Global Emerging Markets Specialist

Argo Group Limited

33-37 Athol Street, Douglas, Isle of Man, IM1 1LB T: +3 572 266 8900, F: +3 572 244 5177

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Contents

Introduction to Argo

- Tracing its roots back to 2000, Argo Group Limited is an alternative investment management group offering a multi-strategy investment platform in global Emerging Markets (EM): its shares are quoted on AIM. The two principal operating subsidiaries are Argo Capital Management (Cyprus) Limited, the investment manager to the funds and Argo Capital Management Limited, the London-based investment advisory company. These companies are individually or collectively referred to as "Argo".

- Argo is a fundamental value investor that aims to deliver low volatility, double-digit absolute returns by utilising an array of different strategies including fixed income relative value, special situations, local currencies and rates, private equity, real estate, high yield corporate credit and distressed debt.

- Argo manages five funds and has one of the longest investment track records in its peer group.

- Argo manages The Argo Fund, the award-winning Argo Global Special Situations Fund and the Argo Capital Partners Fund, which is a private equity fund. Argo Capital Management Property Limited, an affiliate company, manages the closed-end AIM listed Argo Real Estate Opportunities Fund Limited.

- Argo also manages the Argo Distressed Credit Fund (ADCF). Launched in 2008 in the middle of the crisis designed to take advantage of deep value opportunities in the credit markets. It invests in stressed and distressed credit opportunities using bottom-up, fundamental analysis.

- Argo's experienced investment team is led by founder and CIO, Andreas Rialas.

Argo Group's Limited Latest Financials Results

- Profitable 2009 results with revenues of USD11.7m and operating profits of USD0.9m for the year ended 31 December 2009
- Healthy balance sheet with net assets of USD44.5m
- Profit before tax of USD2.4m for the year ended 31 December 2009
- Performance across the range of Argo Funds was mostly encouraging for the year ended 31 December 2009
- 2009 has been a period of stabilisation for the Company

All figures are for the year ended 31 December 2009

Board of Directors

- **Michael Kloter**
  Non-Executive Chairman

  Michael holds a law degree from the University of Geneva, Switzerland, and a lawyer's licence of the Canton of Zurich, Switzerland. After gaining professional experience as a clerk at the District Court of Zurich and experience in a business law practice in Zurich, Switzerland, he founded his own law firm in Zurich in 1995. Since then he has practised as a business lawyer and acts as director for a number of companies.

- **David Fisher**
  Non-Executive Director

  David Fisher is Chairman of the Investment Committee of Innova Capital, one of Central Europe's leading private equity firms; of EnerCap Partners, a new renewable energy fund in Central Europe; and of Da Vinci CIS Private Sector Growth Fund Limited. He has over 30 years of experience in business, finance and law.

  As a Partner at Innova and as the Chief Investment Officer for CARESBAC-Polska and the Romanian-American Enterprise Fund, David has made and managed more than 30 private equity investments in Central & Eastern Europe in the last 15 years. Formerly he was Group Vice President and General Counsel of Communications Equity Associates, a worldwide media, entertainment and communications merchant bank. He is a Chartered Director with the Institute of Directors and holds a Diploma in International Commercial Arbitration from the Chartered Institute of Arbitrators. David holds degrees from Davidson College (BA), Vanderbilt Law School (JD) and Harvard Business School (MBA). He is an American who has lived and worked in Europe for more than 15 years.

- **Kenneth Watterson**
  Non-Executive Director

  Kenneth has 23 years of experience within the financial services industry. His specific areas of expertise include compliance and risk management, operations and change management. Kenneth holds a Master's degree from the University of St. Andrews and a Master's degree from London Guildhall University in Financial Regulation & Compliance Management, specialising in Corporate Governance. He has board experience within a number of UK, Isle of Man and Channel Islands companies.

- **Kyriakos Rialas**
  Chief Executive Officer
  Kyriakos has 24 years of professional investment and managerial experience in the financial services sector. He has overall responsibility for risk management, legal, regulatory and general management of the Argo business. Prior to joining Argo, he was General Manager of Emporiki Bank in Cyprus from 1999 to 2003 where he managed a portfolio of syndicated loans worth US$1 billion. Kyriakos has also worked for the Treasury department of the Bank of Cyprus Group and London Forfaiting Cyprus where he was Finance Director, overseeing subsidiaries in India, Russia, Thailand and Hong Kong. Before that he worked for Capital Intelligence in bank analysis and rating for emerging markets. He has a degree in Engineering from the University of Cambridge and qualified as a Chartered Accountant with KPMG in London. He started his banking career in the fixed income division of SG Warburg & Co in London.

- **Andreas Rialas**
  Chief Investment Officer
  Prior to founding Argo, Andreas worked for Deutsche Bank for three years where he was involved in emerging markets proprietary trading and trade finance specialist products. Before that, he was at London Forfaiting (Asia) Ltd as Head of Secondary Debt Trading in emerging markets. Andreas has travelled extensively in both Eastern and Western Europe visiting and cultivating relationships with banks. He originated and syndicated many pioneering syndicated loan and trade finance transactions for Eastern European borrowers in the Baltic States, Bulgaria, the Czech Republic, Croatia, Kazakhstan, Macedonia, Romania, Russia, Slovakia and Ukraine. In his role as Head of Secondary Debt Trading at London Forfaiting, he developed extensive knowledge of the Asian Debt Markets and was responsible for the secondary trading in Europe of primary assets originated by the Hong Kong subsidiary of London Forfaiting (Asia) Ltd. He studied law at the University of London, graduating in 1991 and subsequently trained to be an English Barrister specialising in banking law qualifying in 1993.

Argo Group Organisational Chart

ISLE OF MAN
Argo Group Ltd
(Listed on AIM)

CYPRUS
Argo Capital Management (Cyprus) Ltd

1x CEO/Risk Officer
2x Investment Professionals
2x Operations
1x Investor Relations/Marketing

LONDON
Argo Capital Management Ltd

6x Investment Professionals
2x Marketing
1x Middle Office
1x Legal
2x Accounts/Administration

SINGAPORE
Argo Capital Management (Asia) PTE Ltd

1x Investment Professional
1x Administration

ARGENTINA
Argentum Management Company SA

2x Investment Professionals
1x Administration

CAYMAN ISLANDS
Argo Capital Management Property Ltd

2x Investment Professionals
1x Accounts

The Market Opportunity

Why the Recovery in EM is Justified

In the last year, equity markets in EM have soared, credit spreads have tightened, and local currencies have advanced against the US dollar. Why is this justified?

