



Argo Funds' Monthly Update

June 2014

The Argo Fund Ltd: 252.93
Argo Distressed Credit Fund: 1,735.63
Argo Local Markets Fund: 896.44

Commentary

It has been a good week for Argentina. Brazil, the country's neighbour and rival, was humiliated by Germany in the semi-final of the World Cup; Argentina itself progressed to the final; and optimism continues to grow that an end is in sight to the debt saga. The resulting strength in Argentine sovereign bonds –despite the likelihood of increased supply as part of any settlement- saw the Argo Distressed Credit Fund take its profits on that particular position and also helped by higher Venezuelan debt prices, the Net Asset Value ("NAV") was up 0.34% in June, finishing at 1735.63. The NAV of The Argo Fund rose by 0.8% in the month, to 252.93, as the result of a loan repayment arising from East European real estate.

More generally, market volatility has dropped significantly in recent months leading to speculation that this may be the "calm before the storm", particularly with US Treasuries remaining well bid. The ECB introduced negative interest rates and a new round of targeted LTRO loans underpinning their determination to preserve some semblance of growth in Europe; as a consequence, some euro-linked bond markets in Poland, Romania and Hungary rallied. EM rates are becoming less correlated with developed markets and the Argo Local Markets Fund has slowly been adding FX exposure whilst taking profits on Romanian bonds. The NAV was essentially flat in June, finishing the month at 896.44. Amongst other highlights of the month were an unexpected 50bp interest rate cut in Mexico and the presidential election in Indonesia, although the outcome of the latter will not be finalized for some days.

Argo Capital Management, 11 July 2014



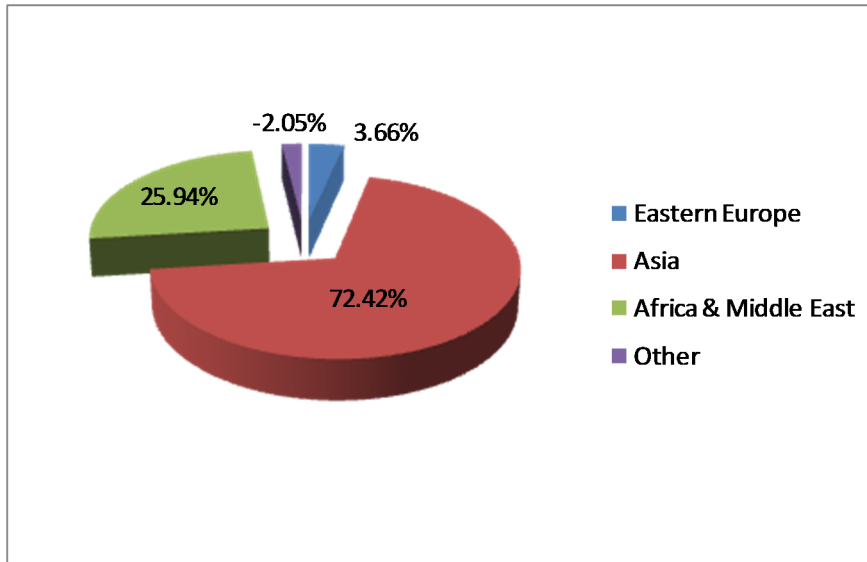
Argo Funds' Monthly Update

The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds			0.7%	0.7%
Loans	27.0%	13.3%	-2.1%	38.2%
Equity		61.5%	3.8%	65.3%
Other				
Total	27.0%	74.8%	2.4%	104.2%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	684,790	37,815,814	61,254,258		99,754,861
NET Exposure					99,754,861
Gross Exposure					101,754,861

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		39.0%			39.0%
Up to 3 months	0.6%		56.5%		57.1%
Within 1 month					0.0%
Within 1 week			3.5%	0.4%	3.9%
					100.0%

