

Performance report | 30 June 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**	-9.1%	0.0%	-14.5%	92.8%	92.8%	97.6%	50.7%	21.8%	16.8%	691.0%
ASX All Ordinaries Accum. Index	0.4%	4.0%	1.2%	5.7%	5.7%	9.4%	10.4%	7.4%	8.5%	196.0%
ASX Small Ords. Accum. Index	-2.0%	3.3%	-7.9%	8.1%	8.1%	10.2%	9.9%	3.0%	5.8%	111.2%

* 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.

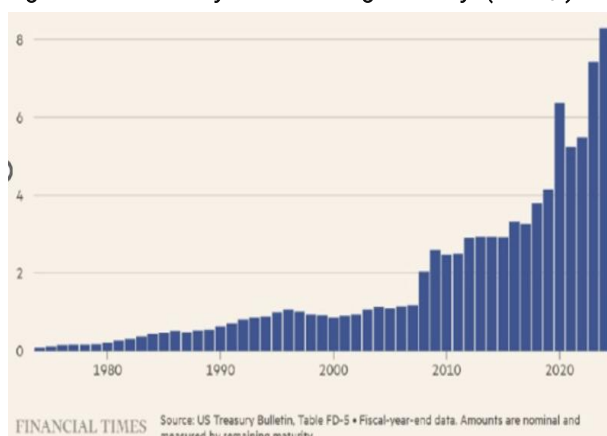
** Performance figures are net of fees and expenses. Total Net Return is since inception on 1 March 2013. Past performance is not indicative of future performance. While focusing on the resource and industrial sectors, the Fund has the flexibility to invest in a wide range of listed equities and derivatives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

Overview

The Fund returned -9.1% after fees in June and +92.8% for the financial year FY26 (vs All Ords AI +5.7% for FY26). Global Indices were down: S&P500 -1.1%, Nasdaq -0.2%, Copper -9.6%, Gold -15.7%, Silver -17.4% and Lithium -23.2%. Local Indices were mixed: All Ords AI +0.4%, Small Ords AI -2.0% and Small Resources AI -13.4%. Lindian performed well for the Fund, however, was more than offset by declines across Gold, Silver and Copper holdings, amid a highly volatile month for Resources markets globally.

The US\$ was up +2.3%, Oil down -19.9% to US\$73/bbl, and US 10yr bonds rose +3bps to 4.47%. Gold fell -11.6% and Silver -22.0%. Lithium fell -16.4 and Copper -3%. Central banks added a solid 41t net of gold in May 2026. China continues to buy the dip in gold, increasing its official gold reserves by ~10t in May and ~15t in June - it's largest single-month purchase since October 2023. The US Treasury posted a US\$293b budget deficit in May, taking the FY26 year-to-date deficit to US\$1.25t, the 2nd-highest since the pandemic. The Fed kept rates on hold while markets are pricing in ~1.5 rate hikes this year. In Paragon's view, this is highly unlikely given the US's ballooning federal debt approaching US\$40t, and more than US\$8t of debt requiring refinancing near term at higher rates (see Figure 1). Supporting that view, oil prices have fallen back to pre-crisis levels and Truflation's US CPI estimate has eased to +1.8%.

Figure 1: US Treasury debt maturing within 1yr (in US\$).



Market Insights: Gold's correction in context

Gold had its weakest quarter in 13 years, pressured by a stronger US dollar, rising bond yields, firmer Fed rate expectations, inflation concerns and fading safe-haven demand. Physical demand remained resilient in parts of Asia, with China's imports reaching their highest level in more than two years in May and staying elevated into June, while gold equities lagged bullion as realised prices fell and input costs remained high.

The broader structural case for gold remains intact, supported by large US fiscal deficits, persistent US dollar debasement concerns and continued central bank diversification. June's decline pushed gold's daily RSI to an extremely oversold 24, while the price traded ~26% below its all-time closing high. During the GFC, RSI fell to 22 and the price was ~29% below its pre-GFC closing high, underscoring how washed-out sentiment has become.

As Iran-related tensions fade, the macro headwinds that dominated 1H-CY26 should begin to unwind, and Paragon expects a constructive backdrop for gold in FY27. Figure 2 also suggests gold may be nearing a cyclical bottom when compared with the drawdowns in 1973 and 2006, both having occurred within major structural bull markets.

Figure 2: Gold post major breakout corrections.



Fund positioning and risk metrics

Feature	Information
Fund size	\$131.4m
Longs	29
Shorts	3
Net exposure	138%
Beta-adj net exposure/ Average (rolling 12mths)	113%/78%
Gross exposure	187%
Cash	-38%
Global (as % FUM)	45%
Unlisted (as % FUM)	3.0%
Correlation	0.39
% positive months	59%
Up-down capture	118%/37%
Liquidity (% saleable inside 10BD)	72%

Unit pricing

	\$
NAV (mid-price cum.)	\$5.8618
Entry price	\$5.8706
Exit price	\$5.8530

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	Aust & 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

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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 has been amended and PDS and TMD will be reissued to reflect all of 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.