



November 2015

The Argo Fund Ltd: 199.14
Argo Distressed Credit Fund: 1,485.23
Argo Local Markets Fund: 795.12

November 2015

Emerging markets recorded negative returns in November, with a stronger US dollar and commodity price weakness acting as headwinds to performance. Nevertheless, Fed Chair Janet Yellen finally succumbed to expectations on 16 December and raised rates by 0.25%. Yellen ambiguously stated this would be the start of 'gradual' tightening of policy, though it should be noted that two voting members believe there should not be any increases in 2016.

Eurozone markets plunged at the start of December after ECB president Mario Draghi disappointed investors by only announcing a modest reduction in the deposit rate and a six-month extension to their QE programme. This decision came after repeated hints that QE would be expanded and immediately caused the euro to gain against the US dollar, the largest jump since March.

On 30 November, the IMF decided to add the Chinese yuan to its reserve currency basket – the SDR – after they evaluated the Asian nation's standing as an exporter and the yuan's role as a "freely usable" currency. This is the first emerging market currency to be added to the SDR and the decision will likely cause demand for the yuan to accelerate. Markets will hope this inclusion will result in greater economic reforms, in particular improving the country's financial markets and eliminating its capital controls.

Latin American markets were all down over the month, with Brazilian commodities stocks leading the index lower. The fallout from the 'carwash' scandal continued as a bid to impeach Brazil's president Dilma Roussef was launched by the speaker of the lower house. Additionally, Fitch became the second ratings agency to downgrade Brazil to 'junk' status in December, with a negative outlook.

In Argentina, Mauricio Macri upset the odds to oust incumbent Kirchner on 22 November. Macri immediately vowed to settle a decade-long dispute with the holdout creditors in order to return to global credit markets. However, he must find a way to bolster the central bank's dwindling fx reserves, which have fallen to a nine-year low, below \$26 billion, as the outgoing battles to prop up the peso. Furthermore, Macri must find a way of combating double-digit inflation, whilst dismantling capital controls – already announced – and trade restrictions.

Political turmoil hit South Africa as Pravin Gordhan was named the third finance minister in a week. President Zuma's decision to dismiss Nhlhlanhla Nene was widely criticised and sent the rand to record lows. Gordhan is, however, well-respected from his previous stint from 2009-14 and the JSE recouped some of its losses. However, he will have to contend with sluggish growth and unemployment over 25%. The ongoing commodities crisis has deeply affected the mining industry, leading Moody's to cut the sovereign outlook to negative.

Following the realisation of the Indonesian refinery equity and bond positions, and the corporate action that is now underway, The Argo Fund will be relaunched in the New Year with a revised strategy. The cash available will be invested in more liquid assets, namely emerging market bonds, fx longs/shorts and sovereign local currency bonds. The Net Asset Value ("NAV") of The Argo Fund declined by 1.82% to end the month at 199.14. The NAV of the Argo Distressed Credit Fund fell by 1.73% to end November at 1,485.23. Meanwhile the Argo Local Markets Fund declined by -0.63% (-0.05% excluding fees), closing at 795.12.

Argo Capital Management, 21 December 2015

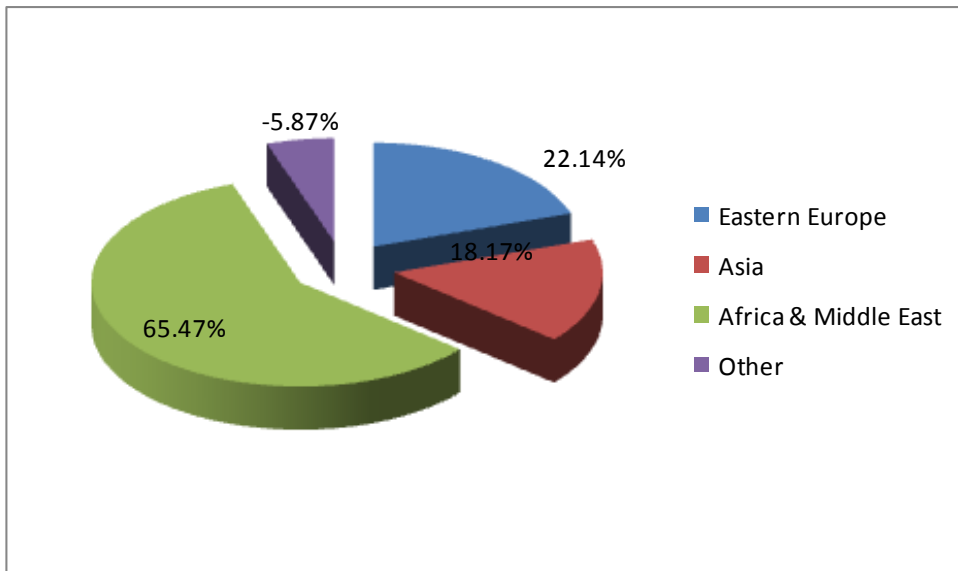


The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds		7.6%	0.9%	8.5%
Loans	30.5%		3.3%	33.8%
Equity			4.3%	4.3%
Other				
Total	30.5%	7.6%	8.5%	46.6%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	6,237,966	26,731,657	3,123,483		36,093,106
NET Exposure					36,093,106
Gross Exposure					36,093,106

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months	7.0%	30.6%			37.6%
Up to 3 months	0.8%				0.8%
Within 1 month					0.0%
Within 1 week		5.6%	3.9%	52.1%	61.6%
					100.0%



