

Stone Harbor Emerging Markets Income Fund
Form N-Q
October 31, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-22473

Stone Harbor Emerging Markets Income Fund

(Exact name of registrant as specified in charter)

1290 Broadway, Suite 1100

Denver, CO 80203

(Address of principal executive offices) (Zip code)

Adam J. Shapiro, Esq.

c/o Stone Harbor Investment Partners LP

31 West 52nd Street, 16th Floor

New York, NY 10019

(Name and address of agent for service)

With copies To:

John M. Loder, Esq.

Ropes & Gray LLP

One International Place

Boston, MA 02110-2624

Registrant's telephone number, including area code: (303) 623-2577

Date of fiscal year end: November 30

Date of reporting period: June 1, 2011 August 31, 2011

Item 1. Schedule of Investments.

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Stone Harbor Emerging Markets Income Fund

Statement of Investments
August 31, 2011 (Unaudited)

					Market Value
			Maturity	Principal	(Expressed
	Currency	Rate	Date	Amount *	in U.S. \$)
SOVEREIGN DEBT OBLIGATIONS - 43.76%					
Argentina - 10.44%					
<i>Republic of Argentina:</i>					
	ARS	2.000%	09/30/2014	\$ 16,106,738	\$ 3,465,686 ⁽¹⁾
		7.000%	10/03/2015	20,000,000	18,735,000 ⁽²⁾
		7.000%	04/17/2017	7,978,587	7,004,978 ⁽²⁾
		8.280%	12/31/2033	10,996,216	8,741,992 ⁽²⁾
	EUR	0.000%	12/15/2035	8,299,166	1,695,860 ⁽¹⁾
					39,643,516
Brazil - 0.10%					
<i>Republic of Brazil</i>					
		4.875%	01/22/2021	332,000	368,686
Croatia - 0.43%					
<i>Croatian Government</i>					
		6.375%	03/24/2021	1,637,000	1,618,584 ⁽³⁾
Ghana - 0.32%					
<i>Republic of Ghana</i>					
		8.500%	10/04/2017	1,077,000	1,223,741 ⁽⁴⁾
Iraq - 0.73%					
<i>Republic of Iraq</i>					
		5.800%	01/15/2028	3,100,000	2,778,375 ⁽⁴⁾
Malaysia - 2.01%					
<i>Malaysian Government:</i>					
	MYR	5.094%	04/30/2014	16,380,000	5,756,063
	MYR	4.012%	09/15/2017	5,500,000	1,889,876
					7,645,939
Mexico - 12.71%					
<i>Mexican Bonos:</i>					
	MXN	8.000%	06/11/2020	76,810,000	7,144,536
	MXN	6.500%	06/10/2021	40,850,000	3,420,820
	MXN	8.500%	05/31/2029	195,630,000	18,375,210
	MXN	8.500%	11/18/2038	165,420,000	14,967,129
<i>United Mexican States:</i>					
		5.125%	01/15/2020	326,000	366,343
		5.750%	10/12/2110	4,040,000	3,989,500
					48,263,538

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Philippines - 0.17%

Republic of Philippines

PHP

4.950%

01/15/2021

26,000,000

630,210

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					Market Value
					(Expressed
	<u>Currency</u>	<u>Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Amount *</u>
					<u>in U.S. \$)</u>
Russia - 3.83%					
<i>Russian Federation:</i>					
		11.000%	07/24/2018	\$ 3,041,000	\$ 4,363,835 ⁽²⁾⁽⁴⁾
		12.750%	06/24/2028	5,704,000	10,181,640 ⁽²⁾⁽⁴⁾
					14,545,475
South Africa - 9.54%					
<i>Republic of South Africa:</i>					
	ZAR	8.250%	09/15/2017	70,000,000	10,427,487
		6.875%	05/27/2019	570,000	704,663
	ZAR	6.750%	03/31/2021	143,940,000	19,081,685
	ZAR	10.500%	12/21/2026	34,900,000	6,023,393
					36,237,228
Ukraine - 1.09%					
<i>Ukraine Government:</i>					
		6.875%	09/23/2015	2,000,000	2,057,500 ⁽³⁾
		7.750%	09/23/2020	2,000,000	2,072,500 ⁽²⁾⁽⁴⁾
					4,130,000
Uruguay - 0.13%					
<i>Republic of Uruguay</i>					
		9.250%	05/17/2017	385,000	513,975
Venezuela - 2.26%					
<i>Republic of Venezuela</i>					
		12.750%	08/23/2022	9,791,600	8,567,650 ⁽²⁾⁽⁴⁾
TOTAL SOVEREIGN DEBT OBLIGATIONS					166,166,917
(Cost \$167,783,152)					
BANK LOANS - 3.88%⁽⁵⁾					
Brazil - 0.52%					
<i>Virgolino de Oliveira - GVO Loan</i>					
		5.273%	03/11/2015	2,000,000	1,982,500
Indonesia - 3.36%					
<i>PT Bumi Tranche A</i>					
		0.000%	03/02/2012	7,157,442	7,085,868
<i>PT Bumi Tranche B</i>					
		0.000%	03/02/2012	5,712,558	5,655,432
					12,741,300

