



Argo Funds' Monthly Update

August 2015

The Argo Fund Ltd: 235.02
Argo Distressed Credit Fund: 1,639.38
Argo Local Markets Fund: 808.56

Global markets endured a 'Black Monday' on the 24 August, driven by an 8.5% decline in the Shanghai Composite. Investor sentiment was hit by data that continued to highlight the weakening growth in the world's second-largest economy. These falls came despite a further reduction in both interest rates and reserve ratio requirements.

Whilst events in China were the trigger for a 6% decline in the S&P 500, it was also interpreted as a correction due to the relatively overvalued state of US equities. This affected the prospect of an interest rate hike from the Fed, with New York Fed chairman William Dudley saying the case for a September rise is now "less compelling": he was right, the Fed voted to maintain the current rate on 17 September.

In Europe, the Chinese volatility and expectations of slower global growth weighed on metals and oils prices, which pressured the eurozone's materials and energy sectors. The volatility of oil was evident as it enjoyed its largest three-day gain since August 1990, following a week-long decline. The euro appreciated by 2.1% against the dollar in the month, impacting exporters. The chief economist of the ECB said the bank's inflation target was potentially at risk amid the softer commodity prices and that policymakers are ready to act if needed.

Latin American equities registered sharp declines, with currency weakness magnifying losses. Along with weaker demand outlook from China, commodity price falls weighed on mining stocks in the region. Brazil was the weakest regional market as the economic crisis appeared to worsen as Q2 GDP contracted 2.6% year on year. Furthermore, Brazil's credit rating was cut by one agency, causing them to lose their investment grade status for the first time since 2008.

Not to be outdone, the EM local bond index declined 5.4%. The tremors began when China's PBOC unexpectedly allowed the currency to depreciate 4% versus the dollar. As mentioned above, this was seen as a tacit acknowledgement that the economy was slowing more rapidly than first thought, and that authorities were concerned about the export sector in particular.

Domestic political troubles continue to run course in some of the major emerging countries like Brazil, Russia, Malaysia and Turkey which do little to engender confidence. Some emerging market central banks have called for a rise in US interest rates to provide some stability to their own FX markets. While this remains unfulfilled, investors will question whether EM currencies have reached a floor.

The Argo Local Markets Fund declined by 0.25% (up 0.26% excluding fees) to end the month at 808.56. In the portfolio we profited from our long held CNH short position and in fact added to this position subsequently while we also profited from our other Asia short FX after the Chinese devaluation. Overall we have been short EMFX in Russia, Indonesia and elsewhere, which has helped hold up performance in a risk-averse capital preservation environment. The Argo Fund declined by 0.25% to end the month at 235.02. Meanwhile, Argo Distressed Credit Fund declined by 0.10% to end August at 1,639.38.

Argo Capital Management, 18 September 2015



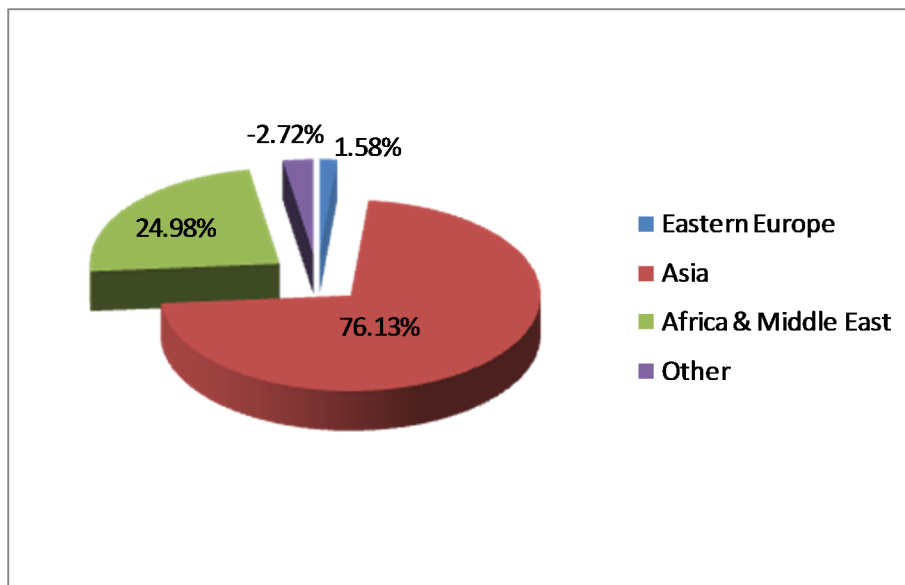
Argo Funds' Monthly Update

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%		-2.9%	23.9%
Equity		66.7%	1.7%	68.4%
Other				
Total	26.8%	81.1%	-0.4%	107.5%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	13,148,868	23,223,196	59,135,979		95,508,043
NET Exposure					95,508,043
Gross Exposure					95,508,043

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months	12.7%	26.3%	58.8%		97.8%
Up to 3 months	0.7%				0.7%
Within 1 month					0.0%
Within 1 week			1.5%		1.5%
					100.0%



