

# STONE HARBOR EMERGING MARKETS INCOME FUND

As of January 31, 2012

## Fund Details

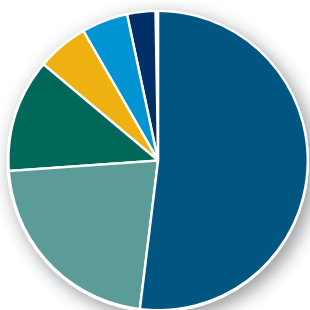
Ticker Symbol	EDF
Inception Date	December 22, 2010
Monthly Dividend*	\$0.18
Market Price*	\$24.11
NAV*	\$23.39
Net Assets*	\$364,180,440.19
Shares Outstanding*	15,572,899.61

\* As of 1.31.12. Monthly dividend, market price, net asset value (NAV), net assets and shares outstanding will fluctuate.

## Top 5 Country Weights<sup>(1)</sup>

Mexico	13.4%
Argentina	12.9%
Brazil	11.8%
South Africa	11.2%
Turkey	6.2%

## Regional Breakdown<sup>(1)</sup>



Latin America	49.4%
Europe	20.7%
Africa	11.5%
Middle East	5.3%
Cash & Equivalents / U.S. Treasuries	4.7%
Asia	3.1%

## INVESTMENT OBJECTIVE

The Fund's primary investment objective is to maximize total return, which consists of income on its investments and capital appreciation. The Fund will normally invest at least 80% of its net assets (plus any borrowings made for investment purposes) in Emerging Markets Securities. "Emerging Markets Securities" include fixed income securities and other instruments (including derivatives) that are economically tied to emerging market countries, that are denominated in the predominant currency of the local market of an emerging market country or whose performance is linked to those countries' markets, currencies, economies or ability to repay loans. A security or instrument is economically tied to an emerging market country if it is principally traded on the country's securities markets or if the issuer is organized or principally operates in the country, derives a majority of its income from its operations within the country or has a majority of its assets within the country. There is no assurance that the Fund will achieve its investment objective.

## Fund Performance

	1 Month	3 Months	6 Months	YTD	1 Year	Since Incep. Annualized	Since Incep. Cumulative
Stone Harbor Emerging Markets Income Fund							
NAV	8.67%	4.30%	-1.44%	8.67%	10.27%	6.65%	7.40%
Market Price	16.36%	3.15%	2.88%	16.36%	9.34%	5.17%	5.75%
JPM EMBI Global Diversified	1.58%	1.82%	2.20%	1.58%	9.70%	8.39%	9.35%

Performance data quoted represents past performance and does not guarantee future results. An investment in the Fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate.

The JPMorgan EMBI Global Diversified (EMBI Global Diversified) limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts outstanding. The countries covered in the JPMorgan EMBI Global Diversified are identical to those covered by the JPMorgan EMBI Global Index which is an index that tracks total returns for U.S. dollar-denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds.