- Stronger GDP growth (see table).
- Larger FX reserves and lower debt ratios than in previous crises.
- A growing middle-class and a substantial local savings pool.
- Favourable demographics in many EM countries.
- Lower household and corporate sector leverage than advanced economies.
- Better management of fiscal and monetary policy in many emerging economies than was the case twenty years ago.

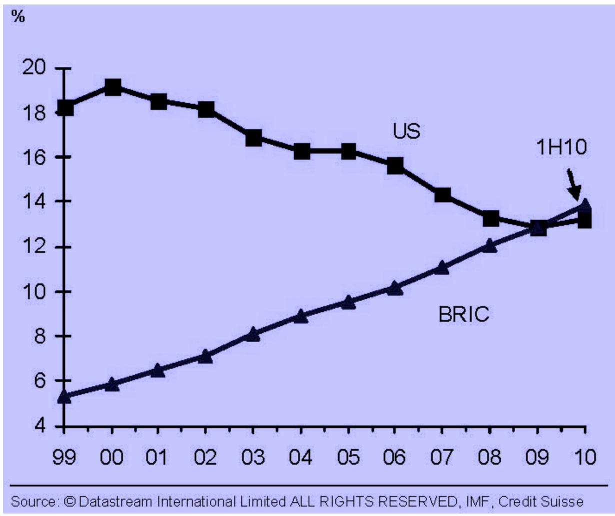
Global Economic Growth

Real GDP Growth %	2008	2009 (E)	2010 (F)	2011 (F)
Developed Economies	**0.7**	**-3.4**	**2.6**	**2.6**
Emerging Economies	5.6	2,4	7.3	6.4
Emerging Markets Growth Outperformance	4.9	5.8	4.7	3.8

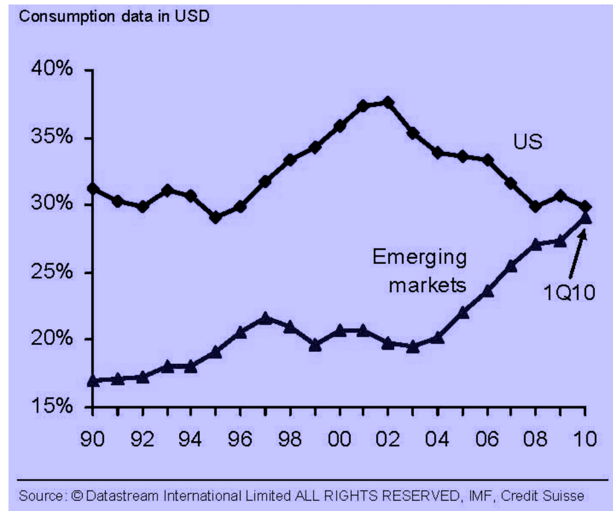
Source: Barclays Capital, Sep 2010

EM's Strong Fundamentals

EM: Rise in their share of world imports



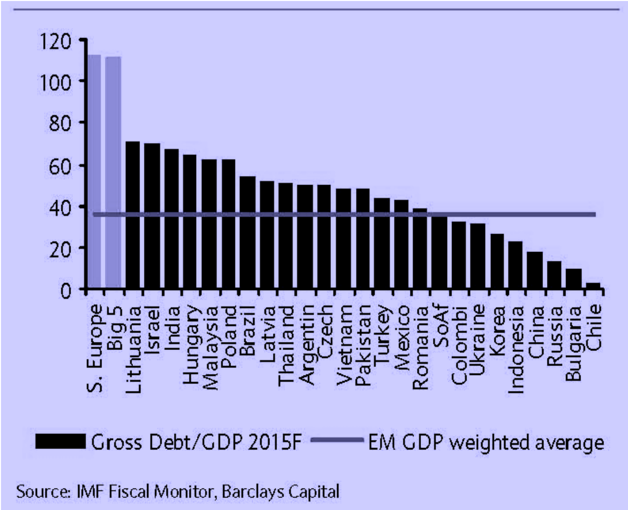
EM: Rising Private consumption



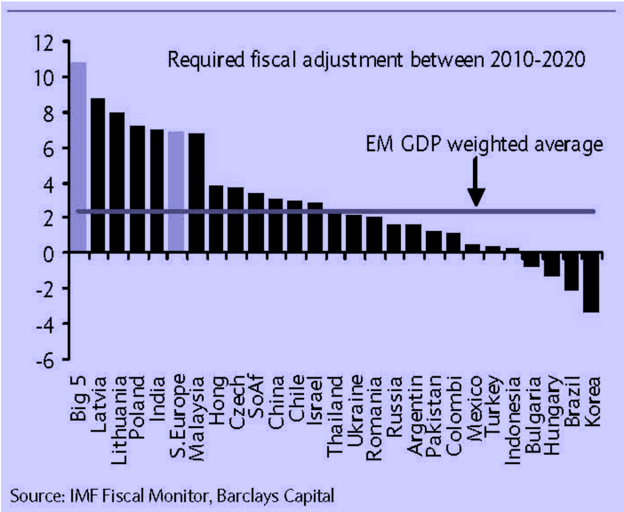
Source: Credit Suisse, Sep 2010

EM's Strong Fundamentals

Public debt under control in most emerging economies (% of GDP) vs Big 5



IMF estimate of long-term fiscal adjustment required to secure sustainability (% of GDP)



Source: Barclays Capital, Sep 2010

EM Is In Better Fiscal Shape

Fiscal balance (% of GDP)

	2007	2008	2009 (E)	2010 (F)	2011 (F)
Developed market economies	**-1.1**	**-3.4**	**-7.9**	**-7.5**	**-6.1**
U.S.	-1.1	-3.2	-9.9	-9.2	-8.7
U.K.	-2.8	-4.9	-11.1	-10.1	-7.5
Japan	-3.0	-3.2	-10.3	-10.7	-11.6
Euro Area	-0.6	-2.0	-6.1	-6.2	-4.7
Emerging economies	**0.2**	**-0.4**	**-3.8**	**-3.2**	**-2.7**
Latin America	**-0.9**	**-0.8**	**-3.1**	**-2.5**	**-2.6**
Argentina	1.1	0.9	-1.6	-1.2	-1.2
Brazil	-2.5	-1.9	-3.3	-2.8	-2.9
Mexico	0.0	-0.1	-2.3	-2.8	-2.5
Emerging Europe	**2.1**	**2.7**	**-4.8**	**-3.4**	**-2.7**
Czech Republic	-0.7	-2.7	-5.9	-5.3	-4.5
Kazakhstan	4.4	1.8	-1.4	-1.1	0.6
Russia	5.4	3.9	-6.0	-4.6	-3.1
Emerging Asia	**-0.2**	**-1.7**	**-3.7**	**-3.4**	**-2.8**
China	0.6	-0.4	-3.3	-2.1	
Indonesia	3.8	1.3	-2.7	-2.0	

Source: Credit Suisse, Citigroup
Aug/Sept 2010

The Case for Continued Investment in EM

More resilient to the economic downturn:

- Unlike some earlier global economic crises, the recent credit crunch in world markets did not originate in EM.
- Many EM countries were better placed to weather the crisis thanks to entrenched fiscal discipline, flexible currencies and healthier balance of payment positions.

