



NAV**The Argo Fund****225.70**

EM Credit Long/Short Strategy

Argo Distressed Credit Fund**1,546.60**EM Distressed Credit Strategy

Market Commentary

The Net Asset Value (“NAV”) of The Argo Fund increased by 2.22% to end March at 225.70 as emerging markets enjoyed a stronger month, due a US dollar decline backed by a dovish Fed. All of the long bond positions benefited but the biggest gainer was the Brazilian airline TAM. Profits were taken on Petrobras and part of the Ghanaian sovereign position. In Latin America, the fund bought some Cemex due to its attractive yield and its prominent position in a global industry. Additionally, it accumulated a position in Venezuelan state-owned oil producer PDVSA with the slight resurgence in oil prices whilst the selloff in Brazilian telecom provider Oi created an opportunity to gain a small exposure to a potentially attractive restructuring play. The NAV of the Argo Distressed Credit Fund increased 3.56% to end the month at 1,546.60 due to foreign exchange movements.

The recent OPEC talks in Doha failed to reach an agreement on capping output of oil. The hopes that they would reach an agreement had lifted oil prices from the 13-year lows they reached in February. Ultimately, Saudi Arabia backed out of the agreement to ensure that Iran would not be able to increase their market share. The rising geopolitical tensions between the two nations means that, for now, a deal is unlikely. This news dented market expectations and led the oil price into an immediate decline, though not as low as earlier in 2016. However, the low oil prices are beginning to affect some OPEC members as the decline in oil revenues fuels rising fiscal deficits and lower economic activity.

Brazil’s economy fell 5.9% y-o-y in the last quarter of 2015, which became the seventh consecutive quarter of decline. For 2015 as a whole, the economy contracted 3.8%. This led Moody’s to downgrade the sovereign credit rating to Ba2 with a negative outlook, pushing Brazil into “junk” status. Despite this, there is growing belief that incumbent President Dilma Rousseff will be ousted, as the impeachment vote passed in the lower house. Attention will now be on the Senate vote to accept the impeachment case in early May.

Argentina has just finalised its first international bond issue for 15 years after defaulting twice in that timeframe. The US \$16.5bn issue was four times over-subscribed and the proceeds will be used to pay back defaulted bond holders and for general government funding purposes.

Argo Capital Management, 20 April 2016

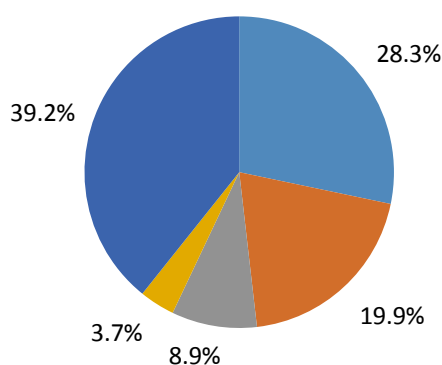


The Argo Fund Risk Report

Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	19.6%	22.4%	42.0%
Loans	3.0%	5.3%	8.3%
Equity		6.6%	6.6%
Other (fx/derivatives)			
Total	22.6%	34.3%	56.9%

Geographical Breakdown as % of NAV



■ Eastern Europe ■ Latin America ■ Africa ■ Asia ■ Other (incl. Cash)

Top 5 Countries

Romania	15.8%
Argentina	7.1%
Brazil	6.9%
Ukraine	5.4%
Iraq	4.0%

Statistical Data	
Average Credit Rating	B+
Average YTM	5.18%
Annualised Volatility	4.52%
Duration	3.51
1 day VAR (99% CL)	\$0.332mn (0.62% NAV)
30 day VAR (99% CL)	\$1.56mn (2.9% NAV)

Liquidity

	Bonds	Loans	Equity	Other	Total
Over 1 month	1.1%	6.2%			7.3%
Within 1 month					0.0%
Within 1 week	36.5%	8.3%	5.9%	42.0%	92.7%
					100.0%

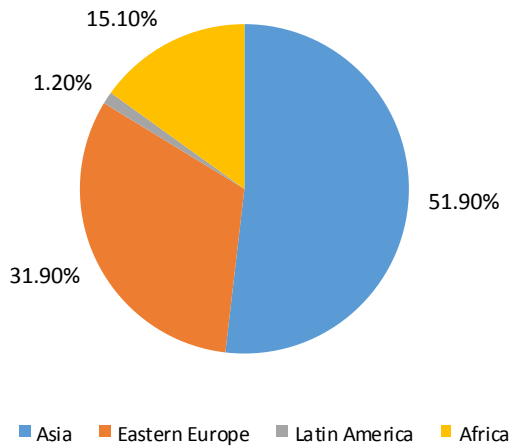


Argo Distressed Credit Fund Risk Report

Product Allocation as % of NAV

	Sovereign/Quasi -Sovereign	Corporate	Total
Bonds	0.9%	2.8%	3.7%
Loans	67.8%	30.6%	98.4%
Equity		2.9%	2.9%
Other (fx/derivatives)		-6.5%	-6.5%
Total	68.7%	29.8%	98.5%

Geographical Breakdown as % of NAV



Top 5 Countries

Indonesia	53.9%
Romania	31.8%
Sudan	14.0%
Kazakhstan	1.5%
Greece	1.5%

Statistical Data	
Average YTM	0
Annualised Net Carry	2.18%
Annualised Volatility	3.1%
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		93.4%			93.4%
Within 1 month					0.0%
Within 1 week	3.6%		2.7%	0.3%	6.6%
					100.0%



Argo Funds Monthly Update

March 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%	+2.22%										+13.09%

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%	+3.56%										+3.20%

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Argo Funds Monthly Update

March 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	+13.09%	+3.20%	+5.94%	+0.77%
Since Inception	125.70%	54.66%	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	6.18%	6.51%
Annual Return (Rolling12)	-4.81%	-5.83%
Sharpe Ratio	0.51	0.57

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