

Performance report | 31 August 2026

Paragon 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**	36.4%	-3.4%	-25.8%	6.4%	66.5%	84.0%	56.4%	18.7%	17.1%	741.3%
ASX All Ordinaries Accum. Index	1.9%	4.0%	-0.1%	3.6%	3.5%	9.1%	10.9%	7.4%	8.7%	206.6%
ASX Small Ords. Accum. Index	5.2%	-0.2%	-6.3%	1.8%	-1.2%	10.4%	9.8%	2.2%	5.8%	115.1%

* The Fund changed its name from Paragon Australian Long Short Fund to Paragon Fund on 08/07/26 to accurately reflect the global nature of its investment strategy.

** 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 +36.4% after fees in August. Global Equity Indices were up: Nasdaq +4.2%, Russell2000 +0.9%, Lithium +19.7%, Copper +16.8%, Gold +32.9%, Silver +32.8%, All Ords AI +1.9% and ASX300 Resources AI +11.5%. Paragon's Gold, Silver and Copper stocks performed well for the Fund, with standouts being Santa Barbara, Andean Silver and Aris (exceptional organic growth to ~1moz p.a. - see Figure 3).

Brent crude rose +2.9% to US\$90.49/bbl. The US\$ was down -0.5%. After 6-month cyclical downturns, Gold broke out rising +9.9% and Silver +15.5%. Lithium rose +10.9% and Copper +2.1%.

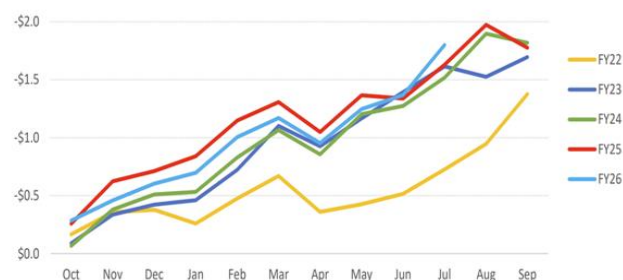
US Treasury joined Japan's yen intervention in August, buying yen directly so Tokyo could defend the currency without selling down its US Treasury holdings (Japan remains the largest foreign holder at ~US\$1.14t). US Treasury then went further, doubling its long-bond buybacks to US\$4b per operation - a de facto form of yield curve control. Both moves point to real concern over Treasury market fragility as record debt collides with rising yields. This is strongly bullish gold, silver and commodities as the US\$ continues to be debased. At his Jackson Hole speech (Aug 28), Fed Chair Warsh continued with his hawkish rhetoric pushing the 10yr up +5bps to 4.7% (highest since January 2025) and the 30yr to 5.2% (near a 19-year high) - undoing much of what US Treasury was trying to achieve.

The US Treasury posted a US\$432b budget deficit in July, ~US\$100b worse than expectations and the 4th highest monthly deficit of all time. The 10-month FY26-to-date (FY26td) deficit hit US\$1.8t, its worst in the last 5 yrs. See Figure 1 adjacent. US Federal Debt has surpassed US\$40t!

China's PBOC continues to buy the dip in gold, increasing its official gold reserves by 20t in August – a 22-month buying streak. Emerging market central banks have been among the largest buyers of gold in recent years, yet their allocations remain well below those of developed markets. See Figure 2 adjacent. Ongoing reserve diversification and emerging market central bank demand are likely to remain a multi-year tailwind for gold.

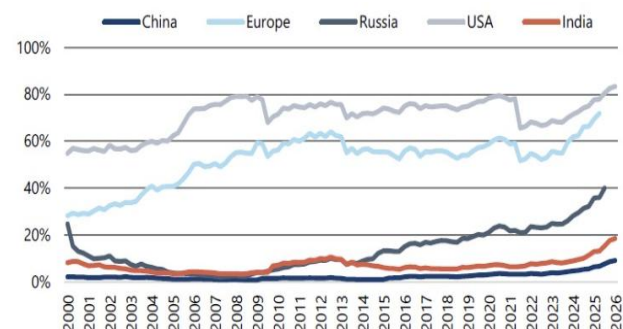
Key gold drivers and Aris' growth outlook:

Figure 1: US Treasury FY deficits (in US\$ trillions). FY26td likely to surpass US\$2t!



