

Overview of Emerging Markets Debt Market

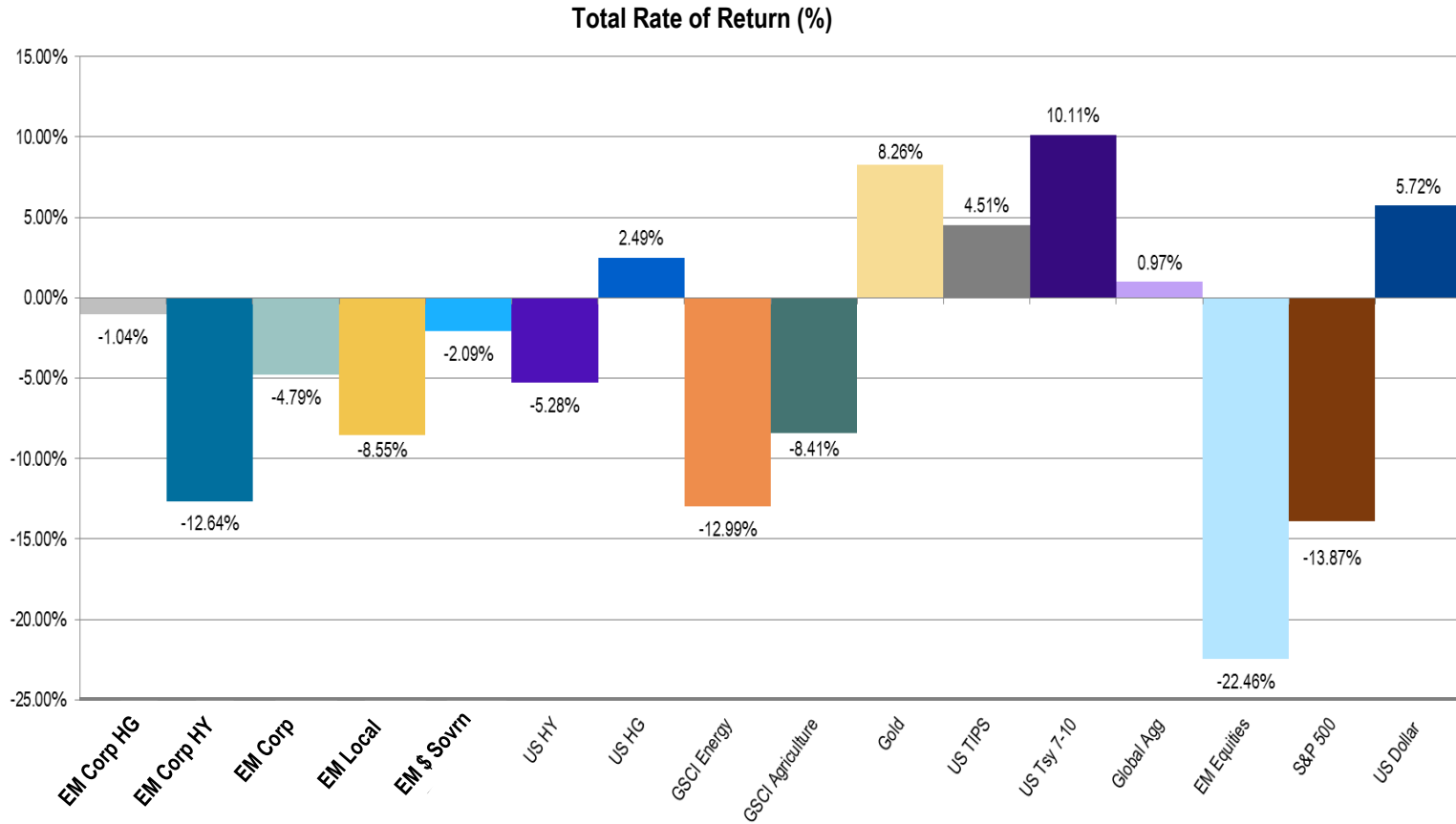
Third Quarter 2011

Presented by:

David Oliver, CFA, Portfolio Manager

Macroeconomic Background for Q3 2011

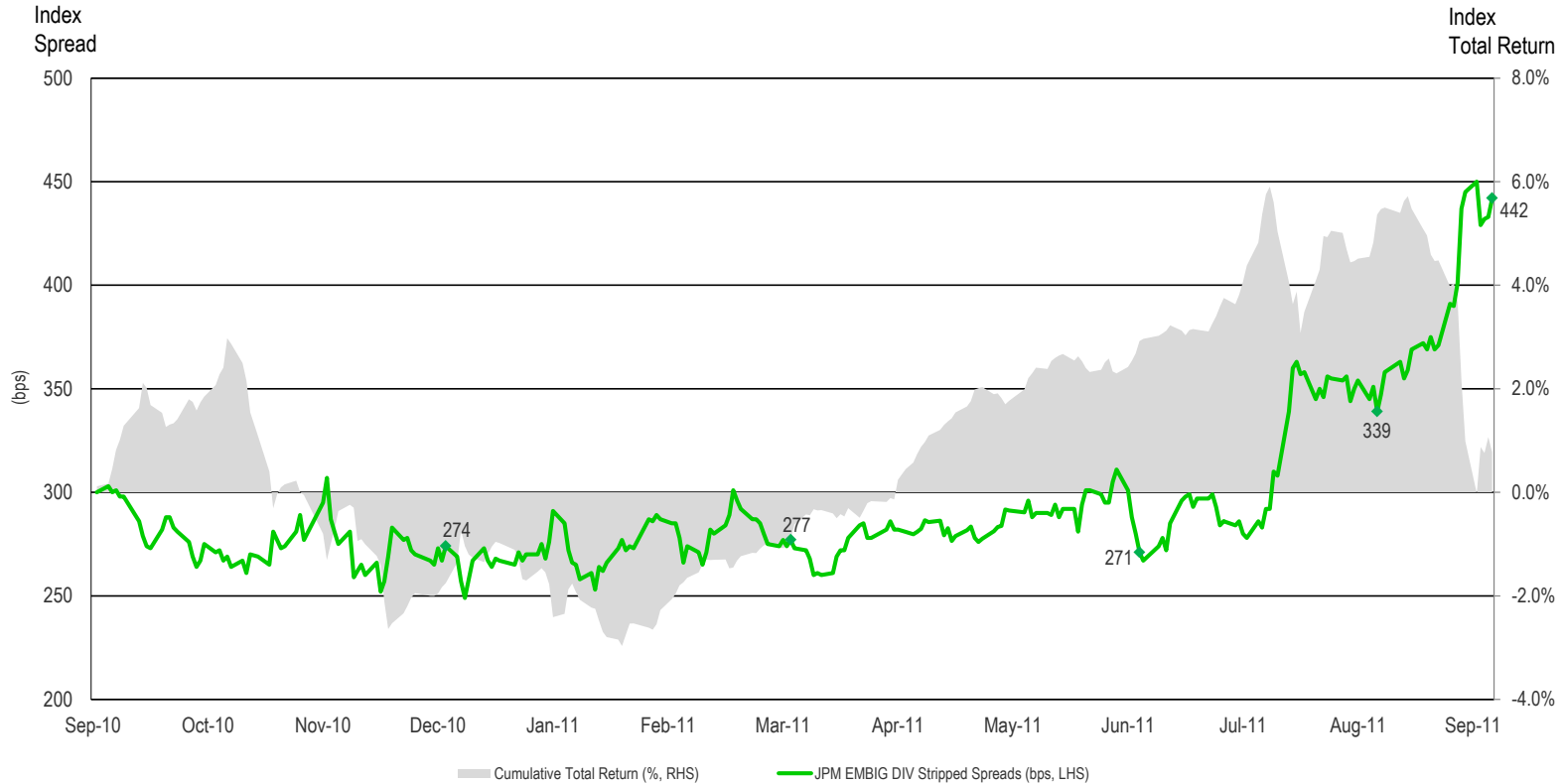
Index Total Return, Quarter Ended 30 September 2011



Please refer to the endnotes for source information.
 Past performance is not a guarantee of future results.