NOT FDIC INSURED | May Lose Value | No Bank Guarantee

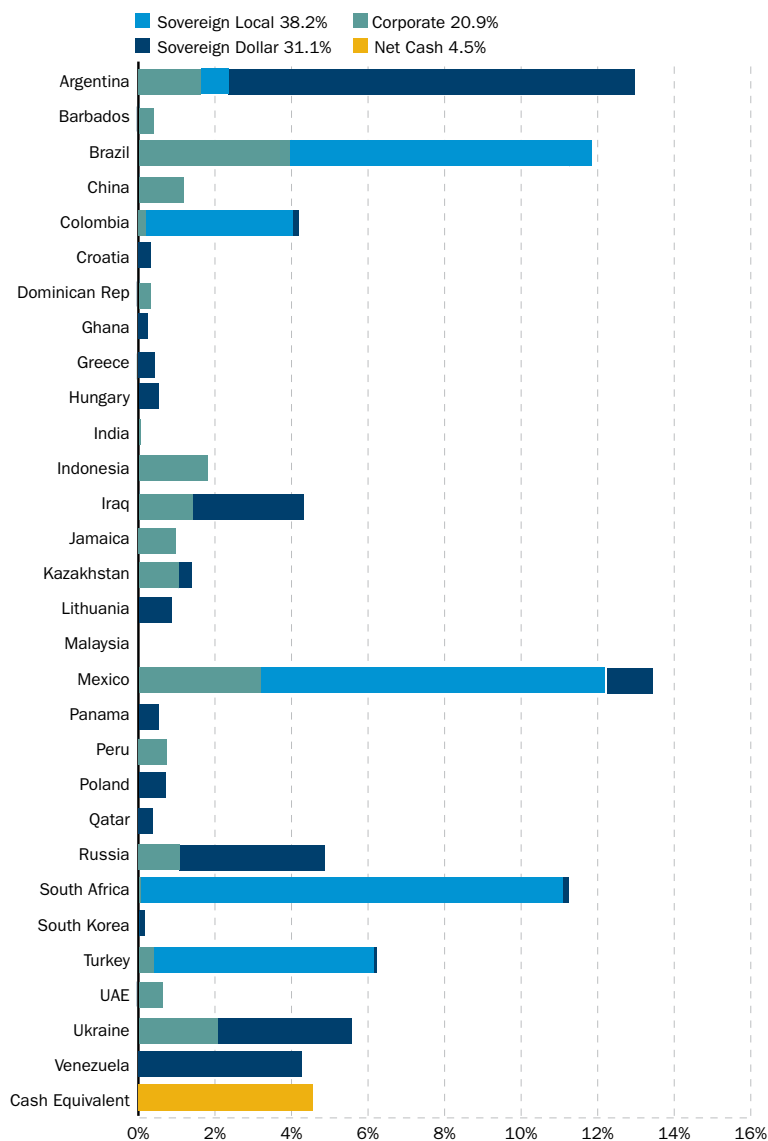
## Fund Characteristics

NAV Symbol	XEDFX
Distribution Rate on Market Price	8.96% <sup>(2)</sup>
Distribution Frequency	Monthly
Effective Duration	5.34 yrs
Average Life	9.94 years
Leverage	24.20%

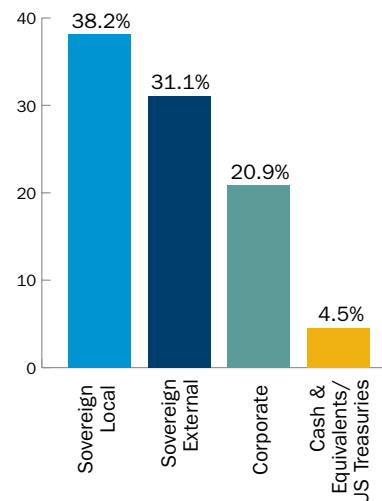
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As of January 31, 2012

## EDF's Security Type Allocation<sup>(1)</sup>



## EDF's Sector Allocation<sup>(1)</sup>



## EDF's Currency Breakdown<sup>(1)</sup>

	Exposure	Tactical Hedge
Argentine Peso	0.8%	0.0%
Brazilian Real	7.9%	0.0%
Colombian Peso	3.8%	0.0%
Mexican Peso	9.0%	0.0%
South African Rand	11.0%	0.0%
Turkish New Lira	5.7%	0.0%
<b>Total</b>	<b>38.3%</b>	<b>0.0%</b>

## ABOUT STONE HARBOR

Stone Harbor Investment Partners is a global institutional fixed income investment manager, specializing in credit and asset allocation strategies. The firm's investment strategies are based on fundamental insights, derived from a combination of proprietary research and the in-depth knowledge and specialized experience of the firm's team. Based in New York, Stone Harbor employs over 100 people across its headquarters and offices in London and Singapore. Founded in 2006, Stone Harbor is an employee-owned partnership with over \$42.2 billion of assets under management as of January 31, 2012.

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<sup>(1)</sup> Based on managed assets including derivative exposure. For purposes of this example, managed assets include total net assets plus any borrowings attributed to the use of reverse repurchase agreements. The amounts do not include the \$25,000,000 notional value of a credit default swap with unrealized depreciation of \$-929,283.

<sup>(2)</sup> Based on 1/31/2012 market price of 24.11 and monthly dividend of \$0.18.