EM leading the recovery in global financial markets:

- Their stronger economic fundamentals and less leveraged position has allowed most EM countries to rebound faster from the economic downturn.
- Companies in EM have become better managed with stronger balance sheets, better profitability and increasing commitments to maximise shareholder value.
- Falling dependence on developed economies with exports to other emerging economies growing. EM contribute more than 60% towards global growth, according to the IMF.

Stronger local growth drivers than their developed counterparts:

- A growing middle class, increased spending and large savings pool among EM population.
- EM governments doing their bit to facilitate domestic demand through fiscal stimulus packages comparable in size to those in G3 countries.
- A growing base of local institutional investors is encouraging a strong domestic liquidity pool.

The Free Lunch is Over

i. The **significant widening of credit spreads** in investment grade bonds in the aftermath of Lehman's default has now been **substantially reversed**.

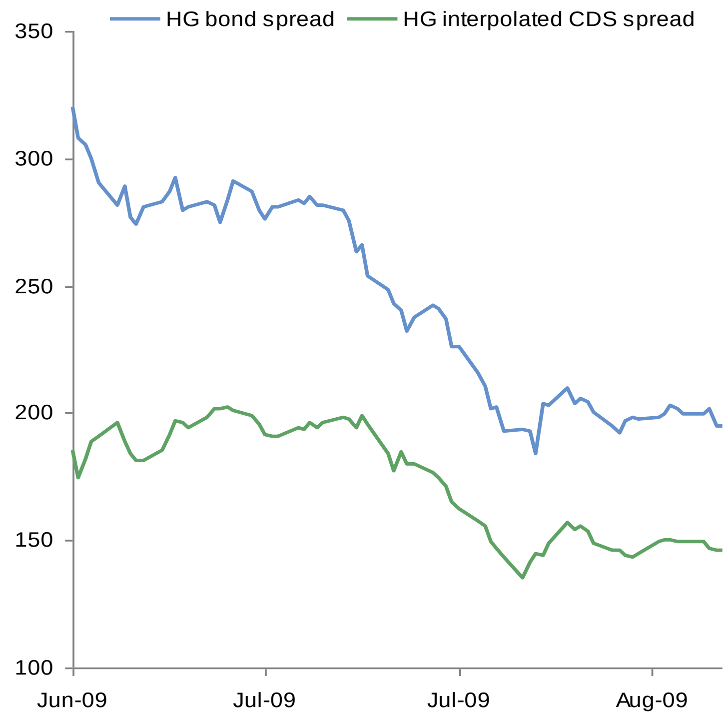
ii. The opportunity to achieve equity-like returns with much less risk is no longer available.

iii. The next phase of spread tightening is likely to be driven by improving macro conditions rather than funding and liquidity conditions.

iv. There seems **little room for further spread contraction in investment grade credits**. With regard to these cash bonds there is also vulnerability to interest rate risk given enormous funding requirements in the US and other major economies.

v. In such an environment, moving into **EM corporate credits may generate higher returns** as refinancing issues are addressed.

Credit Spread Compression



Source: J.P.Morgan, September 2009

EM Corporate Credit: Still an Opportunity?

i. Credits of companies facing refinancing constraints / lower credit ratings still look attractive vis-à-vis investment grade

ii. Companies in/close to default offer greater opportunities for capital gains

iii. Returns on shorter duration/non-investment grade assets are less vulnerable to rising interest rates

iv. Less crowded given they are generally less closely followed by investment banks and broker/dealers

Common issues that cause a company to become distressed/stressed include, liquidity restraints, excessive leverage, poor trading performance, credit downgrades, breach of covenants, and ownership issues.

Some of these are reversible issues and will determine if a company is stressed or distressed.

Active / Passive Investment Strategies: Capitalising on Opportunities

Active investing with control	* Active investing with non-control	* Passive investing
• May require partners to block or control. • Take control of company through debt/equity swap. • Restructure. • Equity injection. • Exit 2-3 years.	• Senior secured or senior unsecured bonds. • Active participation in restructuring process. • Exit via debt or equity markets (post restructuring). • Generally do not exert control. • Holding period of 1-2 years.	• Undervalued securities trading at distressed levels. • Trading driven: Trading/buy-and-hold/senior or senior secured/long-short/relative value. • Holding period of 3 months to 1 year is typical.

* Argo generally participates in distressed opportunities via an active non-control and passive investment strategy.

Strategies

Argo's Strategies

Argo aims to deliver uncorrelated lower volatility double-digit returns through a multi-strategy, fundamental bottom-up investment approach using little or no leverage.

- **Distressed Debt:** Argo actively seeks out distressed situations where forced sellers exist and the price does not reflect the true value of the assets traded, particularly when liquidity dries up in loans or bonds in complex structures where expert assessment of transaction documents is required. Capitalising on its proven experience in debt restructuring, Argo adopts both passive and active roles in corporate restructurings.

- **Directional Credit:** We look to invest in EM bonds of both listed and unlisted companies trading at levels that do not reflect their fundamentals. As the market corrects such dislocations, investors can pick up attractive yields and capital appreciation.

- **Fixed Income Relative Value:** Argo is constantly looking for spread-trade opportunities resulting from price inefficiencies and information asymmetries that are typical of emerging markets, e.g. Argo might trade corporate bonds against sovereign bonds; sovereign bonds of different duration or currency; or one sovereign against another.

- **Special Situations:** Identifying undervalued and overlooked assets across the capital structure seeking to exploit a market opportunity or a catalyst both on a company operating level and/or a wider macro trend. Such opportunities include pre-IPO or acquisition financing.

- **Local Currencies and Rates:** Argo takes both long and short positions in local currencies to further diversify its country exposure. The strategy seeks to utilise the management team's experience in sovereign macro themes and operate in a sector of the market where an active long/short strategy can provide high returns with quite low net exposures. Argo has been utilising a proprietary sovereign risk model since inception.

- **High Yield Corporate Credit**: The team exploits relative value and directional opportunities resulting from dislocations arising out of credit rating changes, sovereign defaults, cyclical and structural developments, regulatory changes and financial restructurings.

