

Performance report | 30 May 2026

Paragon Australian Long Short Fund

Net returns

	1 mth	3 mths	6 mths	Financial YTD	1 yr	2 yr p.a.	3 yr p.a.	5 yr p.a.	Net return p.a.	Total net return
Fund*	5.6%	-23.2%	15.4%	112.2%	96.7%	98.7%	58.0%	22.2%	17.8%	770.5%
ASX All Ordinaries Accum. Index	1.2%	-4.0%	2.1%	5.3%	6.8%	9.6%	11.0%	7.9%	8.5%	194.9%
ASX Small Ords. Accum. Index	2.0%	-6.1%	-4.7%	10.3%	11.2%	10.5%	10.6%	4.0%	6.0%	115.5%

* Performance figures are net of fees and expenses. Total Net Return is since inception on 1 March 2013. Past performance is not indicative of future performance. While focusing on the resource and industrial sectors, the Fund has the flexibility to invest in a wide range of listed equities and derivatives across Australian and global equity market indexes and is not constrained to any benchmark or index.

Overview

The Fund returned +5.6% after fees in May. Global Indices were up: S&P500 +5.1%, Russell2000 +4.3%, Copper +13.7%, Gold +1.4%, Silver +5.8% and Lithium -3.9%. Local Indices were also up: All Ords AI +1.2%, Small Ords AI +2.0% and ASX300 Resources AI +7.6%. San Lorenzo Gold (outstanding growing gold discovery), Capstone Copper and Selkirk performed well for the Fund, partly offset by declines in Tajiri, Turaco and Silver Bow.

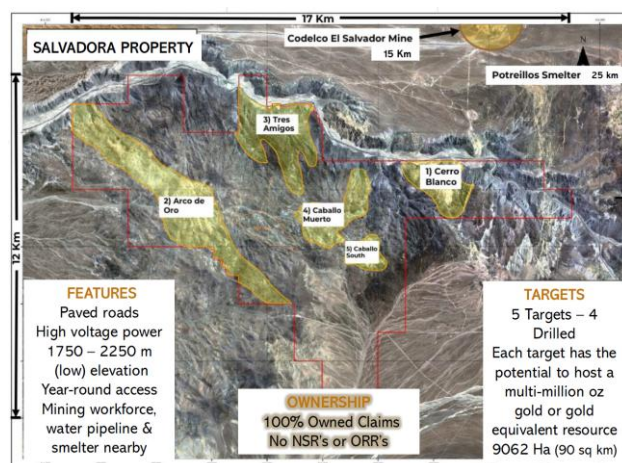
The US\$ was up +0.9%, Oil down -17.5% to US\$91/bbl, and US 10yr bonds rose +7bps to 4.44%. Gold fell -2.0%, Silver rose +1.5%, while Lithium rose +0.6%. Copper rose +7.8% to an all-time monthly-close high of US\$6.39/lb. Copper's strength is being driven by supply-side anxiety and the long-term AI demand narrative. Central banks returned to net gold purchases in April, adding 17t after net sales in the heat of the US-Iran war in March. India raised its gold import duty from 6% to 15%, the steepest single increase on record, fully reversing the reduction introduced in July 2024. The move was part of broader regulatory tightening aimed at curbing imports and defending the collapsing Indian rupee. With the Fed on hold, nominal yields anchored and US inflation re-accelerating, real rates are on a trajectory back toward negative territory - historically one of the most bullish backdrops for gold.

Gold sector M&A continued, with Equinox Gold announcing its acquisition of Orla Mining in a cash and stock deal valued at US\$5.1b, creating a combined entity with a total market value of US\$18.5b. The mergeCo is expected to produce more than 1moz p.a. of gold with organic, self-funded growth to ~1.8moz over the long term. Also, Zijin Gold received investment approval of its previously announced transaction to acquire Allied Gold for C\$5.5b. And in early June, US\$80b+ Elliott Investment Management has taken an ~A\$1b position in Northern Star (~4% interest) – its most significant investment in an ASX-listed company since its high-profile BHP campaign in 2017. Elliott is citing poor leadership and calling on Northern Star to sell the company.

Portfolio Insights: San Lorenzo's tier 1 discovery

San Lorenzo's 100%-owned Salvadora project in Chile is emerging as one of the most exciting multi-million-ounce gold discoveries in recent years. To date, Salvadora appears to host multiple mineralised centres rather than a single prospect, and it is shaping up as a district-scale gold-copper system with high-grade intervals, broad mineralised widths, and meaningful depth continuity. Although still early days, exploration results have been outstanding, with genuine discovery assays across multiple drilled targets, including Cerro Blanco, Arco de Oro main, and the north-west extension at San Juan. Based on Paragon's estimates, these targets collectively have the potential to host ~7moz of gold. Gold mineralisation remains open in all directions. Salvadora is also well supported by infrastructure and is located within an established mining district. Mining major Codelco's El Salvador mine lies ~20km away.

Figure 1: San Lorenzo likely multi-million ounces gold camp. Source: San Lorenzo



San Lorenzo's current fully diluted market cap is ~C\$570m. Paragon expects the stock to continue re-rating as drilling tests strike, width, and depth extensions, which should further demonstrate its scale and economics.

Fund positioning and risk metrics

Feature	Information
Fund size	\$144.3m
Longs	38
Shorts	5
Net exposure	147%
Beta-adj net exposure/Average (rolling 12mths)	109%/73%
Gross exposure	195%
Cash	-47%
Global (as % FUM)	49%
Unlisted (as % FUM)	4.3%
Correlation	0.39
% positive months	60%
Up-down capture	121%/37%
Liquidity (% saleable inside 10BD)	73%

Unit pricing

	\$
NAV (mid-price cum.)	\$6.4513
Entry price	\$6.4610
Exit price	\$6.4417

Fund facts

Feature	Information
APIR code	PGF0001AU
Investment Manager ¹	Paragon IM Pty Ltd
Responsible Entity ¹	Bennelong Funds Management Ltd
Strategy	Aust Equities L/S (long-bias), Fundamental, Concentrated. Global and unlisted permitted.
Objective	>10% p.a. over 5yrs
Structure	Unit trust
Domicile	Australia
Pricing/Applications/Redemptions	Monthly
Min. Investment	\$25,000
Min. Additions	\$5,000
Min. Redemptions	\$10,000
Fund Administrator	MUFG Corporate Markets (formerly Link Fund Solutions)
Prime Broker/Custodian	Barrenjoey Markets
Global Custodian	Citigroup

How to invest

The Fund is open to investors directly via the PDS. Applications can be made by completing an Application Form (available on BFML's website www.bennelongfunds.com or by contacting Client Experience) and forwarding it to the Administrator at the address shown on the Application Form.

Get in touch



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¹ The Paragon Australian Long Short Fund was launched on 1 March 2013 by Paragon Funds Management Ltd, which acted as both Responsible Entity and Investment Manager of the Fund. The above performance data relates to this strategy. Bennelong Funds Management Ltd assumed responsibility as Responsible Entity on 18 December 2024 and appointed Paragon IM Pty Ltd as Investment Manager of the Fund. For performance history relating to this date, please contact Client Experience on 1800 895 388 (AU) or 0800 442 304 (NZ) or client.experience@bennelongfunds.com.

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