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TOTAL BANK LOANS

14,723,800

(Cost \$14,870,000)

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				Market Value	
	Currency	Rate	Maturity Date	Principal Amount *	(Expressed in U.S. \$)
COMMON STOCK - 2.11%					
Russia - 2.11%					
Vallares PLC	GBP	0.000%		\$ 500,000	\$ 8,015,032 ⁽⁶⁾
TOTAL COMMON STOCK					8,015,032
(Cost \$8,089,306)					
CORPORATE BONDS - 30.72%					
Argentina - 0.65%					
Capex SA		10.000%	03/10/2018	1,413,000	1,298,123 ⁽³⁾
<i>Empresa Distribuidora Y Comercializadora Norte:</i>					
		9.750%	10/25/2022	500,000	452,500 ⁽⁴⁾
		9.750%	10/25/2022	511,000	462,455 ⁽³⁾
Tarjeta Naranja SA		9.000%	01/28/2017	250,000	255,605 ⁽³⁾
					2,468,683
Barbados - 0.40%					
Columbus International, Inc.		11.500%	11/20/2014	1,439,000	1,539,730 ⁽⁴⁾
Brazil - 2.72%					
Banco Cruzeiro do Sul SA		8.875%	09/22/2020	2,372,000	2,134,800 ⁽⁴⁾
BR Malls International Finance Ltd.		8.500%	01/21/2049	512,000	535,040 ⁽³⁾
General Shopping Finance Ltd.		10.000%	11/09/2015	1,239,000	1,263,780 ⁽³⁾
Hypermarcas SA		6.500%	04/20/2021	2,000,000	1,952,000 ⁽³⁾
Mirabela Nickel Ltd.		8.750%	04/15/2018	297,000	277,695 ⁽³⁾
NET Servicos de Comunicacao SA		7.500%	01/27/2020	508,000	593,090
Odebrecht Finance Ltd.		7.000%	04/21/2020	200,000	219,000 ⁽⁴⁾
OGX Petroleo e Gas Participacoes SA		8.500%	06/01/2018	1,532,000	1,543,490 ⁽³⁾
Petrobras International Finance Co.		5.375%	01/27/2021	257,000	276,532
Virgolino de Oliveira Finance Ltd.		10.500%	01/28/2018	1,500,000	1,528,125 ⁽⁴⁾
					10,323,552
China - 1.68%					
Country Garden Holdings Co.		11.125%	02/23/2018	750,000	749,025 ⁽³⁾
Evergrande Real Estate Group Ltd.		13.000%	01/27/2015	367,000	349,567 ⁽⁴⁾
Kaisa Group Holdings Ltd.		13.500%	04/28/2015	1,300,000	1,124,500 ⁽⁴⁾
MIE Holdings Corp.		9.750%	05/12/2016	1,532,000	1,470,720 ⁽³⁾
Texhong Textile Group Ltd.		7.625%	01/19/2016	1,000,000	855,000 ⁽⁴⁾
West China Cement Ltd.		7.500%	01/25/2016	2,000,000	1,830,000 ⁽³⁾
					6,378,812

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Colombia - 0.31%

<i>Emgesa SA ESP</i>	COP	8.750%	01/25/2021	911,000,000	553,568 ⁽³⁾
<i>Empresas Publicas de Medellin ESP</i>	COP	8.375%	02/01/2021	1,030,000,000	607,747 ⁽³⁾