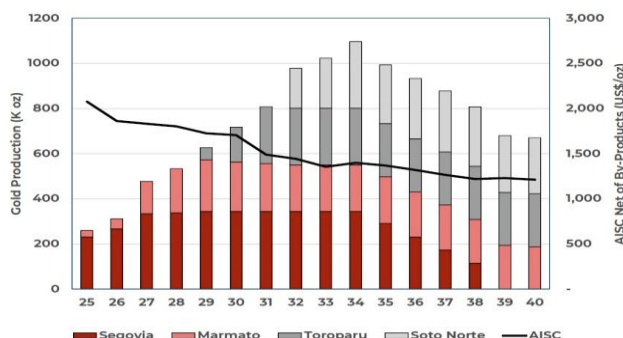
Source: Bloomberg, Canaccord Genuity

Figure 2: Gold as a % of Reserves. Emerging markets remain under-allocated.



Source: World Gold Council, Jefferies

Figure 3: Aris boasts unrivalled, self-funded organic growth. Forecasts



Source: ATB. Forecasts of production growth timeline and quantum are both conservative.

Fund positioning and risk metrics

Feature	Information
Fund size	\$138.4m
Longs	27
Shorts	3
Net exposure	147%
Beta-adj net exposure/ Average (rolling 12mths)	84%/82%
Gross exposure	196%
Cash	-47%
Global (as % FUM)	57%
Unlisted (as % FUM)	2.8%
Correlation	0.37
% positive months	59%
Up-down capture	121%/37%
Liquidity (% saleable inside 10BD)	71%

Unit pricing

	\$
NAV (mid-price cum.)	\$5.1959
Entry price	\$5.2037
Exit price	\$5.1881

How to invest

The Fund is open to investors directly via the PDS. Applications can be made by completing an Application Form (available from Paragon's website at www.paragonim.com.au) and forwarding it to the Administrator at the address shown on the Application Form.

Paragon and the RE of the Fund strongly recommend that you read and consider the Fund's PDS and TMD in their entirety, and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund before making any decision whether to invest in the Fund.

Fund facts

Feature	Information
APIR code	PGF0001AU
Fund Manager ¹	Paragon IM Pty Ltd
Responsible Entity ¹	Melbourne Securities Corporation Ltd
Strategy	Australian & Global Equities Long Short (Long-bias). Fundamental, Concentrated. 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
Prime Broker/Custodian ²	Barrenjoey Markets

Contact Paragon at:

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¹ The Paragon Fund was launched on 1 March 2013 by Paragon Funds Management Ltd, which acted as both Responsible Entity (RE) and Fund Manager of the Fund. The above performance data relates to this strategy since inception. Bennelong Funds Management Ltd (BFML) assumed responsibility as RE on 18 December 2024 and appointed Paragon IM Pty Ltd (Paragon) as Investment Manager of the Fund. Melbourne Securities Corporation Ltd replaced BFML as RE of the Fund on 29 June 2026. Paragon remains as Fund Manager. The Fund changed its name from Paragon Australian Long Short Fund to Paragon Fund from 8 July 2026 to accurately reflect the global nature of its investment strategy. The Fund's constitution, PDS and TMD have been reissued to reflect these changes.

² Barrenjoey Markets Pty Limited ABN 66 636 976 059 was appointed prime broker and custodian of the Fund in September 2025 and subsequently replaced Citigroup as custodian for the Fund's global stocks from June 2026.

This information is issued by Paragon IM Pty Ltd (ABN 90 682 128 785) (Paragon) as Fund Manager of the Paragon Fund (Fund). Melbourne Securities Corporation Ltd (ACN 160 326 545, AFSL No. 428 289) (MSC Trustees) is the responsible entity (RE) of the Fund. This is general information only, and does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which Paragon or MSC Trustees are associated with. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the Fund's Product Disclosure Statement (PDS) and Target Market Determination (TMD) which are available from Paragon's website or by contacting Paragon. Paragon receives management fees and may also receive performance fees from the Fund, details of which are also set out in the current PDS. MSC Trustees is entitled to responsible entity fees payable by Paragon out of the management fees received from the Fund. Neither Paragon nor the RE, or their affiliates and associates accept any liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that the Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in the Fund. Past fund performance is not indicative of future performance. Information is current as at the date of this document. Paragon is a Corporate Authorised Representative (No. 1312888) of MSC Advisory Pty Ltd (ACN 607 459 441, AFSL No. 480649), a related party to the RE.