano  
Steven N. Rappaport  
Martin M. Torino  
Alexander Zagoreos

### Officers

Christian Pittard, *President*  
Jeffrey Cotton, *Vice President and Chief Compliance Officer*  
Sofia Rosala, *Deputy Chief Compliance Officer and Vice President*

Andrea Melia, *Treasurer and Chief Financial Officer*  
Megan Kennedy, *Vice President and Secretary*  
Alan Goodson, *Vice President*  
Joanne Irvine, *Vice President*  
Devan Kaloo, *Vice President*  
Jennifer Nichols, *Vice President*  
Nick Robinson, *Vice President*  
Lucia Sitar, *Vice President*  
Hugh Young, *Vice President*  
Sharon Ferrari, *Assistant Treasurer*  
Heather Hasson, *Assistant Secretary*

### Investment Adviser

Aberdeen Asset Managers Limited

Bow Bells House  
1 Bread Street  
London, United Kingdom

EC4M 9HH

### Administrator

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

### Custodian

State Street Bank and Trust Company  
  
1 Iron Street, 5th Floor  
  
Boston, MA 02210

### Shareholder Servicing Agent

Computershare Trust Company, N.A.  
  
P.O. Box 30170  
  
College Station, TX 77842-3170

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2001 Market Street  
  
Philadelphia, PA 19103

### Legal Counsel

Willkie Farr & Gallagher LLP  
787 Seventh Ave  
New York, NY 10019

### Investor Relations

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

1-866-839-5205  
InvestorRelations@aberdeen-asset.com

**Aberdeen Asset Managers Limited**

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may purchase, from time to time, shares of its common stock in the open market.

Shares of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. are traded on the NYSE MKT Equities Exchange under the symbol `ETF`. Information about the Fund's net asset value and market price is available at [www.aberdeenetf.com](http://www.aberdeenetf.com).

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.

We explore further.

## Aberdeen Closed-End Funds

At Aberdeen, we believe there's no substitute for getting to know your investments face-to-face. That's why we make it our goal to visit companies wherever they are before our equity teams ever invest in their shares and again when we hold them.

With 13 U.S. closed-end funds investing around the world that's an awfully big commitment. But it's just one of the ways we seek out what we believe are the best investment opportunities on your behalf.

Speak with your financial advisor or wealth manager today about diversifying\* your portfolio with Aberdeen's global and emerging market closed-end funds.

For more information, contact our Investor Relations team at 866-839-5205 or e-mail us at [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com).

[www.aberdeen-asset.us/cef](http://www.aberdeen-asset.us/cef)



|  |  |
|--|--|
|  |  |
|--|--|

\*Diversification does not necessarily ensure return or protect against a loss.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium)

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or below (a discount) the net asset value (NAV) of the fund's portfolio. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results. Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and political and economic risks. These risks may be enhanced in emerging market countries.

Aberdeen Asset Management (AAM) is the marketing name in the U.S. for the following affiliated, registered investment advisers: Aberdeen Asset Management Inc., Aberdeen Asset Managers Ltd, Aberdeen Asset Management Ltd and Aberdeen Asset Management Asia Ltd, each of which is wholly owned by Aberdeen Asset Management PLC. Aberdeen is a U.S. registered service trademark of Aberdeen Asset Management PLC.

ETF-ANNUAL

**Item 2 - Code of Ethics.**

As of October 31, 2014, the Registrant had adopted a Code of Ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (the Code of Ethics). During the period covered by this report, there were no material changes to the Code of Ethics. During the period covered by this report, there were no waivers to the provisions of the Code of Ethics. A copy of the Code of Ethics has been filed as an exhibit to this Form N-CSR.

**Item 3 - Audit Committee Financial Expert.**

The Registrant's Board of Directors has determined that Enrique R. Arzac and Steven N. Rappaport, both members of the Registrant's Audit and Valuation Committee, possess the attributes, and has acquired such attributes through means, identified in instruction 2 of Item 3 to Form N-CSR to both qualify as an audit committee financial expert, and has designated Mr. Arzac and Mr. Rappaport as the Audit and Valuation Committee's financial experts. Mr. Arzac and Mr. Rappaport are both independent Directors pursuant to paragraph (a)(2) of Item 3 to Form N-CSR.