- **Private Equity:** Opportunistically investing in private equity transactions in emerging market companies seeking controlling or minority protected positions. The strategy involves partnering up with management teams, motivating them to fulfil Argo's strategy with equity migration if real hurdle cash internal rate of returns are achieved.

- **Real Estate:** Argo primarily focuses on commercial investments within the retail sector, which is expected to benefit most from increases in disposable income and spending power across the East European region.

ARGO

Investment Team Organisational Structure

Risk Management
Kyriakos Rialas

Chief Investment Officer
Andreas Rialas

Operations
Loucas Demetriou

Special Situations / Distressed

Andreas Rialas
Stephen Rothwell

CIS Eastern Europe & Middle East
Fixed Income High Yield

Ian McCall

Investment Committee

Andreas Rialas
Stephen Rothwell
Kyriakos Rialas
Nathan Chua

Asia
Fixed Income High Yield

Nathan Chua
Ian McCall
S. Sophocleous

Private Equity

Andreas Rialas
Mogens Schmidt
Patricio Kelly
Mariano Dominguez

Latin America
Fixed Income/High Yield

Ian McCall / S. Sophocleous

Relative Value / Quantitative Strategy

Andreas Rialas
Marios Stellaki

Economics / Sovereign Model

Sophocles Sophocleous

Fund Range

The Argo multi-strategy platform aims to offer investors a diversified approach to investing in EM with lower volatility and lower correlation to global markets.

- The **Argo Distressed Credit Fund** [ADCF], which began trading 1 October 2008 in the middle of the crisis, aims to achieve above average returns on a risk adjusted basis by targeting deep value credit opportunities.
- **The Argo Fund** [TAF] is a long/short emerging market debt fund that principally invests in sovereign and corporate financial obligations in both hard and local currencies. It also makes opportunistic investments in special situations including property, equity and distressed debt. It has a 10 year track record.
- The **Argo Global Special Situations Fund** [AGSSF], which was launched in August 2004, aims to achieve absolute returns by dealing in stressed/ distressed securities and/or taking advantage of special situations through a wide range of instruments including bonds, loans, structured products and convertible debt/equity. AGSSF is able to participate in more illiquid situations throughout the capital structure including making explicit equity allocations.
- The **Argo Real Estate Opportunities Fund Limited** is a closed-end investment company which invests primarily in commercial property markets of Central and Eastern Europe. The company makes property investments that have the potential to generate high annualised internal rates of return. Its primary target markets include Romania, Ukraine and Moldova with a focus on the retail sector.
- The **Argo Capital Partners Fund**, an emerging markets private equity fund which is fully invested. The fund was launched in August 2006 to acquire controlling or protected minority stakes in undervalued emerging market companies.

ARGO

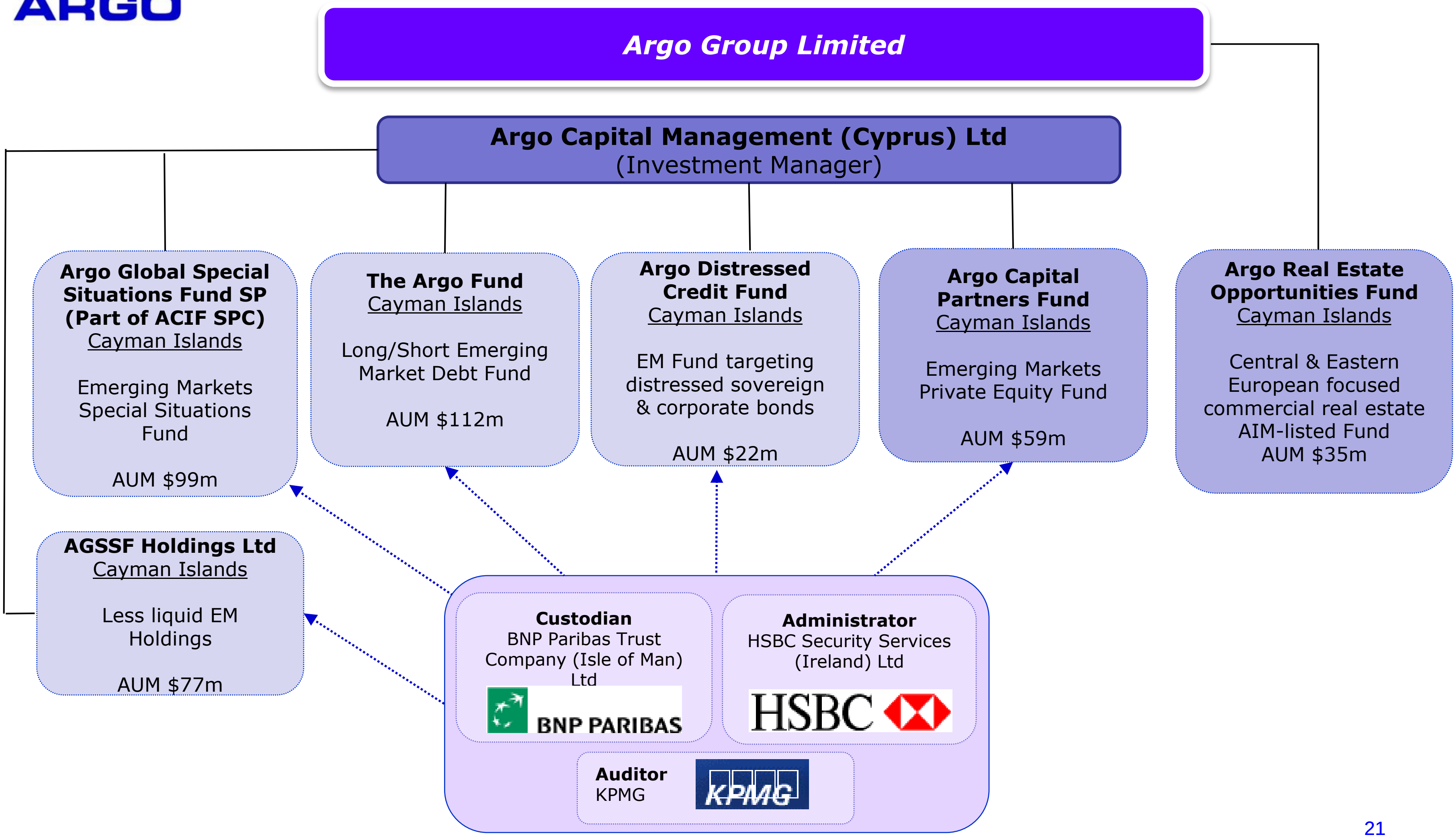
TAF vs ADCF vs AGSSF

<table>
<tr><th></th><th>The Argo Fund</th><th>Argo Distressed Credit Fund</th><th>Argo Global Special Situations Fund</th><th></th></tr>
<tr><td>Geography</td><td>• Emerging Markets</td><td>• Emerging Markets</td><td>• Emerging Markets & Developed Economies</td><td rowspan="4">▪ The major difference across the three funds is the degree to which each fund is able to participate in stressed and distressed situations, and how significantly it is prepared to be involved in the workout process. AGSSF is generally more flexible in this regard and has a greater willingness to become involved in the equity of any special situation.

