Performance report | 31 October 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**	-28.1%	-15.2%	-36.5%	-33.8%	-17.9%	19.0%	33.2%	8.7%	12.9%	423.3%
ASX All Ordinaries Accum. Index	0.7%	0.0%	3.3%	1.7%	1.6%	6.9%	12.7%	7.3%	8.4%	200.9%
ASX Small Resources Accum. Index	-13.9%	-3.3%	-17.3%	-6.9%	-6.0%	15.3%	15.0%	7.1%	3.6%	61.7%

** 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

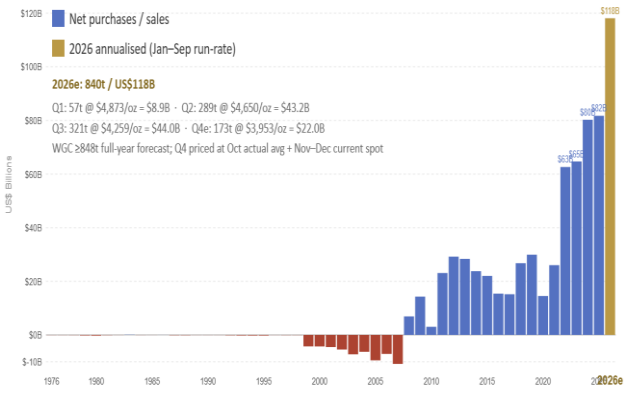
The Fund returned -28.1% after fees in October amid a highly volatile risk-off month across global markets. Equity indices were down sharply: Nasdaq -6.7%, Lithium -24.6%, Copper -13.3%, Gold -12.2%, Silver -17.2% and ASX Small Resources -13.9%. The portfolio was hit hard by a confluence of ongoing events including, US-Iran war tensions, the oil and inflation shock from the contested Strait of Hormuz, and contagion from both AI growth and debt fears. Together, this drove a violent sell-off across Resources and precious metals stocks. The one bright spot was Roxmore receiving a takeover offer from SSR - we took profits for a +75% return.

Brent crude jumped +15.7% to US$113/bbl. The US$ was up +0.4%. Both major headwinds for precious metals. Gold fell -6.7% and Silver -18.6%. Lithium fell -28.8% and Copper fell -2.2%. 10yr bonds fell -35bps to 4.93%. The Fed kept rates on hold despite inflation pressures. China's Central Bank continues to buy the dip in gold, increasing its official gold reserves by 26t in October - its largest monthly purchase in 3 years. China's CY26td reported purchases of 129t are ~5x their CY25 total. Central banks added a net 321t in 3Q26 — the strongest quarter since 4Q24 — bringing CY26td purchases to 675t, up 6% on the prior year. This marks a significant rebound from the US-Iran war-depressed buying seen in 1Q26, with demand accelerating through 2Q26 and 3Q26 despite the ongoing conflict and elevated energy costs. Global central bank net gold buying (in US$b) for CY26 is on pace to materially exceed any other year. See Figure 1. US FY26 (fiscal year end 30Sep) deficit hit US$2T, US$218b worse than FY25. See Figure 2. The FY26 deficit represents 6.2% of US GDP, up from 5.8% in FY25. FY26 was the highest US deficit ever outside a war or recession. FY26 was also the first year with a US$1T net interest bill, and it's rising. US Federal debt now exceeds US$40.5T (rising by US$500b+ in a mere 71 days), and higher long-term rates feed directly back into interest expense and future deficits.

Gold's current -28.5% drawdown from highs mirrors several historical stress events: the 1973 OPEC oil shock (-29%), the 1979 Iran Revolution (-22%), and the 2008 GFC (-29%). In each case gold bottomed following the initial risk-off phase before rallying +100% to +300%. Paragon views the gold sell-off as cyclical - the secular bull thesis remains intact, underpinned by strong fundamentals in central bank de-dollarisation, US fiscal deterioration and dollar debasement. With no outright winner of the US-Iran war and both sides absorbing severe economic damage, a diplomatic resolution appears the most likely near-term outcome. As oil, inflation, and interest rate headwinds fade, Paragon sees a compelling setup for a strong re-rating across our gold, silver, copper, and battery minerals positions.

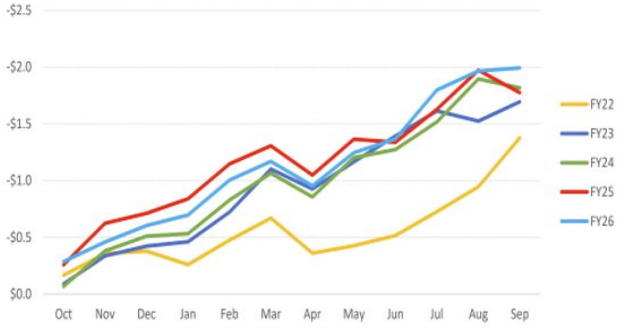
Figure 1: Central Bank Gold Purchases (US$b)

Net purchases (sales) valued at average quarterly gold price: 1976–2026e



Source: World Gold Council, GFMS, CG, Paragon

Figure 2: US deficits (US$T)



Source: Bloomberg, CG

Fund positioning and risk metrics

Feature	Information
Fund size	$86.1m
Longs	26
Shorts	6
Net exposure	115%
Beta-adj net exposure/ Average (rolling 12mths)	74%/85%
Gross exposure	188%
Cash	-15%
Global (as % FUM)	38%
Unlisted (as % FUM)	5.2%
Correlation	0.37
% positive months	59%
Up-down capture	111%/44%
Liquidity (% saleable inside 10BD)	68%

Unit pricing

	$
NAV (mid-price cum.)	$3.2321
Entry price	$3.2370
Exit price	$3.2273

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

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.

Contact Paragon at:

E: client.services@paragonim.com.au
T: (03) 9528 4209
www.paragonim.com.au

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.