**Item 4 - Principal Accountant Fees and Services.**

(a) (d). Below is a table reflecting the fee information requested in Items 4(a) through (d):

| <b>Fiscal Year Ended</b> | <b>(a)<br/>Audit Fees</b> | <b>(b)1<br/>Audit Related Fees</b> | <b>(c) 2<br/>Tax Fees</b> | <b>(d)<br/>All Other Fees</b> |
|--------------------------|---------------------------|------------------------------------|---------------------------|-------------------------------|
| October 31, 2014         | \$43,900                  | \$5,000                            | \$9,870                   | \$0                           |
| October 31, 2013         | \$42,600                  | \$0                                | \$7,000                   | \$0                           |

(1) Services include procedures over the conversion of fund accounting books/records and semi annual review procedures in connection with the Registrant's semi-annual financial statements

(2) Services include tax services in connection with the Registrant's excise tax calculations and review of the registrant's applicable tax returns.

(e) Below are the Registrant's Pre-Approval Policies and Procedures

(1) The Registrant's Audit and Valuation Committee (the Committee) has adopted a Charter that provides that the Committee shall annually select, retain or terminate the Fund's independent auditor and, in connection therewith, to evaluate the terms of the engagement (including compensation of the independent auditor) and the qualifications and independence of the independent auditor, including whether the independent auditor provides any consulting, auditing or tax services to the Registrant's investment adviser or any sub-adviser, and to receive the independent auditor's specific representations as to their independence, delineating all relationships between the independent auditor and the Registrant, consistent with the PCAOB Rule 3526 or any other applicable auditing standard. The Committee Charter also provides that the Committee shall

review in advance, and consider approval of, any and all proposals by Management or the Registrant's investment adviser that the Registrant, the investment adviser or their

---

affiliated persons, employ the independent auditor to render permissible non-audit services to the Registrant and to consider whether such services are consistent with the independent auditor's independence.

(2) None of the services described in each of paragraphs (b) through (d) of this Item involved a waiver of the pre-approval requirement by the Audit Committee pursuant to Rule 2-01 (c)(7)(i)(C) of Regulation S-X.

(f) Not Applicable.

(g) Non-Audit Fees

The aggregate fees billed by PricewaterhouseCoopers ( PwC ) for non-audit services rendered to the Registrant and any entity controlling, controlled by, or under common control with the investment adviser that provided ongoing services to the Registrant ( Covered Service Providers ) for the fiscal year ended October 31, 2014 was \$2,300,584. The aggregate fees billed by PwC for non-audit services rendered to the Registrant, Aberdeen Asset Managers Limited and any Covered Service Providers for the fiscal year ended October 31, 2013 was \$829,457.

(h) The Registrant's Audit and Valuation Committee of the Board of Directors has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence and has concluded that it is.

#### **Item 5 - Audit Committee of Listed Registrants.**

(a) The Registrant has a separately-designated standing Audit and Valuation Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)).

For the fiscal year ended October 31, 2014, the Audit and Valuation Committee members were:

Enrique R. Arzac

James Cattano

Steven N. Rappaport

Martin M. Torino

(b) Not applicable

**Item 6 - Schedule of Investments.**

(a) Included as part of the Report to Shareholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.

**Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Pursuant to the Registrant's Proxy Voting Policy and Procedures, the Registrant has delegated responsibility for its proxy voting to its Investment Adviser, provided that the Registrant's Board of Directors has the opportunity to periodically review the Investment Adviser's proxy voting policies and material amendments thereto.

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The proxy voting policies of the Registrant are included herewith as Exhibit (c) and policies of the Investment Adviser are included as Exhibit (d).

**Item 8 - Portfolio Managers of Closed-End Management Investment Companies.**

(a)

(1) The information in the table below is as of January 7, 2015.

