



Argo Funds' Monthly Update

April 2015

The Argo Fund Ltd: 239.36
Argo Distressed Credit Fund: 1,659.13
Argo Local Markets Fund: 836.74

The euro has rallied against the US dollar from a low of 1.05 in mid-March to 1.12 at end-April (and 1.14 currently), suggesting that the dollar rally may have run its course. Whilst dollar bulls still believe that the Fed is heading towards tightening policy, disappointing economic data from the first quarter suggests this may be further off than previously thought.

Negotiations reached an impasse over Greece in the Eurozone where time is running out to strike a deal. At this point, the government is scrambling to find cash to pay employees and pensions, with some analysts suggesting they may reach a default in under a month. The increasing desperation of the situation was highlighted by Finance Minister Varoufakis' replacement as lead negotiator in talks with the European Union.

Elsewhere, the People's Bank of China was forced to cut rates for the third time in six months to 5.1%. This is amid a worse-than-expected economic slowdown, as authorities scramble to ease the heavy debt burdens of companies and governments.

Emerging market currencies rallied on the dollar weakness and stronger oil prices. The local bonds had a mixed month with oil producers Russia and Nigeria up strongly while Indonesia and Turkey suffered from, respectively, concerns over economic reforms and upcoming elections. In our portfolio we benefited from the strong rally in Russia bonds and the accompanying ruble exposure. During the month we added duration via US treasuries expecting a weaker payrolls number which duly delivered however the price action was muted and short lived so we exited promptly and just before the bond sell off. We also added some tactical BRL exposure which seemed to us to be oversold after all of the bad news had been priced in (while the technical picture was heavily in our favour) .

Overall we added some EM currency exposure on the weaker US dollar . We think this makes sense after the uninterrupted dollar rally since mid 2014 began to waiver and the outlook for US growth momentum becomes clouded. In this scenario we believe it's best to remain nimble as fundamental views can often lead to hard lessons learnt on positioning and market volatility.

The Net Asset Value ("NAV") of The Argo Fund increased by 0.96% to 239.36, largely on account of the impact of a strong dollar on a CHF-denominated position in distressed debt. Similarly, the increase in the NAV of the Argo Distressed Credit Fund by 1.02% to 1,659.13 was due primarily to a combination of exchange rate moves and a better performance in high beta EM bonds. The NAV of the Argo Local Markets Fund fell by 0.78% (-0.11% excluding fees) during April to end at 836.74.

Argo Capital Management, 18 May 2015



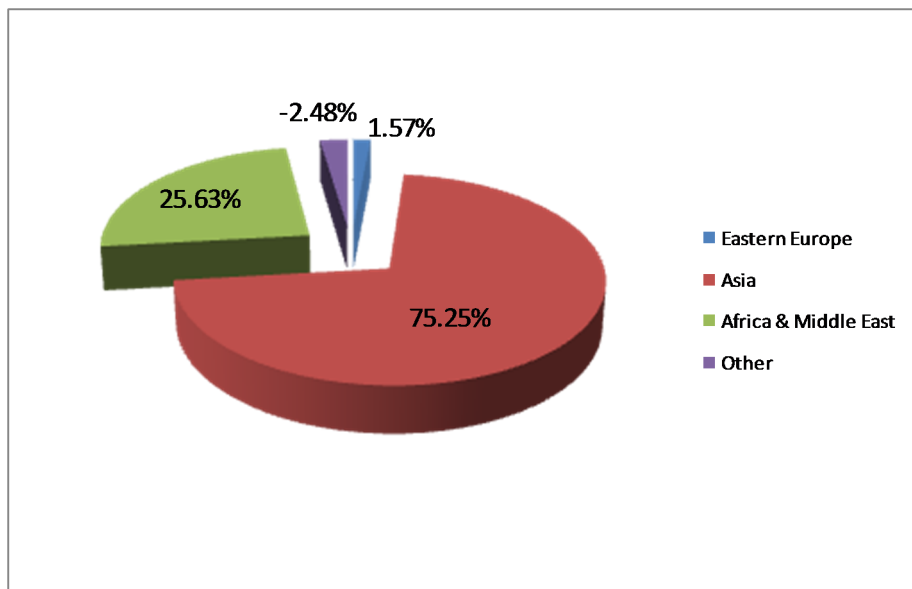
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The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds		14.1%	0.8%	14.9%
Loans	27.3%		-2.6%	24.7%
Equity		65.4%	1.6%	67.0%
Other				
Total	27.3%	79.5%	-0.2%	106.6%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	13,148,868	24,107,620	59,138,580		96,395,068
NET Exposure					96,395,068
Gross Exposure					96,395,068

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months	12.6%	26.7%	58.4%		97.7%
Up to 3 months	0.7%				0.7%
Within 1 month					0.0%
Within 1 week			1.5%	0.1%	1.6%
					100.0%



