



Argo Funds' Monthly Update

June 2015

The Argo Fund Ltd: 238.17
Argo Distressed Credit Fund: 1,652.44
Argo Local Markets Fund: 813.38

Events in Greece took a dramatic twist as PM Alex Tsipras called off negotiations with the 'Troika' of creditors and held a snap referendum on their proposal on 5 July. This vote was won by Tsipras with a majority of 61%, but apparently this was not a mandate to initiate a "Grexit". Since then, he has largely ceded to the creditors' pre-referendum demands, albeit with a few minor tweaks, in order to secure a third bailout. Whilst banks have now reopened in Greece, strict capital controls remain in place and there is lingering and widespread skepticism that the country will be able to implement the reforms demanded of it.

Fears persist over the consequences of the bubble and subsequent "burst" in the Chinese stock market. The Shanghai composite peaked at 5178 on June 12, a 65% increase from March. The index then plunged 30% in less than four weeks before stabilizing due to desperate government intervention including the suspension of IPOs and the trading in around half of listed shares plus the provision of state-backed margin finance and liquidity.

Elsewhere, Fed Chair Janet Yellen maintains that the rate hike is still scheduled for this year, despite sluggish first quarter growth. Since then indicators have been more positive, most notably employment rates and consumer spending. In combination with the ongoing Greece situation, this has further strengthened the US dollar to 1.08 against the euro as at the date of this report. The Net Asset Value ("NAV") of The Argo Fund decreased by 0.01% to 238.17 whilst the NAV of the Argo Distressed Credit Fund remained flat at 1,652.44.

This combination of factors led to a difficult month for EM currencies as risk-averse investors seek safety in the dollar and yen. The possibility of Fed rates rise increases the possibility of downward pressure on EM currencies as investors move to higher yields (and relative safety). IMF data also revealed a 3% drop in emerging countries' foreign reserves in the Q1, the largest since 2009.

European countries have been tied to the risks enveloping Greece and the long term stability of the euro project, while Romania has also been engulfed in a political storm with allegations of corruption targeting its Prime Minister. Russia has been impacted by the renewed slide in crude oil, adding to fears that the nuclear deal with Iran will mean more oil in already oversupplied markets.

Aforementioned Chinese financial jitters have impacted markets in Asia and, more specifically, in Malaysia the government has been engulfed in a scandal emanating from an obscure government associated financing vehicle that, allegedly, lead to the Prime Minister's door (or bank account).

The outlook for Brazil continues to be negative and the ongoing Petrobras scandal seems to be nearing some heavyweight politicians, and so makes governability an issue.

In the portfolio we suffered due to our Russia exposure as well as our exposure to interest rates in Brazil, Colombia and Hungary. This meant the NAV of the Argo Local Markets Fund fell by 2.47% (-1.79% excluding fees) during June to end at 813.38. During the month we added some Polish zloty exposure as a Greek deal became imminent. We also shorted the Korean won vs the Philippine peso on Korea's weakening export story while adding a short in the Israel shekel on strong central bank intervention.

20 July 2015



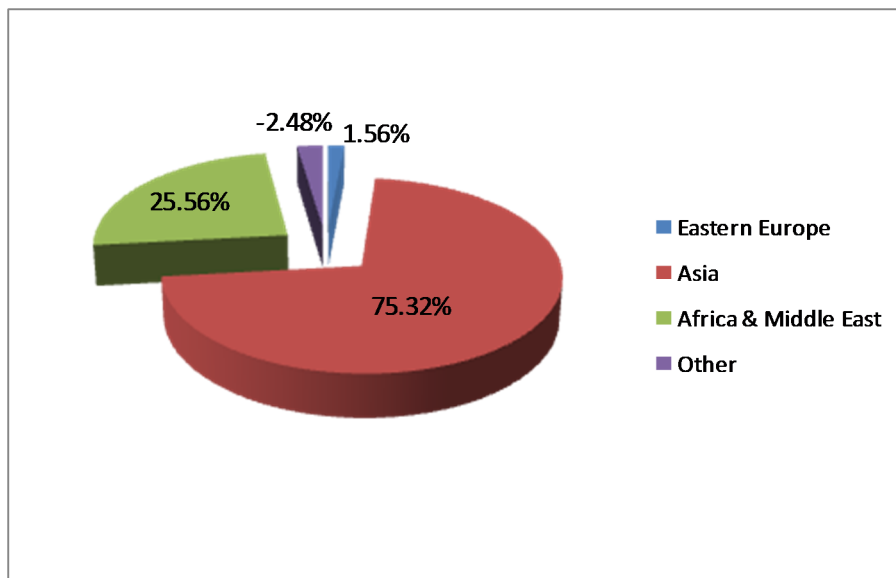
Argo Funds' Monthly Update

The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds		14.2%	0.8%	15.0%
Loans	27.4%		-2.7%	24.7%
Equity		65.8%	1.7%	67.5%
Other				
Total	27.4%	80.0%	-0.2%	107.2%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	13,148,868	24,023,988	59,129,344		96,302,200
NET Exposure					96,302,200
Gross Exposure					96,302,200