| <b>Individual &amp; Position</b>                  | <b>Services Rendered</b>   | <b>Past Business Experience</b>  |
|---|--|--|
| Devan Kaloo<br>Head of Global Emerging Markets    | Responsible for global emerging market equity portfolio management | Currently Head of Global Emerging Markets Equities, responsible for the London and Sao Paulo based Global Emerging Markets Equity team, which manages EMEA and Latin America equities, and has oversight of Global Emerging Markets input from the Asia team based in Singapore, with whom he works closely. Prior to that he joined Aberdeen's Singapore based Asian equities team in 2000. |
| Joanne Irvine<br>Head of Emerging Markets ex Asia | Responsible for global emerging market equity portfolio management | Currently Head of Emerging Markets (ex-Asia) on the Global Emerging Markets Equity team in London. She joined Aberdeen in 1996 in a group development role, and moved to the Global Emerging Markets Equity team in 1997.  |
| Osamu Yamagata<br>Investment Manager              | Responsible for global emerging market equity portfolio management | Currently Investment Manager on the Global Emerging Markets Equity Team. Joined Aberdeen in 2007.  |
| Stephen Parr<br>Senior Investment Manager         | Responsible for global emerging market equity portfolio management | Currently a Senior Investment Manager on the Global Emerging Markets Equity team. He joined Aberdeen in July 2009 following the acquisition of certain asset management businesses from Credit Suisse Asset Management. Previously he worked for Energis Communications as Head of Strategy.   |
| Mark Gordon-James<br>Senior Investment Manager    | Responsible for global emerging market equity portfolio management | Currently a Senior Investment Manager on the Global Emerging Markets Equity team. He joined Aberdeen in 2004 from Merrill Lynch Investment Managers where he worked with the emerging markets team.  |

(a)(2) The information in the table below is as of October 31, 2014.

| Name of | Type of Accounts | Total Assets (\$M) | Total Assets for |
|---------|------------------|--------------------|------------------|
|---------|------------------|--------------------|------------------|

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| Portfolio<br>Manager |                                 | Total<br>Number<br>of<br>Accounts<br>Managed |    |           | Number of<br>Accounts<br>Managed for<br>Which<br>Advisory<br>Fee is Based<br>on<br>Performance |    | Which<br>Advisory Fee is<br>Based on<br>Performance (\$M) |
|----------------------|---------------------------------|--|----|-----------|--|----|---|
| Devan Kaloo          | Registered Investment Companies | 11   | \$ | 10,816.25 | 0  | \$ | 0   |



|                   |                                 |    |    |           |   |           |
|-------------------|---------------------------------|----|----|-----------|---|-----------|
|                   |                                 |    |    |           |   |           |
|                   | Pooled Investment Vehicles      | 25 | \$ | 24,206.52 | 0 | \$ 0      |
|                   | Other Accounts                  | 55 | \$ | 20,114.20 | 4 | \$ 713.24 |
| Joanna Irvine     | Registered Investment Companies | 11 | \$ | 10,816.25 | 0 | \$ 0      |
|                   | Pooled Investment Vehicles      | 25 | \$ | 24,206.52 | 0 | \$ 0      |
|                   | Other Accounts                  | 55 | \$ | 20,114.20 | 4 | \$ 713.24 |
| Osamu Yamagata    | Registered Investment Companies | 11 | \$ | 10,816.25 | 0 | \$ 0      |
|                   | Pooled Investment Vehicles      | 25 | \$ | 24,206.52 | 0 | \$ 0      |
|                   | Other Accounts                  | 55 | \$ | 20,114.20 | 4 | \$ 713.24 |
| Stephen Parr      | Registered Investment Companies | 11 | \$ | 10,816.25 | 0 | \$ 0      |
|                   | Pooled Investment Vehicles      | 25 | \$ | 24,206.52 | 0 | \$ 0      |
|                   | Other Accounts                  | 55 | \$ | 20,114.20 | 4 | \$ 713.24 |
| Mark Gordon-James | Registered Investment Companies | 11 | \$ | 10,816.25 | 0 | \$ 0      |
|                   | Pooled Investment Vehicles      | 25 | \$ | 24,206.52 | 0 | \$ 0      |
|                   | Other Accounts                  | 55 | \$ | 20,114.20 | 4 | \$ 713.24 |

Total assets are as of October 31, 2014 and have been translated to U.S. dollars at a rate of £1.00 = \$1.60.

In accordance with legal requirements in the various jurisdictions in which they operate, and their own Conflicts of Interest policies, all subsidiaries of Aberdeen Asset Management PLC, (together Aberdeen), have in place arrangements to identify and manage Conflicts of Interest that may arise between them and their clients or between their different clients. Where Aberdeen does not consider that these arrangements are sufficient to manage a particular conflict, it will inform the relevant client(s) of the nature of the conflict so that the client(s) may decide how to proceed.