▪ AGSSF has an explicit equity allocation and is a more flexible fund in its use of instruments and involvement in illiquid situations.

▪ We view this flexibility as crucial in exploiting certain relative value inefficiencies in the capital structure of companies and workout options.</td></tr>
<tr><td>Investments</td><td>• Bonds
• Loans
• CDS
• Convertibles
• Local Currency</td><td>• Bonds
• Loans</td><td>• Bonds
• Loans
• CDS
• Convertibles
• Local Currency
• Equities</td></tr>
<tr><td>Issuers</td><td>• Sovereign
• Corporate</td><td>• Sovereign
• Corporate</td><td>• Sovereign
• Corporate</td></tr>
<tr><td>Portfolio Guidelines</td><td>• Monthly liquidity
• 30 days notice
• Investment horizon: 3 to 6 months</td><td>• Quarterly liquidity
• 120 days notice
• Investment horizon: 3 to 12 months</td><td>• Quarterly liquidity
• 90 days notice
• Investment horizon: 3 to 18 months</td></tr>
</table>

Fund Structure



Source: AUM figures as at 31 December 09, Argo Capital Management

Investment Process

Investment Selection

Entry price

Willingness to repay debt

Good track record in company management

Strong financial metrics:

i) Transparent and steady cash flow
ii) Low debt/EBITDA
iii) Strong and prudent balance sheet

Supportive shareholders

Significant market share

i) Establishing where the primary assets are held and studying the ownership structure.
ii) Analysis of corporate documentation.
iii) Understanding the owner's agenda.
iv) Exit strategy and the ability to implement it.
v) Competitor analysis.
vi) Sector analysis.
vii) Corporate structure.
viii) Liquidity.
ix) Local legal framework, exploring the ability to exert rights.

Run Credit Model

Run Sovereign Model

INVEST

Distressed Investing: Argo's Skill Set

Large network	Argo has offices in Singapore, London, Buenos Aires and Nicosia. We also rely on an extensive network of local banks, funds, company owners and brokers.
Legal background	Argo's CIO, Andreas Rialas, trained as an English Barrister specialising in banking law. We also have in-house legal counsel as well as access to specialist external legal advisers. Testament to its legal know-how, Argo won a landmark case in 2003 which gave hedge funds greater legal standing in the loan market (*see page 27*).
Negotiation skills/ exposure to bankruptcy proceedings	Argo's investment team has extensive experience and an excellent track record in negotiating better restructuring and pay–out terms for its investors as well as leading companies through bankruptcy proceedings in a number of EM countries.
Restructuring	The investment team has been involved in a large number of debt restructurings, - from Argentina to Russia and Indonesia - some of which are without precedent and have therefore required innovative solutions. For example, we successfully restructured a block of commercial obligations in the Dominican Republic on terms comparable to its 2003/2004 debt exchange programme (*see page 28*).
Valuations	We apply a fundamental, bottom-up strategy when determining the 'true' value of a company. Among other things, we take into account the company's willingness to repay its debt, its earnings ability, balance sheet strength while considering sector-specific factors. Accurate valuations assist with timing entry and exit strategies and taking the decision to invest in stressed situations in lieu of distressed opportunities.

Argo's Sovereign & Credit Risk Models

Sovereign Risk Model

i) We adopt a research-driven approach to evaluating sovereign default risk.

ii) Driven by fundamental analysis of macro variables such as balance of payments, fiscal positions, foreign direct investment and other macro factors.

iii) The model is carved out into inter (Risk Rating) and intra (Cyclical History) analysis for comparisons between countries and within a country.

iv) Covers the majority of emerging economies.

v) It gives us the ability to spot trends ahead of the market, i.e. not reliant on moving averages and other typical analysis concepts.

vi) Allows us to monitor shifting risk indicators and identify early warning signs, e.g. risk indicators are shifting negatively towards Eastern Europe.

vii) Argo also runs other models in parallel with its Sovereign Risk Model to uncover discrepancies in the market, e.g. a country's susceptibility to a rating upgrade/downgrade.

Credit Score Model

i) We use a proprietary microeconomic model to establish the credit worthiness of a company.

ii) The model compares an asset's pricing and risk relative to the existing portfolio by taking into account a number of variables, including:

- i) The issuer
- ii) Industry
- iii) Country & region
- iv) FX exposure
- v) Liquidity
- vi) The weighting of the asset

iii) Enables comparison within sectors and/or countries.

iv) Consistency check with external ratings agencies.

Track Record

Litigation: The Argo Fund vs. Essar Steel

"A landmark case which helped establish hedge funds as formidable players in the loan market."

- When Essar Steel, a large Indian company defaulted on its debt, Argo was not prepared to litigate in the local courts as it felt its rights might be difficult to enforce. Instead, Argo sued for repayment through the English courts - and won- in a landmark case which helped establish hedge funds as formidable players in the loan market.

- In 1997 Essar was granted a loan of US$40m from a syndicate of nine banks and financial institutions, which was due to be repaid two years later under the terms of a Syndicated Loan Agreement. By 1999 however, Essar had fallen into substantial financial difficulty due to a dramatic collapse in the price of steel and could not repay the loan on the due date.

- Argo began to buy tranches of Essar's debt at a substantial discount to its nominal value in the secondary market (price of 25-30 cents on the dollar).

- Essar sought to avoid meeting its debt obligations to Argo by claiming that the latter was not able to own debt it had purchased in the secondary market.

- In June 2003, Argo issued a claim in the Commercial Court alleging Essar was in breach of the Syndicated Loan Agreement.

- Under the terms of the Syndicated Loan Agreement, syndicate members could pass their rights to another by way of assignment and transfer. The restricted class of entities to whom the original syndicate members could transfer their rights was defined as a "bank or other financial institution."

- The outcome of the case rested on whether Argo was a "bank or other financial institution."

- The case went to trial and the court ruled in favour of Argo. Essar Steel was ordered to pay all principal and accrued interest (equivalent to 160 cents on the dollar).