Emerging Markets Debt – Index Spreads and Cumulative Total Return

JP Morgan Emerging Markets Bond Index Global Diversified (Trailing 12 Months), as of 30 September 2011



Daily, latest 12 months through 30 September 2011

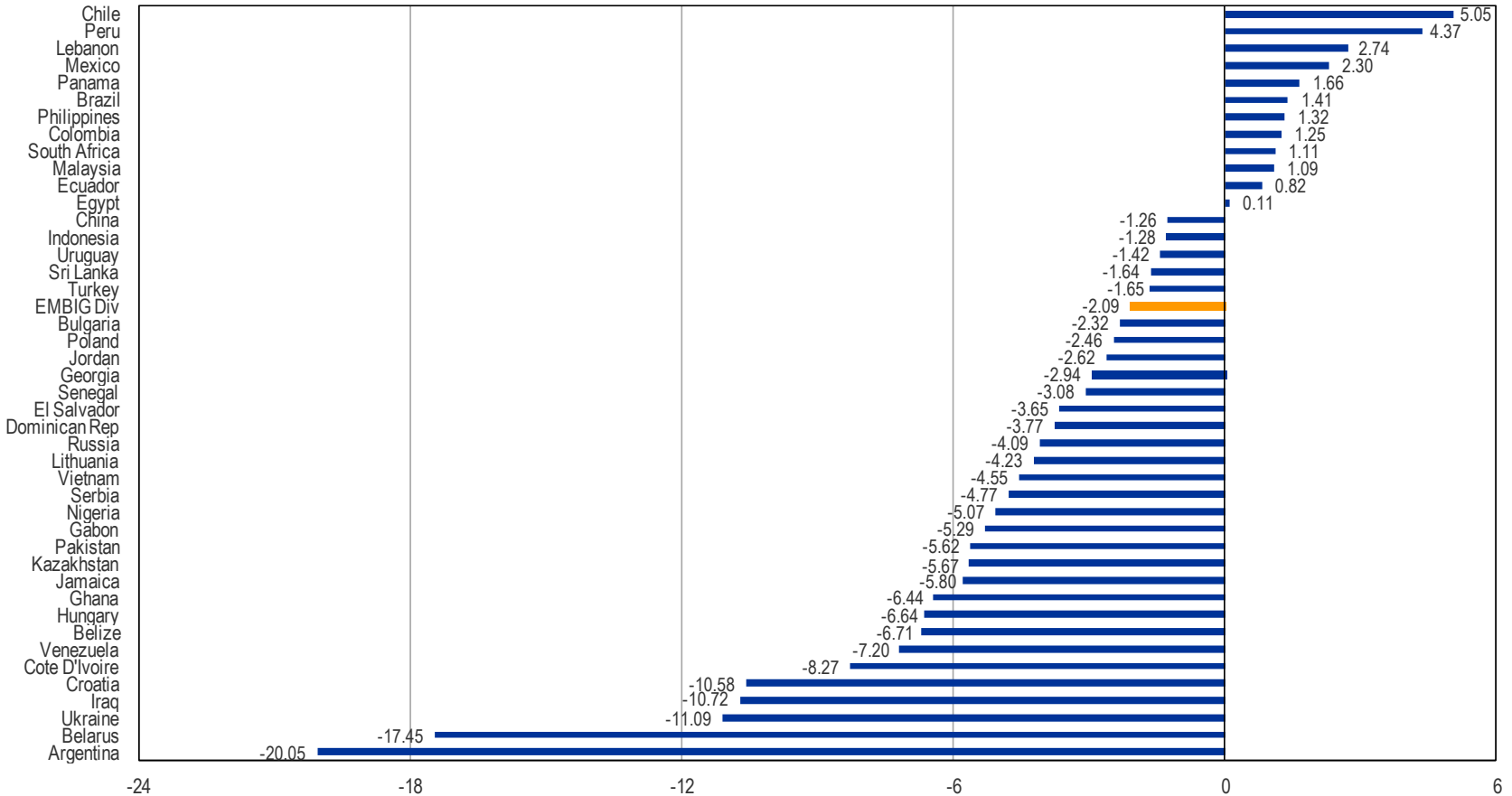
Source: JP Morgan, Inc., Bloomberg. Past performance is not a guarantee of future results.

