



NAV**The Argo Fund****220.42**

EM Credit Long/Short Strategy

Argo Distressed Credit Fund**1,489.10**EM Distressed Credit Strategy

Market Commentary

Emerging markets were negatively impacted by US dollar strength and growth concerns in January as renewed instability in the Chinese equity market and a further deterioration in the oil price saw global stock markets post steep negative returns.

European financials also endured a difficult month due as fourth quarter results were re-released including Deutsche Bank which posted a €6.8bn loss for 2015. Mario Draghi responded to market concerns by indicating the ECB would be willing to reconsider its policy in March, thus leading some commentators to predict a further 10bps cut in the deposit rate.

President Macri has begun carrying out his promise to reform Argentina's economy after announcing a deal with Italian bondholders over defaulted debt from 2001. Further negotiations remain ahead with more difficult creditors, but the Argentine government believe they can resolve the situation at a total estimated cost of US\$6.5bn. In Brazil, the central bank revealed that the economy shrank by 4.08% in 2015, amidst its deepest recession since the 1930s. This prompted a further credit ratings downgrade from Standard & Poor's to 'BB', only a few months after losing investment grade status. The short term outlook for Brazil remains poor due to its reliance on the commodity sector, the ongoing possibility of impeachment and recent emergence of the Zika virus.

In Ukraine the sudden resignations of the well regarded reforming Economic Minister Abromavicious citing corruption and interference by people close to the President has crystallised a political crisis. Western ambassadors have expressed grave fears for the reform program and the IMF has put in question their financial assistance if the reform drive is derailed. In a positive move the president has moved to sack the Prosecutor General, a figure of much derision in the country, and continues to look for a way out of the current impasse.

After falling 45% in 2015, the major oil indices began the year with a further 10% decline. This was caused by collapsing Chinese demand combined with increased oil inventories and oversupply. Speculation over the imminent future price is inconsistent, with predictions ranging from \$25-55/bbl for the end of 2016. This mostly hinges on whether oil producers decide to cut and/or freeze supply but with US shale producers maintaining output and Iran ready to recommence supplies, EM may be disrupted by low oil prices for the foreseeable future.

The NAV of The Argo Fund increased by 10.44% to end January at 220.42 due a trading gain attributed to an Asian special situation that we have followed closely for a number of years. The NAV of the Argo Distressed Credit Fund declined by 0.43% to end the month at 1,489.10.

Argo Capital Management

25 February 2016

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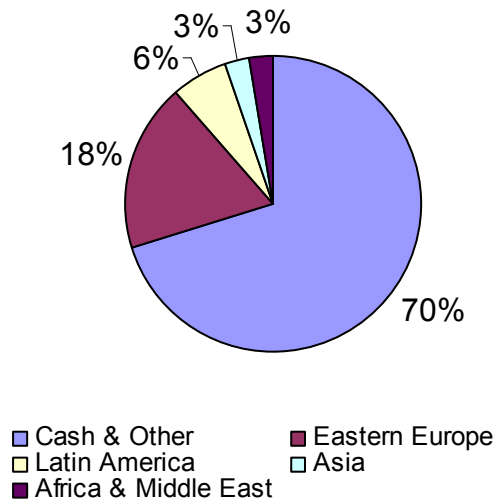


The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	3.6%	10.3%	13.9%
Loans	2.5%	4.4%	6.9%
Equity		5.6%	5.6%
Other (fx/derivatives)			
Total	6.1%	20.3%	26.4%

Geographical Breakdown as % of NAV



Top 5 Countries

Romania	13.43%
Brazil	4.20%
Argentina	1.80%
Russia	1.77%
Turkey	1.63%

Statistical Data	
Average Credit Rating	BB-
Average YTM	1.20%
Annualised Volatility	2.34%
Duration	0.60
1 day VAR	\$0.19mn (0.34% NAV)
30 day VAR	\$1.07mn (1.85% NAV)

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 1 month	1.0%	5.4%			6.4%
Within 1 month					0.0%
Within 1 week	11.6%	7.1%	5.0%	69.9%	93.6%
					100.0%

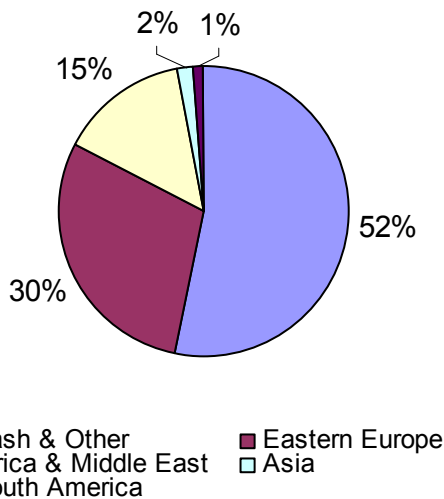


Argo Distressed Credit Fund Risk Report

Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	0.9%	2.9%	3.8%
Loans	13.6%	28.4%	42.0%
Equity		2.8%	2.8%
Other (fx/derivatives)			
Total	14.5%	34.1%	48.6%

Geographical Breakdown as % of NAV



Top 5 Countries

Romania	23.18%
Sudan	13.61%
Kazakhstan	1.60%
Nigeria	1.14%
Venezuela	0.84%

Statistical Data	
Average YTM	0
Annualised Net Carry	1.22%
Annualised Volatility	2.4%
Duration	0.66
1 day VAR	\$0.2mn (0.7% NAV)
30 day VAR	\$1.0mn (3.6% NAV)

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 1 month		42.4%			42.4%
Within 1 month					0.0%
Within 1 week	3.9%		2.8%	50.9%	57.6%
					100.0%



Argo Funds Monthly Update

January 2016

The 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%	+0.21%	-17.42%
2016	+10.44%												+10.44%

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%	+0.90%	-9.71%
2016	-0.63%												-0.63%

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Argo Funds Monthly Update

January 2016

Argo Returns vs Indices				
	TAF ¹	ADCF ²	EMBI+ ³	S&P 500
Oct – Dec 2000 ¹	0.25%		4.00%	-7.60%
2001	31.53%		-0.80%	-13.00%
2002	22.74%		13.98%	-23.36%
2003	26.01%		29.11%	26.38%
2004	14.78%		11.78%	8.99%
2005	9.51%		11.86%	3.00%
2006	11.11%		10.49%	13.62%
2007	12.31%		6.45%	3.53%
2008	-39.86%	0.49%	-9.70%	-38.49%
2009	12.18%	11.06%	25.95%	23.45%
2010	8.55%	10.32%	11.83%	12.78%
2011	0.10%	1.18%	9.20%	0.00%
2012	-0.07%	24.05%	18.04%	13.41%
2013	8.49%	12.64%	-8.31%	29.60%
2014	-4.94%	-4.64%	+6.15%	+11.39%
2015	-17.42%	-9.71%	+1.82%	-0.73%
YTD 2016	+10.44%	-0.63%	+0.65%	-5.09%
Since Inception	120.42%	48.91%	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. 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).

	The Argo Fund	ADCF
Annualised Return	6.08%	6.11%
Annual Return (Rolling12)	-8.83%	-10.08%
Sharpe Ratio	0.50	0.53

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