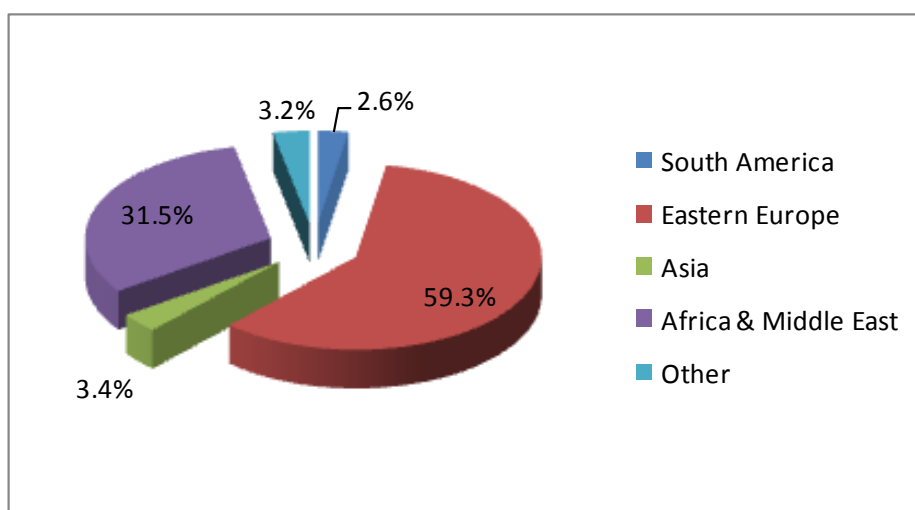
Argo Funds' Monthly Update

ADCF Risk Report

Product Allocation as % of NAV

	Sovereign	Quasi-Sovereign	Corporate	Total
Bonds	1.0%		3.0%	4.0%
Loans	13.6%		26.5%	40.1%
Equity			2.7%	2.7%
Other				
Total	14.6%		32.2%	46.8%

Regional Allocation as % of NAV



Exposure in USD

	Bonds	Loans	Equity	Other	Total
Long/(Selling Protection)	889,818	8,843,661	591,437		10,324,916
NET Exposure					10,324,916
Gross Exposure					10,324,916

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 3 months		35.3%			35.3%
Up to 3 months		5.1%			5.1%
Within 1 month					0.0%
Within 1 week	4.1%		2.7%	52.8%	59.6%
					100.0%

Other Statistical data

Monthly Turnover as % of NAV: 0%	Duration: 0.66
Annualised Net Carry as % of NAV: 1.05%	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): 2.24%	Sensitivity Analysis: Credit spreads increase by 20% 1.8% of NAV 100bps parallel shift in yield curve 0.7% of NAV



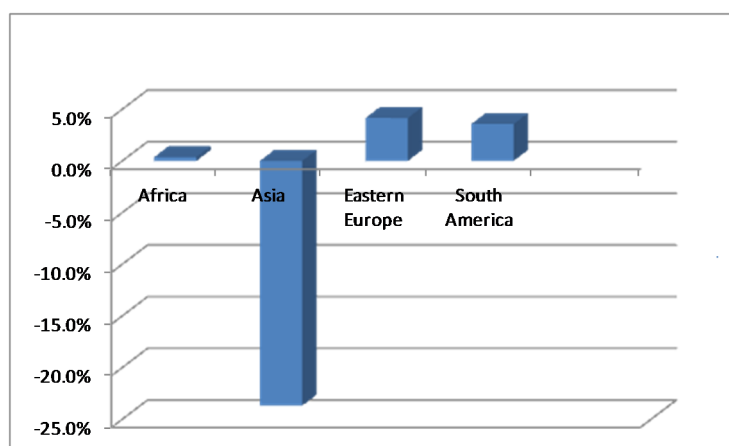
ALMF Risk Report

Product Allocation as % of NAV

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Latin America	6.4%	-3.1%	31.9%		
Eastern Europe	8.8%	-5.3%			
Asia	5.3%	-29.0%			
Middle east & Africa	7.6%	-7.9%			
Total	28.1%	-45.3%	31.9%		73.1%

• 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	1,394,737	277,716	1,580,278		
Short		-2,524,268			
NET Exposure	1,394,737	-2,246,553	1,580,278		3,623,640
Gross Exposure	1,394,737	2,801,984	1,580,278		

Liquidity

	Local Currency Bonds	FX Crosses*	Interest Rates Swaps**	Other Indices/ Options***	Cash
Within 1 week	28.1%	56.5%	31.9%		73.1%

Top 5 Investments (%)

Bonds		FX Local Currency		IRS	
South Africa	7.6%	China	-11.9%	Brazil	31.9%
Hungary	5.9%	Thailand	-9.1%		
Thailand	5.3%	South Africa	-7.9%		
Colombia	3.3%	Hungary	-5.3%		
Mexico	3.2%	Malaysia	-3.9%		

Other Statistical data

Monthly Turnover as % of NAV: 2.0%	Value at Risk: 1-Day VAR 0.62% of NAV / 30-Day VAR: 2.90% of NAV VAR Confidence level is 99%
Annualised Net Carry as % of NAV: 2.36%	Sensitivity Analysis: 100bps parallel shift in yield curve -1.61% of NAV
Annualised Volatility: Ex-Ante 3.68% / Ex-Post 3.52%	



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%	-0.43%	-13.32%	-1.82%		-17.60%

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%	-0.55%	-7.30%	-1.73%		-10.52%

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%	-0.54%	-0.50%	-0.63%		-7.47%

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%	+0.12%	+0.03%	-0.05%		-1.33%



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	-17.60%	-10.52%	-7.47%	+3.14%	+1.04%	-12.98%
Since Inception	99.14%	48.52%	-20.49%	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	5.41%	6.22%	-7.10%
Annual Return (Rolling12)	-18.44%	-11.51%	-8.68%
Sharpe Ratio	0.46	0.54	-1.94

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