Country Index Total Returns

Quarter Ended 30 September 2011

- JP Morgan Emerging Markets Bond Index Global Diversified

Total Rate of Return (%)



Outlook and Risks

2011-2012, Emerging Markets Debt

Our Outlook

- EM growth slows, but exceeds developed markets by considerable margin
- Central banks to refocus on policies promoting growth
- Global slowdown leads to monetary easing
- Regional differences are magnified by ability to provide renewed stimulus
- Commodity prices at historically supportive levels
- G3 policy rates remain low
- No China hard landing

Risks

- Europe fails to contain its sovereign debt crisis
- US economy slips back into recession
- China fails to maintain investment spending rate, risking hard landing
- Currency wars turn into trade wars
- Inflation fails to moderate in EM countries
- Middle-East and North Africa risks intensify; oil prices rise sharply

Endnotes

This material is solely for informational purposes and shall not constitute an offer to sell or the solicitation to buy securities. The opinions expressed herein represent the current, good faith views of the author(s) at the time of publication and are provided for limited purposes, are not definitive investment advice, and should not be relied on as such. The information presented in this article has been developed internally and/or obtained from sources believed to be reliable; however, Stone Harbor Investment Partners LP (“Stone Harbor”) does not guarantee the accuracy, adequacy or completeness of such information. Predictions, opinions, and other information contained in this presentation are subject to change continually and without notice of any kind and may no longer be true after the date indicated. Any forward-looking statements speak only as of the date they are made, and Stone Harbor assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. This material is directed exclusively at investment professionals. Any investments to which this material relates are available only to or will be engaged in only with investment professionals.

The value of investments and income from them can fluctuate and are not guaranteed. Investors may not get back the amount invested. Rates of exchange may cause the value of investments to go up or down. The value of investments will fall in the event of the default or reduced credit rating of the issuer. Past performance is not a guarantee of future results.

Investment services are provided by Stone Harbor and Stone Harbor Investment Partners (UK), LLP. Stone Harbor is an SEC registered investment adviser. Stone Harbor Investment Partners (UK), LLP, a limited liability partnership, is authorised and regulated by the Financial Services Authority.

Indices definitions, please refer to page 2:

Index Short Name	Index	Ticker
EM Corp HG	CEMBI Broad Diversified High Grade	JBCDIGIG INDEX
EM Corp HY	CEMBI Broad Diversified High Yield	JBCDNOIG INDEX
EM Corp	CEMBI Broad Diversified	JBCDCOMP INDEX
EM Local	GBI EM Global Diversified	JGENVUUG index
EM \$ Sovrn	EMBI Global Diversified	JPGCCOMP INDEX
US HY	Citigroup High Yield Capped	SBHCMCAP index
US HG	JP Morgan US High Grade	JULIR index
GSCI Energy	S&P GSCI Energy	SPGCENTR INDEX
GSCI Agriculture	S&P GSCI Agriculture	SPGCAGTR INDEX
Gold	SPDR Gold Trust	gld equity
US TIPS	Barclays US TIPS	lbuttruu index
US Tsy 7-10	Barclays US Tsy 7-10 YR	lt09truu index
Global Agg	Barclays Global Aggregate	legatruu index
EM Equities	EM Equities (MSCI EM Free)	gdueegf index
S&P 500	S&P 500 Index	sptr index
US Dollar	US Dollar Index	DXY index

Indices Definitions

JPMorgan EMD Indices

The JPMorgan EMBI Global Index (EMBIG) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. The changes in the benchmark more accurately reflect the investment strategy.

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 EMBI Global Diversified are identical to those covered by the EMBI Global.

The JPMorgan GBI-EM Global Diversified consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure. The weightings among the countries are more evenly distributed within this index. Although not expected to be a principal investment tool, the Portfolio may make use of derivative securities (including futures and options on securities, securities indices or currencies, options on futures, forward currency contracts, and interest rate, currency or credit default) for the purposes of reducing risk and/or obtaining efficient investment exposure.

JPMorgan Corporate Emerging Markets Bond Index (CEMBI): The CEMBI tracks total returns of US dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries. Two variations are available: CEMBI Broad and CEMBI. The CEMBI Broad is the most comprehensive corporate benchmark followed by the CEMBI, which consists of an investable universe of corporate bonds. Both indices are also available in Diversified version. The JPMorgan CEMBI Broad Diversified limits the current face amount allocations of the bonds in the CEMBI Broad by constraining the total face amount outstanding for countries with larger debt stocks. Qualifying corporate bonds have a face amount greater than USD 300 million, maturity greater than 5 years, verifiable prices and cash flows, and from countries within Asia ex-Japan, Latin America, Eastern Europe, Middle East, and Africa.