- The case was responsible for broadening the term "financial institution" to include "a legally recognised form or being, which carries on its business in accordance with the laws of its place of creation and whose business concerns commercial finance, and whether or not its business included the lending of money on the primary or secondary lending market."

Sovereign Restructuring: Dominican Republic

- Argo saw the Dominican Republic's 2003/2004 sovereign bond exchange programme as an opportunity to restructure the country's other debt obligations, namely commercial debt, on terms comparable to a bond exchange.
- Following the eruption of the local banking crisis in April 2003, the Dominican Republic was forced to restructure its sovereign external debt through a debt exchange facility.
- The bond exchange was deemed a huge success. There was no haircut, instead maturities were simply extended by five years. The market reacted positively to the exchange and the yield on Dominican Republic debt fell to levels lower than the coupons on its bonds.
- Argo sought to achieve similar terms from restructuring other liabilities. To this end, Argo purchased - through the secondary market- a number of different supplier credits. By buying several obligations, Argo was able to increase its negotiating power with the government and subsequently restructured the block of commercial obligations into a single facility on terms comparable to a debt exchange.
- Following a delay in the implementation of the accord, Argo threatened legal action through the courts in New York. The Dominican Republic settled out of court and has subsequently serviced all its obligations in full.

Corporate Restructuring: Fargo

- Fargo is a leading bakery in Argentina.
- The company defaulted on its debt following the country's economic difficulties post 2001 debt moratorium.
- Argo identified an opportunity to acquire Fargo's unsecured bonds at a price in the low 20s.
- Negotiations were commenced with the debtor and the secured lenders (a Mexican consortium including Bimbo).
- Agreement of an outside settlement at 36 plus accrued interest was reached with the company and Argo worked with all parties to enable Fargo to emerge from the bankruptcy proceedings in December 2008.

The Fund Range

TAF

- The Argo Fund (TAF) is a long/short emerging market debt fund that invests principally in coupon generating assets while making opportunistic investments in special situations.

- It typically combines a relative value strategy with fundamental bottom-up research to invest across a range of fixed-income products that offer the best risk/reward characteristics. These can include sovereign and corporate debt [external and local currencies], bank loans, senior or secured bond issues, distressed debt and local currency products.

- The fund has traditionally remained uncorrelated to wider markets and has consistently outperformed the EMBI+ Index.

- TAF also actively seeks out distressed situations where forced sellers exist and the price does not reflect the true value of the assets traded, particularly when liquidity dries up in loans or bonds in complex structures where expert assessment of transaction documents is required. Capitalising on its proven experience in debt restructuring, Argo adopts both passive and active roles in corporate restructurings.

- Argo is constantly looking for relative value opportunities that exploit the widespread price inefficiencies typical of emerging markets, e.g. TAF might trade corporate bonds against sovereign bonds or sovereign bonds of different duration or currency.

ARGO

Track Record: TAF

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2000	-	-	-	-	-	-	-	-	-	0.40%	-1.79%	1.67%	**0.28%**
2001	1.11%	2.46%	3.27%	0.82%	2.52%	1.83%	0.60%	2.10%	1.51%	2.29%	5.66%	3.67%	**31.53%**
2002	1.83%	2.23%	2.18%	2.39%	2.57%	0.54%	0.97%	1.36%	2.09%	0.48%	2.03%	2.02%	**22.74%**
2003	1.73%	1.69%	1.27%	3.66%	2.50%	3.35%	1.39%	1.16%	1.76%	1.29%	1.13%	2.44%	**26.01%**
2004	1.89%	0.80%	2.05%	0.80%	-0.15%	0.47%	0.32%	1.50%	1.63%	1.47%	1.95%	1.15%	**14.78%**
2005	0.44%	1.33%	0.13%	0.73%	1.53%	1.34%	0.81%	1.31%	0.50%	-0.05%	0.16%	0.90%	**9.51%**
2006	0.68%	0.08%	0.28%	0.95%	0.65%	1.60%	0.62%	0.64%	0.74%	0.65%	1.56%	2.14%	**11.11%**
2007	0.36%	0.89%	0.51%	0.92%	1.82%	1.76%	0.40%	0.19%	0.62%	0.43%	1.80%	1.98%	**12.31%**
2008	0.68%	0.48%	0.75%	-0.24%	0.57%	0.43%	-0.23%	-0.67%	-7.60%	-31.05%	-4.41%	-2.96%	**-39.86%**
2009	-3.17%	0.48%	3.87%	0.89%	-0.15%	3.43%	1.37%	0.69%	1.87%	1.00%	0.40%	1.05%	**12.18%**
2010	-0.69%	1.54%	1.82%	-0.46%	-2.48%	0.72%	1.75%	1.56%	1.91%	1.32%	-2.66%		**4.25%**

*estimate performance, Argo Capital Management

Fund Details: TAF

Founded: October 2000

Listed: Irish Stock Exchange

Registered: Cayman Islands

Argo Capital Management Limited,

Investment Advisor, authorised and regulated by the Financial Services Authority.

Argo Capital Management (Cyprus) Limited,

Investment Manager, regulated by the Cyprus Securities and Exchange Commission.

Auditor: KPMG

Legal Advisor:

Simmons and Simmons LLC (UK)

Maples and Calder (Cayman Islands)

Maples and Calder (Ireland)

Custodian:

BNP Paribas, Isle of Man

Administrator:

HSBC, Ireland

Terms of Investing:

Minimum Initial Investment: US$100,000

Minimum Subsequent Investment: US$10,000

Liquidity: Monthly

Fees:

- 2% annual fee paid monthly
- 20% of increase in Net Asset Value (NAV) over previous NAV high paid annually

Contact:

Telephone: +44 207 535 4000

Email: info@argofunds.com

Website: www.argofunds.com

Website Sources:

www.cogenthedge.com

www.hedgefund.net

www.globalhedgesource.com

www.hedgefundresearch.com

www.fund-sp.com

www.eurekahedge.com

ADCF

- The Argo Distressed Credit Fund (ADCF) aims to deliver high risk-adjusted absolute returns using little or no leverage.
- It is focused on building a diversified, bottom-up portfolio in stressed/distressed assets utilising a combination of long and short positions where market conditions permit.
- The fund will primarily invest directionally in EM bonds (corporate and sovereigns) trading at levels that do not reflect their fundamentals. It will target:-
    - Short-to-medium duration bonds, where the issuer exhibits strong cash flow and a willingness to repay debt
    - Targeting distressed/deep value bonds with longer-term recovery potential
- ADCF is structured with multiple share classes denominated USD and Euro.
- It can swiftly allocate and re-allocate capital tactically and strategically allowing investors to benefit from rapid market changes.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2008										-1.96%	2.14%	0.35%	**0.49%**
2009	-0.25%	-0.70%	0.41%	2.30%	1.65%	1.82%	3.00%	1.81%	3.34%	-1.68%	-1.81%	0.80%	**11.06%**
2010	2.85%	4.08%	1.40%	0.71%	-3.85%	-0.42%	1.69%	0.68%	4.27%	0.92%	-3.21%		**9.14%**

* estimate performance, Argo Capital Management

Fund Details: ADCF

Founded: August 2008

Registered: Cayman Islands

Investment Advisor:

Argo Capital Management Limited,

authorised and regulated by the Financial Services Authority.