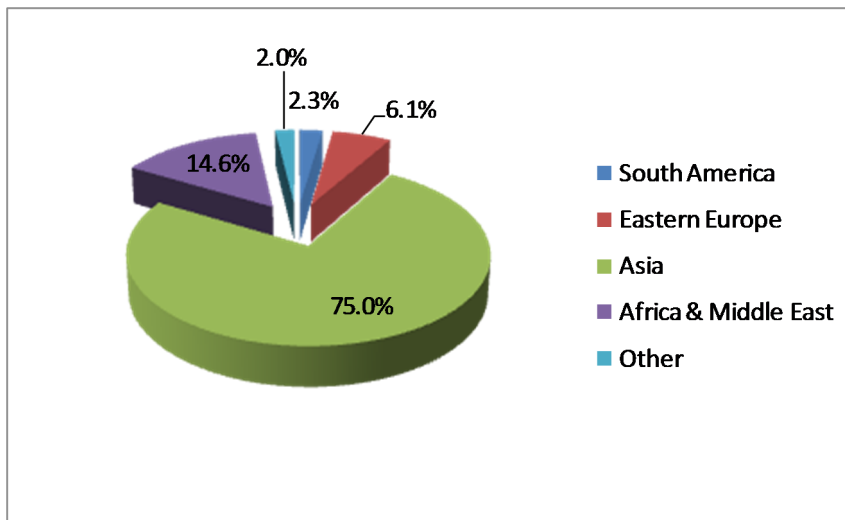


ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	1.8%		4.2%	6.0%
Loans	13.2%		6.6%	19.8%
Equity		70.3%	1.0%	71.3%
Other				
Total	15.0%	70.3%	11.8%	97.1%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	1,579,617	5,207,171	18,765,224		25,552,012
NET Exposure					25,552,012
Gross Exposure					25,552,012

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		14.9%	70.1%		85.0%
Up to 3 months		4.8%			4.8%
Within 1 month					0.0%
Within 1 week	6.0%		1.1%	3.1%	10.2%
					100.0%

Other Statistical data

Monthly Turnover as % of NAV: 2.3%	Duration: 0.66
Annualised Net Carry as % of NAV: 1.23%	Value at Risk: 1-Day VAR \$0.2mn or 0.7% of NAV 30-Day VAR: \$1.0mn or 3.6% of NAV
Annualised Volatility (including CDS): 5.2%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



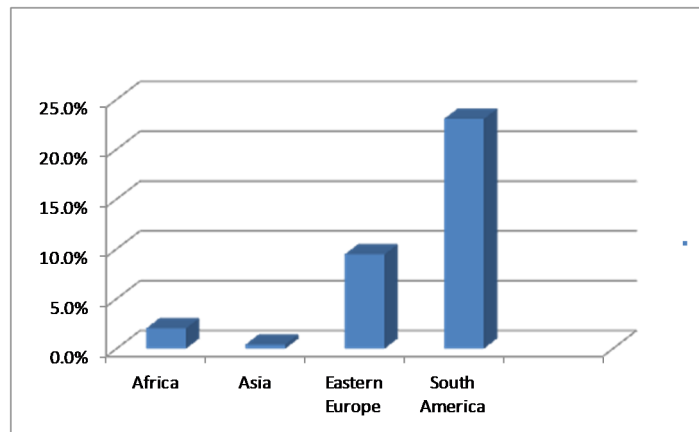
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	17.8%	4.7%	50.5%		
Eastern Europe	22.3%	-13.3%			
Asia	6.7%	-6.3%	-24.5%	-13.3%	
Middle east & Africa	13.9%	-12.4%			
Total	60.7%	-27.2%	26.1%	-13.3%	38.8%

• Includes contractual nominal amounts i.e. fx forwards / ** IRS is the nominal amount of the one leg of the swap / *** Options exposure: is the Delta adjusted exposure

Geographical Currency Exposure



Exposure in USD

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Long	2,702,816	477,827	3,329,002	0	
Short		-1,690,339	-2,169,194	-589,824	
NET Exposure	2,702,816	-1,212,511	1,159,808	--589,824	1,725,550
Gross Exposure	2,702,816	2,168,166	5,498,195	-589,824	

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	60.7%	48.7%	123.5%	13.3%	38.8%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	11.7%	South Africa	-12.4%	Brazil	61.4%
Hungary	7.7%	Hungary	-7.7%	Malaysia	-24.5%
Poland	7.7%	Thailand	-6.3%	Mexico	-10.9%
Russia	6.8%	Poland	-5.6%		
Colombia	6.7%	Mexico	4.7%		

Other Statistical data

Monthly Turnover as % of NAV: 177%	Value at Risk: 1-Day VAR 0.58% of NAV / 30-Day VAR: 2.74% of NAV VAR Confidence level is 99%
Annualised Net Carry as % of NAV: 4.68%	Sensitivity Analysis: 100bps parallel shift in yield curve -4.47% of NAV
Annualised Volatility: Ex-Ante 3.40% / Ex-Post 3.29%	