1,161,315

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					Market Value
	<u>Currency</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Principal Amount *</u>	<u>(Expressed in U.S. \$)</u>
Dominican Republic - 0.88%					
<i>Cap Cana SA:</i>					
		10.000%	04/30/2016	\$ 3,182,011	\$ 1,166,710 ⁽⁴⁾
		10.000%	04/30/2016	3,621,970	2,173,182 ⁽⁴⁾
					3,339,892
Indonesia - 1.90%					
<i>Bakrie Telecom Pte Ltd.</i>					
		11.500%	05/07/2015	1,666,000	1,382,780 ⁽⁴⁾
<i>BLT Finance BV</i>					
		7.500%	05/15/2014	1,098,000	627,022 ⁽⁴⁾
<i>BSP Finance BV</i>					
		10.750%	11/01/2011	1,000,000	975,000
<i>Bumi Investment Pte Ltd.</i>					
		10.750%	10/06/2017	200,000	221,000 ⁽⁴⁾
<i>European Bank for Reconstruction & Development</i>					
	IDR	7.200%	06/08/2016	32,570,000,000	4,021,725
					7,227,527
Kazakhstan - 2.30%					
<i>BTA Bank JSC</i>					
		10.750%	07/01/2018	8,930,945	6,162,352 ⁽⁴⁾⁽⁷⁾
<i>KazMunayGas National Co.:</i>					
		8.375%	07/02/2013	635,000	685,007 ⁽⁴⁾
		9.125%	07/02/2018	309,000	374,276 ⁽³⁾
<i>Zhaikmunai LLP</i>					
		10.500%	10/19/2015	1,521,000	1,521,000 ⁽⁴⁾
					8,742,635
Mexico - 3.63%					
<i>America Movil SAB de CV</i>					
		2.375%	09/08/2016	2,300,000	2,281,324
<i>BBVA Bancomer SA</i>					
		4.500%	03/10/2016	404,000	408,040 ⁽⁴⁾
<i>Cemex Espana Luxembourg</i>					
		9.250%	05/12/2020	1,110,000	910,200 ⁽⁴⁾
<i>Cemex SAB de CV:</i>					
		5.246%	09/30/2015	3,784,000	2,904,220 ⁽¹⁾⁽³⁾
		9.000%	01/11/2018	1,000,000	830,000 ⁽⁴⁾
		9.000%	01/11/2018	2,983,000	2,475,890 ⁽³⁾
<i>Geo Maquinaria</i>					
		9.625%	05/02/2021	4,056,730	3,975,595 ⁽³⁾
					13,785,269
Peru - 0.81%					
<i>Inkia Energy Ltd.</i>					
		8.375%	04/04/2021	3,000,000	3,060,000 ⁽³⁾
Russia - 1.60%					
<i>Metalloinvest Finance Ltd.</i>					
		6.500%	07/21/2016	1,737,000	1,697,917 ⁽³⁾
<i>Russian Agricultural Bank OJSC Via RSHB</i>					
<i>Capital SA</i>					
		7.750%	05/29/2018	3,000,000	3,431,250 ⁽³⁾
<i>VimpelCom Holdings BV</i>					
		7.504%	03/01/2022	1,000,000	953,750 ⁽³⁾

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6,082,917

Turkey - 0.51%

Yuksel Insaat AS

9.500%

11/10/2015

2,152,000

1,936,800⁽⁴⁾

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					Market Value
			Maturity	Principal	(Expressed
	Currency	Rate	Date	Amount *	in U.S. \$)
Ukraine - 3.46%					
<i>Ferrexpo Finance PLC</i>		7.875%	04/07/2016	\$ 600,000	\$ 560,250 ⁽³⁾
<i>Metinvest BV</i>		8.750%	02/14/2018	2,268,000	2,228,310 ⁽³⁾
<i>MHP SA</i>		10.250%	04/29/2015	710,000	720,650 ⁽⁴⁾
<i>Mriya Agro Holding PLC</i>		10.950%	03/30/2016	4,291,000	4,269,545 ⁽³⁾
<i>NAK Naftogaz Ukraine</i>		9.500%	09/30/2014	5,000,000	5,356,250 ⁽²⁾
					13,135,005
United Arab Emirates - 0.56%					
<i>Dubai Holding Commercial Operations MTN Ltd.:</i>					
	EUR	4.750%	01/30/2014	150,000	184,769
	GBP	6.000%	02/01/2017	1,550,000	1,956,276
					2,141,045
Venezuela - 9.31%					
<i>Petroleos de Venezuela SA:</i>					
		4.900%	10/28/2014	45,131,850	33,397,569 ⁽²⁾
		5.250%	04/12/2017	3,240,000	1,964,250
					35,361,819
TOTAL CORPORATE BONDS					116,685,001
<i>(Cost \$121,152,234)</i>					