Investment Manager:

Argo Capital Management (Cyprus) Limited,

regulated by the Cyprus Securities and Exchange Commission.

Auditor: KPMG

Legal Advisor:

Berwin Leighton Paisner LLP (UK)

Maples and Calder (Cayman Islands)

Maples and Calder (Ireland)

Custodian:

HSBC, Isle of Man

Administrator:

HSBC, Ireland

Terms of Investing:

Share Class: A, B [leveraged]

Currencies: EUR and USD

Minimum Initial Investment: US$100,000 or EUR100,000

Liquidity: Quarterly

Fees:

- 2% annual fee paid monthly
- 20% of increase in Net Asset Value (NAV) over previous NAV high paid annually

Contact:

Telephone: +44 207 535 4000

Email: info@argofunds.com

Website: www.argocm.com

Website Sources:

www.cogenthedge.com

www.hedgefund.net

www.globalhedgesource.com

www.hedgefundresearch.com

www.fund-sp.com

www.eurekahedge.com

www.hedgefundnews.com

- Argo Global Special Situations Fund (AGSSF) , launched in August 2004, is a global fund that utilises a wide range of financial instruments to extract absolute returns from stressed/distressed and deep value situations.

- It builds on the success of the Argo Fund (TAF). However, AGSSF has greater flexibility with its use of instruments and products, allowing it to participate in more illiquid situations. The fund's investment remit allows it to participate in equity positions of up to 50% of the portfolio, although the current allocation is lower.

- AGSSF's investment remit is not restricted by geography although the majority of the portfolio is dedicated to emerging markets where information asymmetries and inefficiencies are more acute and numerous. It invests across different types of financial instruments including convertible debt, equity, senior and subordinated loans, bonds, guarantees, credit default swaps and options.

- The objective of the fund is to capitalise on global price distortions that arise out of sellers' inability to accurately predict earnings and credit-driven situations. Such inefficiencies create ample long-only, special situations and relative value opportunities resulting from dislocations arising out of credit rating changes, sovereign defaults, cyclical and structural developments, regulatory changes and financial restructurings.

- AGSSF participates in the capital structures of companies that operate in established industries, have valuable underlying assets and sound profit potential but face reversible liquidity and financing problems.

- The investment team adopts a bottom-up fundamental approach to financial and legal analysis.

ARGO

Track Record: AGSSF

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2004	-	-	-	-	-	-	-	0.59%	3.23%	1.98%	1.41%	1.15%	**8.62%**
2005	1.39%	2.48%	-1.01%	0.00%	1.76%	1.77%	2.45%	0.98%	3.19%	-0.10%	1.20%	0.85%	**15.95%**
2006	1.82%	1.12%	0.25%	2.49%	-1.34%	1.52%	1.47%	0.74%	0.57%	1.37%	1.58%	1.91%	**14.31%**
2007	0.21%	0.39%	0.74%	2.04%	1.64%	2.28%	0.54%	-0.01%	1.00%	1.01%	2.20%	2.42%	**15.40%**
2008	-0.76%	1.09%	0.73%	0.15%	3.32%	0.62%	-0.90%	-1.48%	-5.32%	-19.43%	-4.70%	-2.09%	**-26.88%**
2009	-2.72%	3.05%	2.01%	-0.84%	2.70%	1.29%	1.00%	2.73%	4.25%	-0.97%	-0.36%	0.25%	**12.85%**
2010	1.08%	0.26%	1.03%	0.66%	-5.26%	1.10%	3.40%	0.69%	4.39%	0.61%	-3.60%		**4.04%**

* estimate performance, Argo Capital Management

Fund Details: AGSSF

Founded: August 2004

Listed: Irish Stock Exchange

Registered: Cayman Islands

Argo Capital Management Limited,

Investment Advisor, authorised and regulated by the Financial Services Authority.

Argo Capital Management (Cyprus) Limited,

Investment Manager, regulated by the Cyprus Securities and Exchange Commission.

Auditor: KPMG

Legal Advisor:

Simmons & Simmons (UK)

Maples and Calder (Cayman Islands)

Maples and Calder (Ireland)

Custodian:

BNP Paribas, Isle of Man

Administrator:

HSBC, Ireland

Terms of Investing:

Minimum Initial Investment: US$100,000

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www.hedgefundresearch.com

www.fund-sp.com

www.eurekahedge.com

Key Managers
&
Achievements

Investment Committee

Andreas Rialas (42), CIO. Prior to founding the Argo business, Andreas was a VP at Deutsche Bank for three years where he was involved in EM proprietary trading and trade finance specialist products. Before that, he was at London Forfaiting (Asia) Ltd as Head of Secondary Debt Trading in emerging markets. Andreas studied law at the University of London and trained as an English Barrister specialising in banking law.

Kyriakos Rialas (47), CEO. Kyriakos has 23 years of professional investment and managerial experience in the financial services sector. He has overall responsibility for risk management, legal, regulatory and general management of the Argo business. Prior to joining Argo, he was General Manager of Emporiki Bank in Cyprus from 1999 to June 2003. Kyriakos has also worked for the Treasury department of the Bank of Cyprus Group and London Forfaiting Cyprus where he was Financial Director, overseeing subsidiaries in India, Russia, Thailand and HK. Before that he worked for Capital Intelligence in bank analysis and rating for emerging markets. He has a degree in Engineering from the University of Cambridge and qualified as a Chartered Accountant with KPMG in London. He started his banking career in the fixed income division of S G Warburgs & Co in London

Stephen Rothwell (50), Executive Director. Stephen has extensive experience trading in emerging markets. He was a former Managing Director of Dresdner Kleinwort where he ran the EM illiquid debt business and, more recently, the distressed debt & special situations trading desk. Before joining Dresdner in 2000, Stephen spent fifteen years in sovereign and credit research with London Forfaiting, a listed company which arranges and provides finance to emerging market borrowers.

