



July 2015

The Argo Fund Ltd: 235.60
Argo Distressed Credit Fund: 1,641.06
Argo Local Markets Fund: 810.56

Global markets in general and -emerging markets in particular – have had a torrid time recently. The volatility in Chinese stock markets has continued despite government attempts to assuage fears and the surprise turn by Chinese authorities to allow some CNY devaluation (presumably based on IMF requirements for greater flexibility as much as on dire export results of late) caused negative ripples as another seemingly strong engine of growth seems to be spluttering.

Commodity markets suffered another decline in July with the CRB commodity index down 10%. This was mainly driven by weaker oil prices as the final nuclear agreement between the US and Iran opened the way for a possible lift in sanctions, and Iranian oil exports to resume sometime later this year or early 2016. This, in conjunction with weaker Chinese economic data, will likely mean that commodities prices may have to further adjust to lower demand dynamics.

These factors, together with expectations that the US Fed will raise interest rates in September, pushed EM currencies lower with the Russian ruble, Colombian peso and Brazilian real particularly punished. Only the eastern European currencies, linked to the euro, posted positive results during the month.

The Net Asset Value (NAV) of The Argo Fund declined 1.08% in the month to 235.60 whilst the Argo Distressed Credit Fund was also impacted by a weaker Swiss franc with its NAV falling by 0.69% to end July at 1,641.06.

In the local markets portfolio we switched our ruble long position to an outright short on the back of weaker oil prices and the CBR's preference to support growth rather than fight inflation. We also benefited from lower short term Brazilian interest rates after the last SELIC rate hike, as well as from being outright short the Korean won. We expect Asian currencies to come under further pressure as Japan and now China enter into competitive devaluation cycles.

As mentioned previously, over the remainder of the year the Fed interest rate cycle is expected to begin normalising and that project bodes ill for EM in the short term. Any rebound in commodity prices would be positive but, while uncertainty remains as to the path of global demand, then emerging market assets will remain volatile. We like being fully hedged in the FX, or outright short EMFX while this cycle plays out. The caveat of course is any change in outlook for the US economy to the downside would provide a great entry point to sell the US dollar and re-enter emerging markets at incredibly attractive yields, and with inflation relatively well behaved. The NAV of the Argo Local Markets Fund fell by 0.35% in July to 810.56 (though up 0.19% excluding fees).

Argo Capital Management, August 2015



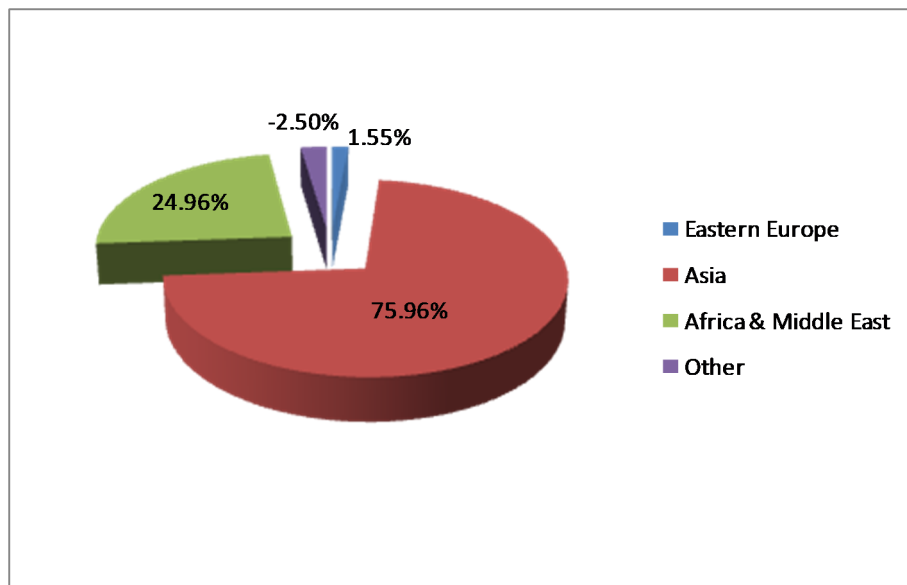
Argo Funds' Monthly Update

The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds		14.4%	0.8%	15.2%
Loans	26.8%		-2.7%	24.1%
Equity		66.5%	1.7%	68.2%
Other				
Total	26.8%	80.9%	-0.2%	107.5%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	13,148,868	23,256,539	59,109,831		95,515,237
NET Exposure					95,515,237
Gross Exposure					95,515,237

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months	12.7%	26.2%	58.9%		97.8%
Up to 3 months	0.7%				0.7%
Within 1 month					0.0%
Within 1 week			1.5%		1.5%
					100.0%