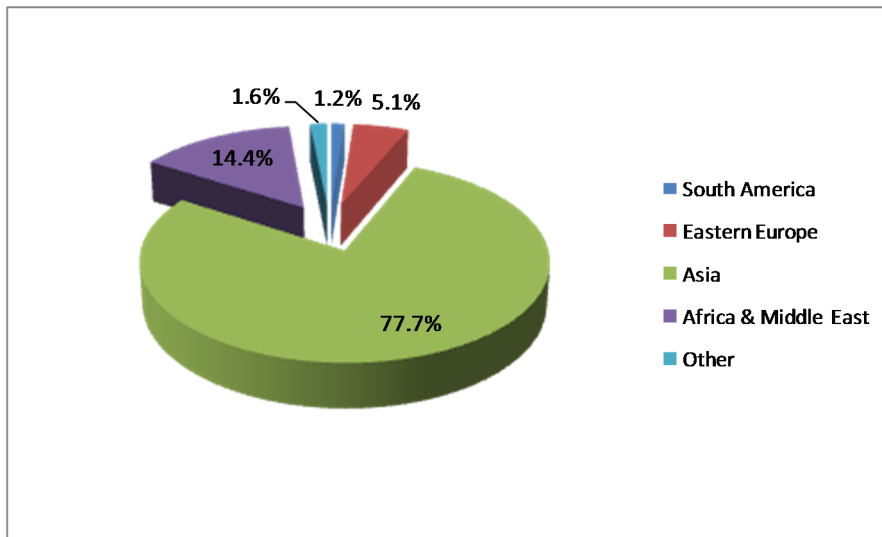
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ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	1.1%		4.3%	5.1%
Loans	13.4%		6.2%	19.1%
Equity		74.9%	0.5%	76.2%
Other				
Total	14.5%	74.9%	11.0%	100.4%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	1,333,595	4,833,032	18,602,088		24,768,714
NET Exposure					24,768,714
Gross Exposure					24,768,714

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		14.9%	74.5%		89.4%
Up to 3 months		4.6%			4.6%
Within 1 month					0.0%
Within 1 week	5.4%		0.5%	0.1%	6.0%
					100.0%

Other Statistical data

Monthly Turnover as % of NAV: 0%	Duration: 0.66
Annualised Net Carry as % of NAV: 1.06%	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): 5.94%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



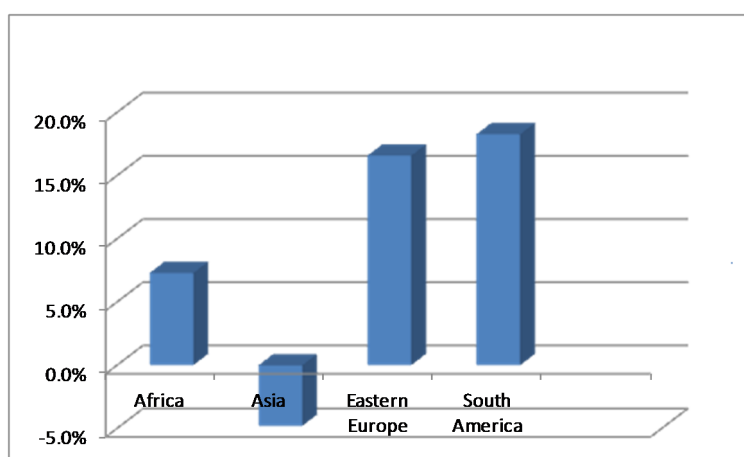
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	17.8%	0.3%	53.2%		
Eastern Europe	13.2%	2.9%			
Asia	7.7%	-12.5%			
Middle east & Africa	14.7%	-8.2%			
Total	53.4%	-17.5%	53.2%		49.3%

• 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	1,996,210	2,186,110	1,990,384		
Short		-2,841,670			
NET Exposure	1,996,210	-655,559	1,990,384		1,843,119
Gross Exposure	1,996,210	5,027,780	1,990,384		

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	53.4%	134.4%	53.2%		49.3%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	12.4%	China	-10.6%	Brazil	53.2%
Hungary	8.4%	Turkey	10.5%		
Thailand	7.7%	South Africa	-8.2%		
Uruguay	6.9%	Hungary	-7.6%		
Colombia	6.3%	Thailand	-7.3%		

Other Statistical data

Monthly Turnover as % of NAV: 43.0%	Value at Risk: 1-Day VAR 0.81% of NAV / 30-Day VAR: 3.78% of NAV VAR Confidence level is 99%
Annualised Net Carry as % of NAV: 4.17%	Sensitivity Analysis: 100bps parallel shift in yield curve -5.24% of NAV
Annualised Volatility: Ex-Ante 3.82% / Ex-Post 3.53%	



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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%	-0.91%	-0.54%	-1.32%	-0.44%	-0.29%	-1.02%	-4.94%
2015	+0.04%	-1.20%	-0.74%	+0.96%									-0.96%

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%	-0.69%	-0.57%	-1.04%	-0.53%	-0.51%	-1.11%	-4.64%
2015	-0.23%	-0.62%	-0.20%	+1.02%									-0.04%

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%	-1.96%	0.52%	-2.12%	-0.59%	+1.28%	-1.30%	-6.19%
2015	+0.63%	-1.13%	-1.36%	-0.78%									-2.63%

ALMF monthly returns since inception (excluding fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012											1.03%	1.69%	2.73%
2013	0.65%	0.13%	-0.16%	1.07%	-3.15%	-2.21%	-0.19%	-1.49%	-0.21%	-0.67%	-0.68%	0.18%	-6.60%
2014	-1.66%	-0.42%	0.79%	-0.60%	1.69%	0.43%	-1.37%	0.97%	-1.63%	0.00%	1.75%	-0.87%	-0.98%
2015	+1.26%	-0.60%	-0.82%	-0.11%									-0.29%



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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%
Full Year 2014	-4.94%	-4.64%	-6.19%	+6.15%	+11.39%	-5.72%
YTD 2015	-0.96%	-0.04%	-2.63%	+3.42%	+1.29%	-1.16%
Since Inception	139.36%	65.91%	-16.33%	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	6.90%	8.51%	-6.81%
Annual Return (Rolling12)	-5.35%	-4.51%	-5.51%
Sharpe Ratio	0.60	0.73	-1.75

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

www.albourn.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