The portfolio managers' management of other accounts, including (1) mutual funds; (2) other pooled investment vehicles; and (3) other accounts that may pay advisory fees that are based on account performance (performance-based fees), may give rise to potential conflicts of interest in connection with their management of a fund's investments, on the one hand, and the investments of the other accounts, on the other. The other accounts may have the same investment objective as a Fund. Therefore, a potential conflict of interest may arise as a result of the identical investment objectives, whereby the portfolio manager could favor one account over another. However, Aberdeen believes that these risks are mitigated by the fact that: (i) accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors; and (ii) portfolio manager personal trading is monitored to avoid potential conflicts. In addition, Aberdeen has adopted trade allocation procedures that require equitable allocation of trade orders for a particular security among participating accounts.

In some cases, another account managed by the same portfolio manager may compensate Aberdeen based on the performance of the portfolio held by that account. The existence of such performance-based fees may create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities.

Another potential conflict could include instances in which securities considered as investments for a Fund also may be appropriate for other investment accounts managed by Aberdeen or its affiliates. Whenever decisions are made to buy or sell securities by the Fund and one or more of the other accounts simultaneously, Aberdeen may aggregate the purchases and sales of the securities and will allocate the securities transactions in a manner that it believes to be equitable under the circumstances. As a result of the allocations, there may be instances where the Fund will not participate in a transaction that is allocated among other accounts. While these aggregation and allocation policies could have a detrimental effect on the price or amount of the securities available to a fund from time to time, it is the opinion of Aberdeen that the benefits from the Aberdeen organization outweigh any disadvantage that may arise from exposure to simultaneous transactions. Aberdeen has adopted policies that are designed to eliminate or minimize conflicts of interest, although there is no guarantee that procedures adopted under such policies will detect each and every situation in which a conflict arises.

(a)(3)

Aberdeen Asset Management PLC's (Aberdeen) remuneration policies are designed to support its business strategy as a leading international asset manager. The objective is to attract, retain and reward talented individuals for the delivery of sustained, superior returns for Aberdeen's clients and shareholders. Aberdeen operates in a highly competitive international employment market, and aims to maintain its strong track record of success in developing and retaining talent.

Aberdeen's policy is to recognize corporate and individual achievements each year through an appropriate annual bonus scheme. The aggregate value of awards in any year is dependent on the group's overall performance and profitability. Consideration is also given to the levels of bonuses paid in the market. Individual awards, which are payable to all members of staff are determined by a rigorous assessment of achievement against defined objectives.

A long-term incentive plan for key staff and senior employees comprises of a mixture of cash and deferred shares in Aberdeen PLC or select Aberdeen funds (where applicable). Overall compensation packages are designed to be competitive relative to the investment management industry.

#### Base Salary

Aberdeen's policy is to pay a fair salary commensurate with the individual's role, responsibilities and experience, and having regard to the market rates being offered for similar roles in the asset management sector and other comparable companies. Any increase is generally to reflect inflation and is applied in a manner consistent with other Aberdeen employees; any other increases must be justified by reference to promotion or changes in responsibilities.

#### Annual Bonus

Aberdeen's policy is to recognize corporate and individual achievements each year through an appropriate annual bonus scheme. The Remuneration Committee of Aberdeen determines the key performance indicators that will be applied in considering the overall size of the bonus pool. In line with practice amongst other asset management companies, individual bonuses are not subject to an absolute cap. However, the aggregate size of the bonus pool is dependent on the group's overall performance and profitability. Consideration is also given to the levels of bonuses paid in the market. Individual awards are determined by a rigorous assessment of achievement against defined objectives, and are reviewed and approved by the Remuneration Committee.

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Aberdeen has a deferral policy which is intended to assist in the retention of talent and to create additional alignment of executives' interests with Aberdeen's sustained performance and, in respect of the deferral into funds, managed by Aberdeen, to align the interest of asset managers with our clients.

Staff performance is reviewed formally at least once a year. The review process evaluates the various aspects that the individual has contributed to Aberdeen, and specifically, in the case of portfolio managers, to the relevant investment team. Discretionary bonuses are based on client service, asset growth and the performance of the respective portfolio manager. Overall participation in team meetings, generation of original research ideas and contribution to presenting the team externally are also evaluated.

In the calculation of a portfolio management team's bonus, Aberdeen takes into consideration investment matters (which include the performance of funds, adherence to the company investment process, and quality of company meetings) as well as more subjective issues such as team participation and effectiveness at client presentations. To the extent performance is factored in, such performance is not judged against any specific benchmark and is evaluated over the period of a year - January to December. The pre- or after-tax performance of an individual account is not considered in the determination of a portfolio manager's discretionary bonus; rather the review process evaluates the overall performance of the team for all of the accounts the team manages.