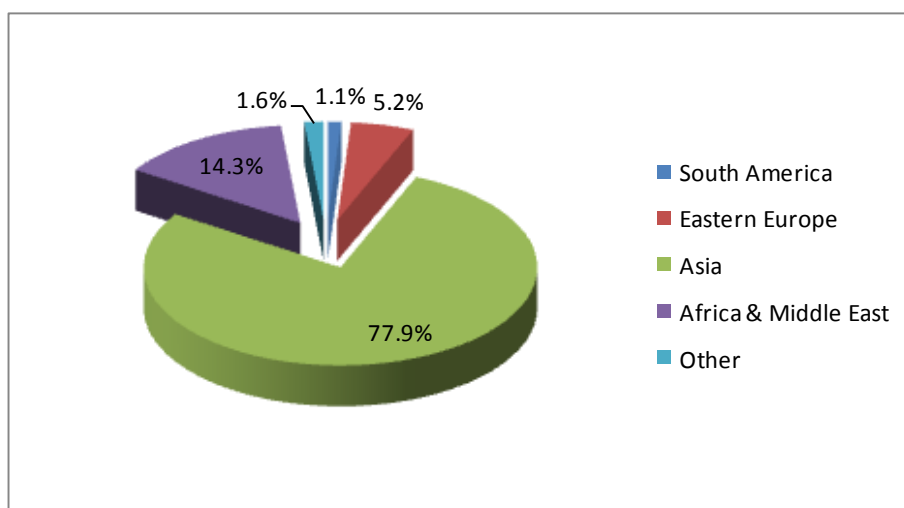
Argo Funds' Monthly Update

ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	0.9%		2.7%	3.6%
Loans	13.1%		6.2%	19.3%
Equity		75.8%	0.5%	76.3%
Other				
Total	14.0%	75.8%	9.4%	99.2%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	891,809	4,700,489	18,599,435		24,191,733
NET Exposure					24,191,733
Gross Exposure					24,191,733

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		14.7%	76.00%		90.7%
Up to 3 months		4.7%			4.7%
Within 1 month					0.0%
Within 1 week	3.6%		0.5%	0.5%	4.6%
					100.0%

Other Statistical data

Monthly Turnover as % of NAV: 1.7%	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): 4.39%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



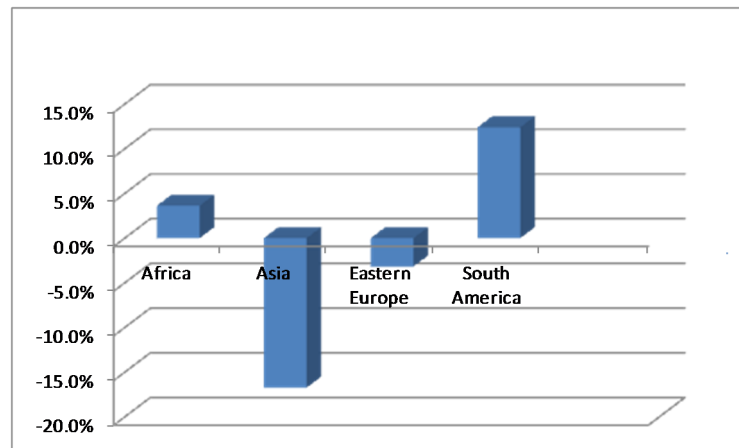
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	17.2%	-5.1%	50.9%		
Eastern Europe	13.1%	-16.9%			
Asia	7.9%	-24.7%			
Middle east & Africa	15.2%	-12.6%			
Total	53.4%	-59.3%	50.9%		47.3%

• 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	1,838,797	597,010	1,754,386		
Short		-2,639,121			
NET Exposure	1,838,797	-2,042,111	1,754,386		1,630,071
Gross Exposure	1,838,797	3,236,130	1,754,386		

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	53.4%	94.0%	50.9%		47.3%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	12.6%	South Africa	-12.6%	Brazil	50.9%
Hungary	8.8%	China	-11.5%		
Thailand	7.9%	Russia	-8.7%		
Uruguay	6.9%	Hungary	-8.1%		
Colombia	5.5%	Thailand	-7.5%		

Other Statistical data

Monthly Turnover as % of NAV: 15.15%	Value at Risk: 1-Day VAR 0.41% of NAV / 30-Day VAR: 1.91% of NAV VAR Confidence level is 99%
Annualised Net Carry as % of NAV: 4.43%	Sensitivity Analysis: 100bps parallel shift in yield curve -1.61% of NAV
Annualised Volatility: Ex-Ante 3.98% / Ex-Post 3.60%	



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%	-1.08%						-2.51%

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%	-0.69%	-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%	-0.69%						-1.13%

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%	-0.35%						-5.68%

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%	+0.19%						-1.69%



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	-2.51%	-1.13%	-5.68%	+1.63%	+2.18%	-7.31%
Since Inception	135.60%	64.11%	-18.94%	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	6.66%	8.02%	-7.28%
Annual Return (Rolling12)	-5.99%	-4.79%	-7.77%
Sharpe Ratio	0.58	0.70	-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