



EMERGING MARKET DEBT SECURITIES RISK DISCLOSURE STATEMENT

THIS SECTION FOR INTERNAL USE ONLY

Advisor Name:

Advisor Phone Number:

Client Name:

Client Account Number(s):

AN INVESTMENT IN EMERGING MARKET DEBT SECURITIES IS SUBJECT TO SPECIAL RISKS WHICH AN INVESTOR SHOULD CAREFULLY CONSIDER.

StateTrust Investments, Inc. is providing this Risk Disclosure Statement as a service to its clients who are considering an investment in emerging market debt securities. This document is not intended to be an exhaustive description of the risks involved in any individual security, but rather a general statement of risks commonly associated with securities of this type. Please read these risks carefully, and sign the bottom of this form to indicate your acknowledgement of these risks.

EMERGING MARKET DEBT SECURITIES

Emerging market debt securities are corporate and sovereign debt securities issued by corporations, or the governments of countries outside the Northern and Western Europe, Japan, the US and Canada. Emerging market debt securities may have credit ratings issued by nationally recognized credit rating organizations such as Standard & Poor's or Moody's, or may be non-rated securities. Emerging market debt securities with available credit ratings are typically rated below investment grade. These securities normally offer a higher-yield than investment grade bonds, but also present greater risks with respect to liquidity, volatility, and non-payment of principal and interest. The following is a more inclusive description of risks associated with emerging market debt.

Country Risk: Emerging market debt securities are vulnerable to the direct or indirect consequences of political, social or economical changes in their issuing countries. Some of these countries have historically experienced, and may continue to experience, economic and political instability, high rates of inflation, high interest rates, exchange rate volatility and difficulties with monetary convertibility. Companies from emerging market countries may also be exposed to the possibility of nationalization and other adverse governmental actions, including the withholding of interest and principal repayments at the source. In the event of default, it may be difficult to obtain or enforce a judgment against an issuer of emerging market debt securities.

Credit Risk: An investment grade debt issue generally has a high capacity to pay interest and repay principal with little susceptibility to adverse changes in economic conditions. An emerging market debt security that is not investment grade generally has predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Therefore, there is greater risk of non-payment of interest and loss of principal. In fact, many issuers of emerging market debt securities have experienced substantial difficulties in servicing their debt obligations, which has led to defaults and restructuring. The country risks discussed below may also increase the risk of default for an issuer of emerging market debt securities. Due to these risks, the issuers of emerging market debt securities generally have to pay higher rate of interest than that which is available from investment grade debt securities issued by U.S. corporations or municipalities.

Liquidity & Secondary Market Risk: The "markets" in which emerging market debt securities are traded are generally more limited than those in which investment grade securities are traded. This lack of liquidity may make it more difficult to resell these securities and obtain market quotations. In addition, the proceeds from sales prior to maturity may be more or less than principal invested due to changes in market conditions or changes in the credit quality of the issuer.

Interest Rate Risk: Generally, a rise in interest rates may negatively affect the price of market-traded bonds, because bond prices tend to move counter to the direction of rates. Therefore, rising rates may cause bond prices to decline. Additionally, bonds with longer maturities may be more sensitive to such interest rate movements.

Call Risk: Emerging market debt securities may be subject to call by the issuer, providing the issuer the right to redeem its issued debt, fully or partially, before the scheduled maturity date of the security. In the event a security is called, an investor may be unable to reinvest the proceeds from such redemption, in an investment with similar return and risk characteristics. In many situations, reinvesting may occur in a lower interest rate environment when compared to the original issuance date of the emerging market debt security that was called.



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Currency Convertibility Risk: Government action may prohibit the free conversion of a country's local currency. Under these conditions an issuer of emerging market debt securities may be prohibited from remitting U.S. dollars or other non-local currencies to satisfy interest and principal payments. Additionally, an investor may be prevented from converting local currency payments into U.S. dollars or other non-local currencies.

Volatility Risk: The market value of emerging market debt securities tend to be sensitive to developments involving the issuer and to changes in economic conditions. Consequently, emerging market debt securities have greater price volatility than investment grade debt securities.

Currency Risk: The value of investments in emerging market debt securities denominated in currencies other than the U.S. dollar will be affected by changes in the exchange rate between the U.S. dollar and that currency. A relative increase in the value of the U.S. dollar may adversely affect the value of a non U.S. dollar denominated debt security.

Disclosure Risk: Issuers of emerging market debt securities may be subject to accounting and regulatory reporting standards and requirements, which are generally less extensive than the standards and requirements applicable to issuers of investment grade debt securities issued within the United States. Consequently, the availability and accuracy of public information regarding the issuers of emerging market debt securities may be greatly limited.

DISCLAIMER

Neither the information provided nor any opinion expressed within this Risk Disclosure Statement constitutes a solicitation for the purchase or sale of any security. The information provided herein is not intended as an analysis of any individual security. All descriptions of risks are provided for discussion purposes only and reflect some but not all of the risks commonly associated with securities of this type. Information has been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. StateTrust Investments, Ltd. and/or its affiliates and persons employed or associated with such entities (together, the "Firm"), as principal or agent, may at any time or from time to time be long, short, sell or buy any securities mentioned in this material. The firm may from time to time perform investment banking or other services for, or solicit investment banking or other services from, companies or sovereigns issuing securities mentioned in this material. **StateTrust Investments, Inc.**, its affiliates and its employees do not provide tax or legal advice. To the extent that this material or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Securities offered through **StateTrust Investments, Inc.**, member of SIPC/FINRA.

Client Attestation:

I understand the potential risks associated with purchasing Emerging Market Debt securities as described to me within this Disclosure Statement. I also understand that these risks may result in complete or partial loss of principal invested, failure to receive periodically scheduled interest payments, and volatility in market value.

TO BE COMPLETED BY CLIENT

By: (Signature of Client)	Date:
PRINT Name	Title:
By: (Signature of Client - Joint Acct.)	Date:
PRINT Name	Title:
By: (Signature of Client - Joint Acct.)	Date:
PRINT Name	Title:
Approved by (signature):	Date: