



NAV**The Argo Fund****220.78**

EM Credit Long/Short Strategy

Argo Distressed Credit Fund**1,493.36**EM Distressed Credit Strategy

Market Commentary

ECB President Mario Draghi exceeded market expectations with an expansion of the bank's monetary stimulus, increasing monthly asset purchases by a third and including non-financial investment grade corporate bonds. Additionally, he cut the deposit rate 10 bps to -0.4% and resurrected the long term refinancing operation available to banks but, tellingly, signalled the end to further rate cuts. It was this last comment that registered with the markets and the euro rallied as a result.

China has unanimously approved a new 5 year plan for the economy which aims at delivering between 6.5-7% of growth every year until 2020. Other measures include cutting high debt, streamlining state-owned enterprises, and reforming financial markets. Amidst a difficult growth environment, China is looking to increase stock-trading links with Hong Kong and increasing the international use of the yuan.

At the latest FOMC meeting, the Fed surprised markets with a dovish tone, scaling back interest rate projections for the year. Fed chair Janet Yellen has pared back expectations to two quarter point rate rises in 2016, compared with four priced in in December. Equity markets reacted positively to the news, and are now on the cusp of recovering all of this year's early losses. Some investors, however, are increasingly concerned that the Fed's decision-making process is subject to market conditions rather than economic data.

Argentina's lower house approved a repayment deal, leaving only the senate's vote in the way of ending a 14 year deal with holdout creditors. The proposed deal includes a cash payment of \$4.7bn to the so called 'vulture funds' financed by a sizeable issuance of new bonds by the sovereign. A resolution to this saga would allow Argentina easier access to international credit markets and encourage much needed investment into the country that's been sadly lacking over the last decade. The Argo Fund has added some exposure to the portfolio by subscribing to more Province of Buenos Aires bonds.

In Brazil, the prospective impeachment of President Rousseff was further strengthened by the testimony under a plea bargain by a leading Workers Party senator. This raised the risk of the corruption scandal engulfing the President herself and her predecessor. This was followed by ex-president Lula being formally investigated by police for asset concealment and, in a twist worthy of Brasil's famous telenovelas, Lula has now been appointed cabinet chief by Rousseff, possibly in an attempt to avoid prosecution. As the possibility of change increases, markets appear to react more positively to the prospects for meaningful reforms and the currency has strengthened.

The Net Asset Value of The Argo Fund increased by 0.17% in February to end the month at 220.78. Widespread gains in emerging market bonds were partially offset by drawdowns in TAM (the Brazilian airline) and State Export-Import Bank of Ukraine, the latter impacted by renewed political uncertainty. The Argo Distressed Credit Fund rose by 0.29% to end February at 1,493.36.

18 March 2016

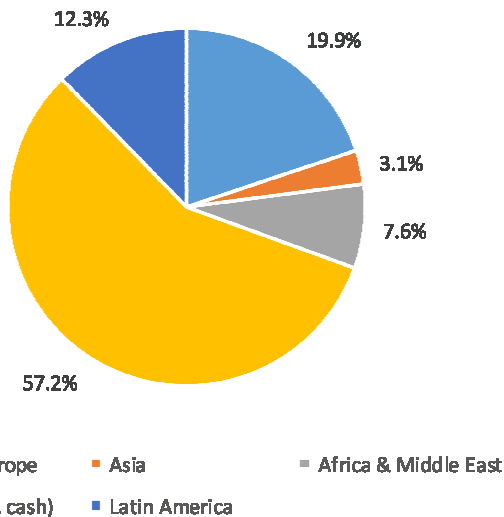


The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	11.1%	16.5%	27.6%
Loans	2.4%	4.2%	6.6%
Equity		5.3%	5.3%
Other (fx/derivatives)			
Total	13.5%	26.0%	39.5%

Geographical Breakdown as % of NAV



Top 5 Countries

Romania	12.84%
Brazil	6.88%
Argentina	3.48%
Russia	3.31%
Ghana	3.06%

Statistical Data	
Average Credit Rating	BB-
Average YTM	2.76%
Annualised Volatility	2.34%
Duration	1.44
1 day VAR (99% CL)	\$0.205mn (0.34% NAV)
30 day VAR (99% CL)	\$0.96mn (1.85% NAV)

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 1 month	1.0%	5.2%			6.2%
Within 1 month					0.0%
Within 1 week	24.1%	6.8%	4.9%	58.0%	93.8%
					100.0%



Argo Distressed Credit Fund Risk Report

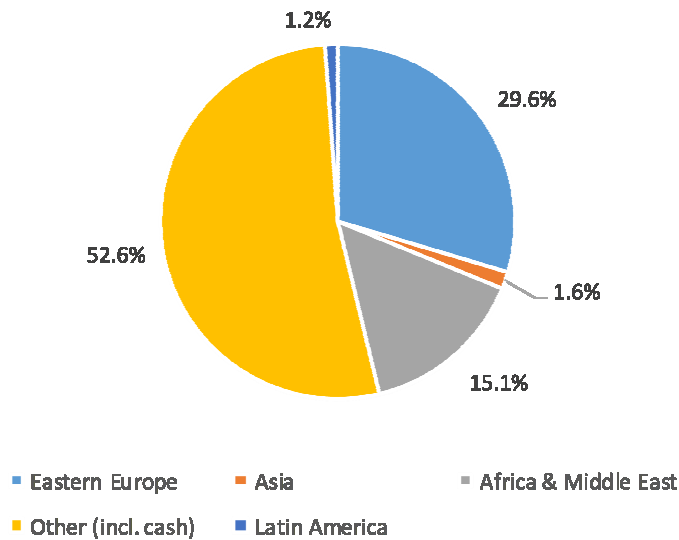
Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	0.9%	2.9%	3.8%
Loans	13.9%	28.4%	42.3%
Equity		2.8%	2.8%
Other (fx/derivatives)			
Total	14.8%	34.1%	48.9%

Geographical Breakdown as % of NAV

Top 5 Countries

Romania	29.6%
Sudan	13.9%
Kazakhstan	1.6%
Nigeria	1.1%
Venezuela	0.9%



Statistical Data	
Average YTM	0
Annualised Net Carry	1.14%
Annualised Volatility	1.1%
Duration	0.66
1 day VAR (99% CL)	\$0.2mn (0.7% NAV)
30 day VAR (99% CL)	\$1.0mn (3.6% NAV)

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 1 month		42.7%			42.7%
Within 1 month					0.0%
Within 1 week	3.9%		2.8%	50.6%	57.3%
					100.0%



Argo Funds Monthly Update

February 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%	+0.17%											+10.63%

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%	+0.29%											-0.35%

Disclaimer: This document is issued by Argo Capital Management Limited which is authorised and regulated by the Financial Conduct Authority. It is intended only for Eligible Counterparties and Professional Clients (as defined by the FCA), and any other party must not rely on it. In particular, the document is not intended for the use of Retail Customers. An investment in shares of the fund must be made on the terms of the Prospectus and no reliance can be placed on this document. All opinions expressed and data provided in this report are subject to change without notice. Argo Capital Management Ltd, its employees, directors and shareholders may have a position or deal as market maker in the securities discussed. The securities mentioned may not be suitable for all types of investors. Past performance is no guarantee of future results. This information is not a representation by us or an offer or the solicitation of an offer to sell or buy a security. Furthermore, Argo Capital Management Ltd is not responsible for any monetary loss afflicted by any person or entity who acts or refrains from acting as a result of material in this report.



Argo Funds Monthly Update

February 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	+10.63%	-0.35%	2.63%	-5.48%
Since Inception	120.78%	49.34%	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	6.06%	6.09%
Annual Return (Rolling12)	-7.57%	-9.25%
Sharpe Ratio	0.50	0.53

www.argocm.com

Disclaimer: This document is issued by Argo Capital Management Limited which is authorised and regulated by the Financial Conduct Authority. It is intended only for Eligible Counterparties and Professional Clients (as defined by the FCA), and any other party must not rely on it. In particular, the document is not intended for the use of Retail Customers. An investment in shares of the fund must be made on the terms of the Prospectus and no reliance can be placed on this document. All opinions expressed and data provided in this report are subject to change without notice. Argo Capital Management Ltd, its employees, directors and shareholders may have a position or deal as market maker in the securities discussed. The securities mentioned may not be suitable for all types of investors. Past performance is no guarantee of future results. This information is not a representation by us or an offer or the solicitation of an offer to sell or buy a security. Furthermore, Argo Capital Management Ltd is not responsible for any monetary loss afflicted by any person or entity who acts or refrains from acting as a result of material in this report.