Citigroup Investment Grade Indices

The US Broad Investment Grade (USBIG) Bond Index is designed to track the performance of bonds issued in the US investment-grade bond market. The USBIG Index includes institutionally traded US Treasury, government-sponsored (US agency and supranational), mortgage, asset-backed, and investment-grade securities.

The Mortgage Index comprises 30- and 15-year GNMA, FNMA, and FHLMC securities, and FNMA and FHLMC balloon mortgages and is reconstituted each month to reflect new issuance and principal paydowns. All mortgage pools are aggregated by coupon within agency and product type.

The Citigroup US Treasury Benchmark (On-The-Run) Indexes measure total returns for the current two-, three-, five-, ten-, and 30-year on-the-run Treasuries that have been in existence for the entire month.

Citigroup HY Indices

The Citigroup High Yield Market Index (previously the Salomon Smith Barney High Yield Market Index) is a total rate-of-return index which captures the performance of below investment-grade debt issued by corporations domiciled in the United States or Canada. This index comprises Citigroup's broadest market measure and includes cash-pay and deferred-interest securities. All the bonds in the high-yield indices are publicly placed, have a fixed coupon and are non-convertible.

The Citigroup High Yield Market Capped Index represents a modified version of the High Yield Market Index by delaying the entry of fallen angel issues and capping the par value of individual issuers at US \$5 billion par amount outstanding.

The Citigroup High Market Index includes cash-pay, deferred-interest, and Rule 144A bonds. The bonds must have a remaining maturity of at least one year, a minimum amount outstanding of \$100 million (subject to an entry criteria of \$200 million per issue or \$400 million per issuer), and a speculative-grade rating by both Moody's Investor Service and Standard & Poor's.

Indices Definitions

MSCI

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of January 2009 the MSCI Emerging Markets Index consisted of the following 23 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The MSCI EAFE tracks stocks in Europe, Australia, and East Asia. It is considered one of the most important indices for stocks outside the United States; indeed, its strong performance in the 1980s and early 1990s has been credited with spurring American interest in foreign investment. It is weighted for market capitalization.

S&P GSCI

The S&P GSCI (formerly the Goldman Sachs Commodity Index) serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time. It is a tradable index that is readily available to market participants of the Chicago Mercantile Exchange. It is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The returns are calculated on a fully collateralized basis with full reinvestment. The combination of these attributes provides investors with a representative and realistic picture of realizable returns attainable in the commodities markets.

S&P 500

An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

JP Morgan GHY

The JP Morgan Global High Yield Index is designed to mirror the investable universe of the U.S. dollar high-yield corporate debt market, including domestic and international issues. The minimum amount outstanding for issues to be added to the index is \$75mm (par value). The index contains fixed rate corporate debt securities, PIKS, step-ups, and deferred coupon bonds.

JPM Investment Grade Indices

The JP Morgan U.S. Liquid Index (JULI) tracks the performance of the investment grade market and its components. Corporate bonds rated Baa3/BBB- or higher by Moody's and Standard & Poor's, respectively, with issue sizes of at least \$300 million will qualify for inclusion in the index. A further requirement is that each bond be issued by a corporate entity that has at least \$1 billion of fixed rate bonds outstanding to ensure overall issuer liquidity.

Indices Definitions

Barclays Capital Investment Grade Indices

The Barclays Capital U.S. TIPS index consists of the Inflation-Protection securities issued by the U.S. Treasury.

The Barclays Capital U.S. Treasury 7-10 Year Index tracks the obligations of the U.S. Treasury with a remaining maturity of 7-10 years.

The Barclays Capital Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities

SPDR Gold Trust

SPDR Gold Trust is an investment fund incorporated in the USA. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust's expenses. The Trust holds gold and is expected from time to time to issue Baskets in exchange for deposits of gold and to distribute gold in connection with redemptions of Baskets.

US Dollar Index

The U.S. Dollar Index (USDX) indicated the general int'l value of the USD. The USDX does this by averaging the exchange rates between the USD and major world currencies. The ICE US computed this by using the rates supplied by some 500 banks.