Portfolio manager performance on investment matters is judged over all of the accounts the portfolio manager contributes to and is documented in the appraisal process. A combination of the team's and individual's performance is considered and evaluated.

Although performance is not a substantial portion of a portfolio manager's compensation, Aberdeen also recognizes that fund performance can often be driven by factors outside one's control, such as (irrational) markets, and as such pays attention to the effort by portfolio managers to ensure integrity of our core process by sticking to disciplines and processes set, regardless of momentum and hot themes. Short-termining is thus discouraged and trading-oriented managers will thus find it difficult to thrive in the Aberdeen environment. Additionally, if any of the aforementioned undue risks were to be taken by a portfolio manager, such trend would be identified via Aberdeen's dynamic compliance monitoring system.

(a)(4)

| <b>Individual</b> | <b>Dollar Range of Equity Securities in the Registrant Beneficially Owned by the Portfolio Manager as of October 31, 2014</b> |
|-------------------|---|
| Devan Kaloo       | 0   |
| Joanna Irvine     | 0   |
| Osamu Yamagata    | 0   |
| Stephen Parr      | 0   |
| Mark Gordon-James | 0   |

(b) Not applicable.

**Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

| Period                   | (a) Total Number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>1</sup> | (d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs <sup>1</sup> |
|--------------------------|--------------------------------------|----------------------------------|---|---|
| November 1, 2013 through | None                                 | None                             | None  | 824,667   |

|  |      |      |      |         |
|--|------|------|------|---------|
| November 30, 2013                            |      |      |      |         |
| December 1, 2013 through December 31, 2013   | None | None | None | 824,667 |
| January 1, 2014 through January 31, 2014     | None | None | None | 824,667 |
| February 1, 2014 through February 28, 2014   | None | None | None | 824,667 |
| March 1, 2014 through March 31, 2014         | None | None | None | 824,667 |
| April 1, 2014 through April 30, 2014         | None | None | None | 824,667 |
| May 1, 2014 through May 31, 2014             | None | None | None | 824,667 |
| June 1, 2014 through June 30, 2014           | None | None | None | 824,667 |
| July 1, 2014 through July 31, 2014           | None | None | None | 824,667 |
| August 1, 2014 through August 31, 2014       | None | None | None | 824,667 |
| September 1, 2014 through September 30, 2014 | None | None | None | 824,667 |
| October 1, 2014 through October 31, 2014     | None | None | None | 824,667 |
| Total  | None | None | None | --      |

<sup>1</sup> The plan was announced December 4, 2003. On October 26, 2009 the Fund announced that the share repurchase program was to be reinitiated. The reinitiated program authorizes management to make open market purchases from time to time in an amount up to 10% of the Fund's outstanding shares. Such purchases may be made when the Fund's shares are trading at a discount to net asset value of 12% or more. Open market purchases may also be made at the discretion of management if the discount to net asset value is less than 12%. The authority under the program will be effective beginning November 1, 2009. The plan does not have an expiration date. The number of shares in columns (c) and (d) represent the aggregate number of shares purchased under the plan at each month end and the total number of shares that may still be purchased under the plan at each month end, respectively.

**Item 10 - Submission of Matters to a Vote of Security Holders.**

During the period ended October 31, 2014, there were no material changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Directors.

**Item 11 - Controls and Procedures.**

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(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 (the 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 the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (17 CFR 270.30a-3(b)) and Rule 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 Act (17 CFR 270.30a-3(d)) that occurred during the Registrant's last fiscal half-year that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12 - Exhibits.**

- (a)(1) Code of Ethics of the Registrant for the period covered by this report as required pursuant to Item 2 of this Form N-CSR.
  - (a)(2) The certifications of the registrant as required by Rule 30a-2(a) under the Act are exhibits to this report.
  - (a)(3) Not applicable.
  - (b) The certifications of the registrant as required by Rule 30a-2(b) under the Act are an exhibit to this report.
  - (c) Proxy Voting Policy of Registrant.
  - (d) Proxy Voting Policies and Procedures of Investment Manager.
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**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.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

By: /s/ Christian Pittard  
Christian Pittard,  
Principal Executive Officer of  
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

Date: January 7, 2015

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

By: /s/ Christian Pittard  
Christian Pittard,  
Principal Executive Officer of  
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

Date: January 7, 2015

By: /s/ Andrea Melia  
Andrea Melia,  
Principal Financial Officer of  
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

Date: January 7, 2015

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