Nathan Chua (43), Investment Professional. Nathan was most recently Senior Portfolio Manager at ABN Amro Asset Management responsible for asset allocation and portfolio construction across asset classes. Between 2000 and 2003, he worked for Merrill Lynch in Singapore where he headed up their regional fixed income sales and trading desk for the Asia (ex-Japan) region with responsibility for bond and currency trading across regional emerging fixed income markets. Between 1996 and 2000, Nathan was a proprietary trader in fixed-income for Citibank N.A. and before that he spent six years working for JP Morgan Chase in New York as a credit analyst. Nathan holds an MBA from the University of Michigan. He is also a qualified CFA.

Argo Capital Management Ltd

Jeremy Bradshaw (42), General Counsel. Jeremy was previously General Counsel at the Royal Bank of Canada Global Private Bank specialising in credit and structured products and Head of Legal at Banco Santander. He has also worked at Bank of America and SJ Berwin. He holds a BSc in Economics and an Msc in European Studies from the London School of Economics.

Ian McCall (43), Director. Ian began his career in emerging markets in 1989, financing trade between Western Europe and the former Soviet Union. He has also worked as a Tokyo-based investment analyst, a London-based portfolio manager and held various sales positions based in Madrid and London. Prior to joining Argo, he was Senior Investment Advisor at Rainbow Advisory and prior to that he was Head of West European Emerging Market Debt Sales for ING. Ian holds bachelors' degrees in Business Administration and Economics from the University of Regina, Canada. He also holds an MSc in Finance from The London Business School.

Mogens Schmidt (48). Mogens focuses on emerging markets, private equity and corporate finance at Argo. Prior to joining the company in early 2005, he worked in the private equity and strategic consulting arm of KPMG in London as Co-Head of Buy/Sell Advisory where he developed an excellent knowledge of the PE community. Before that, he worked with the Scandinavian Bank Group and Aeris Consulting Group. Mogens has a bachelor's degree from the Copenhagen School of Economics & Business Administration and a master's degree from ESCP-EAP.

Tatyana Ignatyeva (31). Tatyana Ignatyeva is responsible for settlements and office administration. She has a degree in Financial Management from Moscow University and an MBA from Herriot Watt University.

Sergey Bolshakov (29). Sergey joined Argo from the M&A division of Credit Suisse in London. He spent 3 years at Credit Suisse working on mergers and acquisitions, IPO and high-yield deals for Eastern and Western European corporates across all sectors. Most recently, he has been focusing on the financing aspects of M&A transactions. Sergey holds a summa cum laude bachelor's degree in Economics and Mathematics with honours from Bates College (USA) and the London School of Economics.

Argo Capital Management (Cyprus) Ltd

Loucas Demetriou (35), Director. Loucas has responsibility for the operations function at Argo. Prior to joining the company in December 2001, he was a broker and analyst with Citi Principal Investments Ltd. Before that he was at Coopers & Lybrand where he worked closely with the risk management division of Renaissance Capital. Loucas has a master's degree from the University of Manchester and studied Economics at the Economics School of Athens.

Sophocles Sophocleous (34), Director. Sophocles is responsible for coordinating all research at Argo. Prior to joining the company in 2002, he was Head of Research at CNH Capital Markets in Nicosia, where he specialised in the Cypriot equity and debt markets. Before that, he worked as an M&A analyst at Equity Securities in Minneapolis, US. Sophocles has a BA in Economics and Finance from the University of Illinois in the US. He is also a qualified CFA.

Marios Stellakis (42), CFA. Marios's experience in investment banking; including asset management, proprietary trading and brokerage operations; was amassed while working as a licensed broker at Parma Brokerage. He also has experience in financial modelling, having worked as a project manager developing software and IT solutions for the finance industry. One of his projects included the development of online technology for defining Real Options problems using a graphical interface, together with the engine to calculate the solutions using lattice and Monte Carlo simulation. Marios holds an MBA from the University of Chicago (Fulbright Scholar) and a B.Eng in computer science from Imperial College (Commonwealth Scholar).

Vassilis Papadopoulos (42), Investor Relations. Vassilis was most recently at Societe Generale (Cyprus), where he was involved in the bank's back-office, transfers, private banking, retail banking and call centre businesses. Prior to that, he was an investment manager at Banque Indosuez in Dubai, advising private and institutional clients on asset allocation. After Dubai, he set up the Private Banking department of Marfin Cyprus Popular Bank. In 1997 he set up and managed a fund of hedge funds, the "Ultimatum Fund" and at the end of 1999, he joined a venture capital fund- EVC- as a fund raiser. Vassilis has a BSc in Pure Economics from Queen Mary College and an MBA in General Management from Sheffield Management School.

Argo Capital Management (Argentina) SA

Patricio Kelly (51), Managing Director. Patricio has has more than 25 years' experience in private equity, corporate finance and M&A. He was most recently President and CEO of Deutsche Bank (Argentina) and President and CEO of Bankers Trust Argentina (prior to Deutsche's acquisition of Bankers Trust), where he was a member of the Deutsche Bank Latin American Advisory Board and Management Committee. He is also a board director of several corporations and has invested US$150m in private equity transactions in Argentina. He has also led a number of large leveraged buyout transactions on behalf of the bank with total deal value of US$1.4bn.

Mariano Dominguez (38). Mariano is a Director of Argo Capital Management (Southern Cone), Argo's subsidiary covering the Southern Cone of Latin America (Argentina, Uruguay and Chile). He has over seven years of experience dealing in leveraged buyouts and private equity transactions, having worked in New York as a Senior Associate for Three Cities Research Inc., a US-based private equity fund with $650 million assets under management focusing on underperforming companies, turnarounds and complex situations. Prior to TCR, Mariano worked in Banco de Galicia and Merrill Lynch. He holds a degree in Business Administration from the Universidad Católica Argentina and an MBA from the University or Rochester.

Achievements

Hedge Funds Review European Awards, June 2008

Highly Commended Best Fixed Income Hedge Fund on a Risk Adjusted Basis and Best Event Driven Hedge Fund on a Risk Adjusted Basis

HFMWeek European Awards, April 2008

Voted Best Single Manager in Emerging Markets

EuroHedge, December 2007

Short listed Best High Yield, Emerging Market & Distressed Debt Fund 2007

Marhedge Magazine, March 2006

Top 10 ranking for 5-year Sharpe ratio amongst 400 Hedge Funds

Global Emerging Markets Funds Ranking

Ranked in the top 5 over a 3-year period

Eurekahedge, April 2004

Ranked 3rd in Sharpe Ratio among all emerging market funds

hedgefund.net

Ranked 3rd in Sharpe Ratio among all emerging markets funds