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%



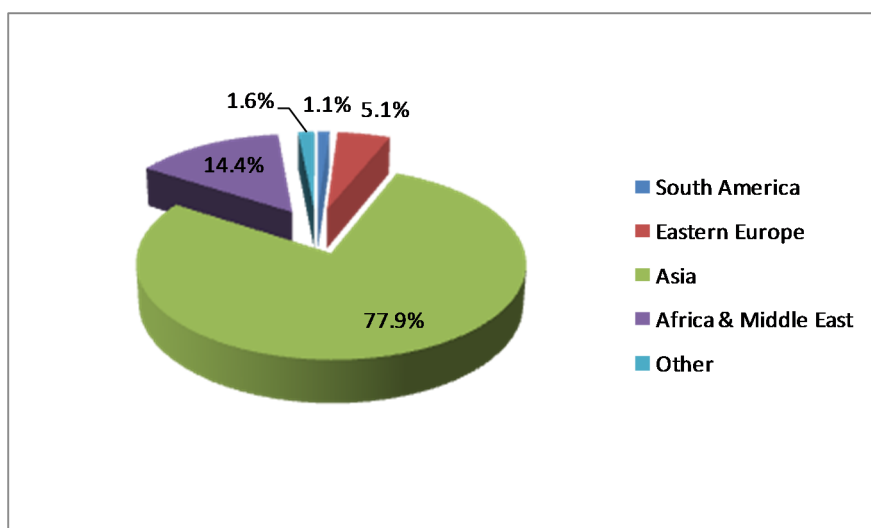
Argo Funds' Monthly Update

ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	0.9%		4.4%	5.3%
Loans	13.4%		6.2%	19.6%
Equity		75.2%	0.5%	75.7%
Other				
Total	14.3%	75.2%	11.1%	100.6%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	1,313,421	4,817,261	18,601,147		24,731,829
NET Exposure					24,731,829
Gross Exposure					24,731,829

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		14.8%	74.6%		89.4%
Up to 3 months		4.6%			4.6%
Within 1 month					0.0%
Within 1 week	5.3%		0.5%	0.2%	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): 4.37%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



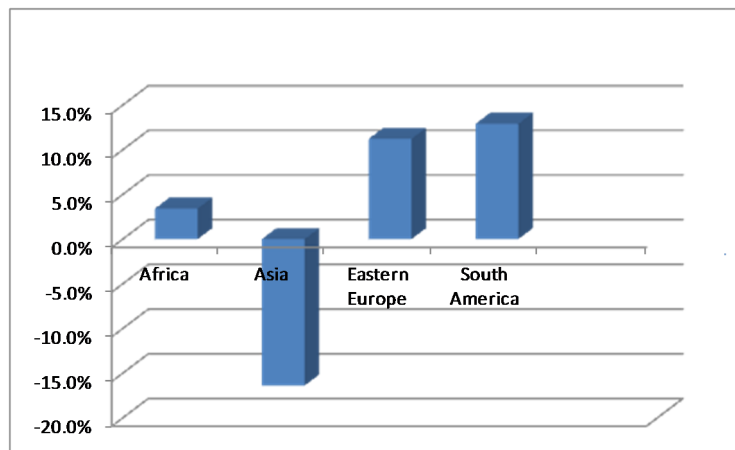
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	17.6%	-5.1%	54.0%		
Eastern Europe	12.8%	-2.2%			
Asia	8.0%	-24.4%			
Middle east & Africa	14.9%	-12.6%			
Total	53.3%	-44.2%	54.0%		48.8%

• 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	1,891,677	600,042	1,914,486		
Short		-2,167,818			
NET Exposure	1,891,677	-1,567,776	1,914,486		1,731,735
Gross Exposure	1,891,677	2,767,860	1,914,486		

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	53.3%	78.1%	54.0%		48.8%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	12.6%	South Africa	-12.6%	Brazil	54.0%
Hungary	8.3%	China	-11.2%		
Thailand	8.0%	Hungary	-7.7%		
Uruguay	7.1%	Thailand	-7.5%		
Colombia	5.9%	India	5.8%		

Other Statistical data

Monthly Turnover as % of NAV: 190.51%	Value at Risk: 1-Day VAR 0.64% of NAV / 30-Day VAR: 2.99% of NAV VAR Confidence level is 99%
Annualised Net Carry as % of NAV: 4.02%	Sensitivity Analysis: 100bps parallel shift in yield curve -2.79% of NAV
Annualised Volatility: Ex-Ante 3.98% / Ex-Post 3.59%	



Argo Funds' Monthly Update

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%	-0.49%	-0.01%							-1.45%

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%	-0.40%	0.00%							-0.44%

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%	-0.33%	-2.47%							-5.35%

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%	+0.20%	-1.79%							-1.88%



Argo Funds' Monthly Update

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	-1.45%	-0.44%	-5.35%	+0.98%	+0.20%	-4.88%
Since Inception	138.17%	65.24%	-18.66%	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	6.78%	8.23%	-7.38%
Annual Return (Rolling12)	-5.84%	-4.79%	-9.27%
Sharpe Ratio	0.59	0.71	-1.88

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