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Argo Fund monthly returns since inception

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2000										0.40%	-1.79%	1.67%	0.25%
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%	0.41%	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%	4.13%	8.55%
2011	-0.09%	0.44%	-0.33%	1.72%	-0.13%	-0.57%	1.58%	-0.52%	-4.55%	3.41%	0.19%	-0.84%	0.10%
2012	-2.30%	0.41%	-0.13%	-0.45%	-2.63%	0.37%	-1.20%	0.64%	0.20%	0.11%	-0.69%	5.85%	-0.07%
2013	-1.25%	-4.59%	-1.06%	17.56%	-0.58%	-0.29%	0.31%	-0.31%	0.54%	-0.26%	-0.19%	-0.23%	8.49%
2014	-0.67%	+0.63%	-0.37%	-0.10%	-0.77%	+0.80%							-0.51%

ADCF monthly returns since inception

	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%	1.08%	10.32%
2011	1.47%	0.20%	0.25%	-0.78%	-1.89%	0.55%	4.06%	-1.96%	-6.25%	4.49%	3.67%	-2.12%	1.18%
2012	0.10%	0.72%	-0.34%	-0.75%	-3.62%	0.73%	-0.43%	1.74%	2.95%	3.61%	1.42%	16.92%	24.05%
2013	0.96%	-2.43%	0.01%	16.56%	-0.61%	-1.97%	0.81%	-0.31%	0.42%	0.33%	-0.35%	-0.21%	12.64%
2014	-1.54%	1.23%	-0.03%	0.17%	-0.44%	+0.34%							-0.28%

ALMF monthly returns since inception

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012											0.78%	0.77%	1.56%
2013	0.35%	-0.16%	-0.47%	0.82%	-3.46%	-2.47%	-0.46%	-1.82%	-0.48%	-0.95%	-1.02%	-0.08%	-9.80%
2014	-2.05%	-0.74%	0.46%	-1.02%	1.25%	-0.02%							-2.14%



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Argo Funds monthly returns vs Indices						
	TAF ¹	ADCF ²	ALMF ³	EMBI+ ⁴	S&P500	JPM GBI-EM ⁵
Oct '00 – Dec'00 ¹	0.25%			4.00%	-7.60%	
Full Year 2001	31.53%			-0.80%	-13.00%	
Full Year 2002	22.74%			13.98%	-23.36%	
Full Year 2003	26.01%			29.11%	26.38%	
Full Year 2004	14.78%			11.78%	8.99%	
Full Year 2005	9.51%			11.86%	3.00%	
Full Year 2006	11.11%			10.49%	13.62%	
Full Year 2007	12.31%			6.45%	3.53%	
Full Year 2008	-39.86%	0.49%		-9.70%	-38.49%	
Full Year 2009	12.18%	11.06%		25.95%	23.45%	
Full Year 2010	8.55%	10.32%		11.83%	12.78%	
Full Year 2011	0.10%	1.18%		9.20%	0.00%	
Full Year 2012	-0.07%	24.05%	1.56%	18.04%	13.41%	16.76%
Full Year 2013	8.49%	12.64%	-9.80%	-8.31%	29.60%	-8.98%
YTD 2014	-0.51%	-0.28%	-2.14%	9.47%	+6.05%	+5.99%
Since Inception	150.93%	72.98%	-10.34%	n/a	n/a	n/a

Notes:

All returns are calculated using Net Asset Value of fund, and dates in table correspond to a normal calendar year.

1. Inception date: 16 October 2000.

2. Inception date: 1 October 2008.

3. Inception date: 9 November 2012.

4. JPMorgan Emerging Market Bond Index Plus Composite Index tracks total returns for external currency denominated emerging market debt: Brady bonds, loans, Eurobonds and US dollar denominated local market instruments (source: Bloomberg).

5. JPM GBI-EM Global Diversified Index is the first comprehensive, global local Emerging Markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

	The Argo Fund	ADCF	ALMF
Annualised Return	7.75%	10.62%	-6.27%
Annual Return (Rolling12)	-0.65%	+0.39%	-6.76%
Sharpe Ratio	0.66	0.85	-1.55

Website www.argocm.com with selected Internet references for Argo Funds information:

www.albourne.com

www.tass.lipperweb.com

www.hedgefund.net

www.eurekahedge.com

www.cogenthedge.com

www.hedgefundnews.com

www.hedgepole.com

www.barclayhedge.com

www.cambridgeassociates.com