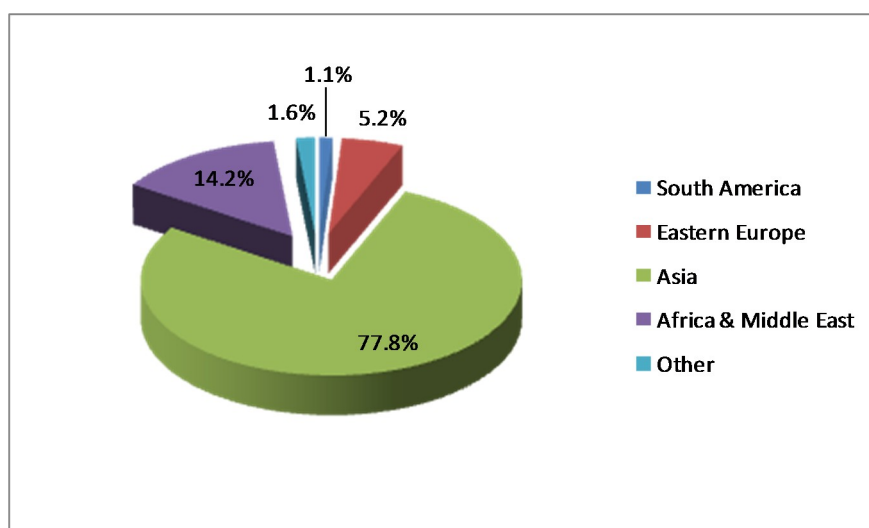
Argo Funds' Monthly Update

ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	0.9%		2.7%	3.6%
Loans	13.1%		6.3%	19.4%
Equity		75.8%	0.5%	76.3%
Other				
Total	14.0%	75.8%	9.5%	99.3%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	887,272	4,713,181	18,601,393		24,201,846
NET Exposure					24,201,846
Gross Exposure					24,201,846

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		14.7%	76.2%		90.9%
Up to 3 months		4.7%			4.7%
Within 1 month					0.0%
Within 1 week	3.7%		0.5%	0.2%	4.4%
					100.0%

Other Statistical data

Monthly Turnover as % of NAV: 0%	Duration: 0.66
Annualised Net Carry as % of NAV: 0.98%	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): 4.42%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



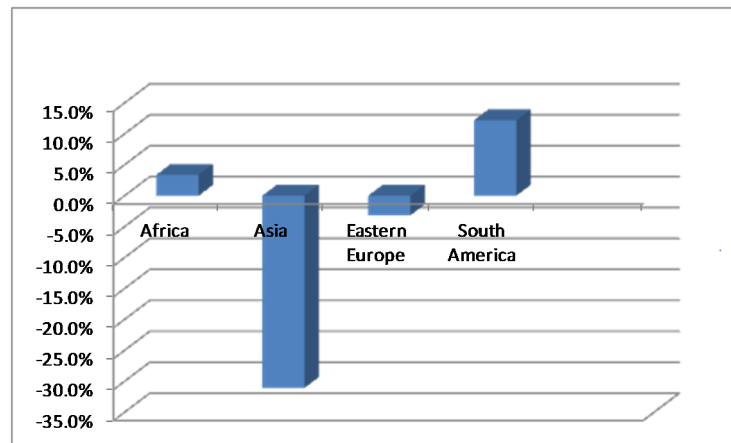
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	9.5%	-4.9%	48.7%		
Eastern Europe	12.7%	-16.5%			
Asia	7.6%	-38.6%			
Middle east & Africa	14.5%	-12.1%			
Total	44.2%	-72.1%	48.7%		54.3%

• 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	1,519,307	1,173,433	1,673,827		
Short		-3,651,519			
NET Exposure	1,519,307	-2,478,086	1,673,827		1,866,998
Gross Exposure	1,519,307	4,824,952	1,673,827		

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	44.2%	140.4%	48.7%		54.3%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	12.0%	China	-17.0%	Brazil	48.7%
Hungary	8.8%	Thailand	-13.1%		
Thailand	7.6%	South Africa	-12.1%		
Colombia	4.9%	Russia	-8.3%		
Mexico	4.5%	Hungary	-8.0%		

Other Statistical data

Monthly Turnover as % of NAV: 49.2%	Value at Risk: 1-Day VAR 0.64% of NAV / 30-Day VAR: 3.01% 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 4.17% / Ex-Post 3.64%	



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%	-0.25%					-2.75%

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%	-0.10%					-1.23%

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%	-0.25%					-5.91%

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%	+0.26%					-1.43%



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	-2.75%	-1.23%	-5.91%	+1.16%	-4.21%	-12.30%
Since Inception	135.02%	63.94%	-19.14%	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	6.61%	7.91%	-7.15%
Annual Return (Rolling12)	-5.71%	-4.34%	-8.48%
Sharpe Ratio	0.58	0.69	-1.87

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