

Performance report | 30 September 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**	-13.5%	-8.0%	-7.9%	-8.0%	5.6%	59.7%	49.3%	15.2%	15.7%	627.9%
ASX All Ordinaries Accum. Index	-2.5%	1.0%	5.0%	1.0%	1.4%	5.9%	11.0%	7.2%	8.4%	198.9%
ASX Small Ords. Accum. Index	-2.3%	-0.5%	2.8%	-0.5%	-6.7%	6.5%	10.4%	2.2%	5.6%	110.1%

* 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 -13.5% after fees in September amid a volatile risk-off month for global markets. Global Equity Indices were down: S&P500 -0.5%, Russell2000 -5.4%, Lithium -22.8%, Copper -7.0%, Gold -10.9%, Silver -12.2%, All Ords AI -2.5% and ASX300 Resources AI -5.1%. San Lorenzo and St Barbara performed well for the Fund, however were more than offset by falls in Lindian (after rallying +40% in August, fell -38% on transient headlines/noise – see below), Aris and our silver holdings.

Brent crude rose +8.3% to US\$98.03/bbl. The US\$ was up +2.0%. 10yr bonds jumped +53bps to 5.28% (highest since pre-GFC). The Fed increased rates +25bps. All of these proving headwinds for precious metals. Gold fell -6.6% and Silver -9.3%. Lithium fell -15.7% and Copper marginally rose +0.4%. Global central banks bought 39t net of gold in August. China's PBOC continues to buy the dip in gold, increasing its official gold reserves by 23t in September - its largest monthly purchase in 3 years. The Fed's rate rise worsens the US governments interest bill and budget deficit by a further \$250b p.a. on its massive US\$40t of debt.

Gold M&A continued across precious metals producers and developers, with 1) St Barbara selling its remaining 40% interest in Simberi for \$750m (\$450m in cash and a royalty on its production valued at ~\$250m at spot gold), 2) Gold Fields \$38.7b scrip+cash bid for Northern Star (unanimously rejected, higher bid likely), which would create the world's second largest gold producer, and 3) Artemis acquiring Vista gold in an all-stock ~US\$427m transaction. Despite the sectors volatility, advanced developers are also securing major financing packages ranging from \$250m to \$1b+, including Troilus, Mayfair, Roxgold and Thesis gold.

Portfolio Insights: St Barbara and Lindian updates

We have discussed our **St Barbara** investment case several times ([Jan2026](#) and [Sep2025](#)) over the last couple of years. Paragon is up ~4x and expects strong returns to continue as the stock substantially derisks. St Barbara management have done a great job executing, selling their Simberi interest

in full (financial close 1Q27). This will realise \$1b+ in cash when including the royalty, which we also expect to be sold near term. St Barbara's fully diluted market cap is ~\$1b, implying it trades at cash backing, with investors getting its 100%-owned Canadian gold assets for free. Hence their announced 100m share buyback (~8% of shares outstanding) to start imminently.

Canadian stockpiles will generate ~\$150m of free cash at spot gold in CY27. The real prize is from developing their Canadian ~100koz p.a. high-margin, 15-mile project with a post-tax NPV5 of \$2.7b at a US\$4,000/oz gold price. Underground exploration success is highly likely to see production lift to ~140koz p.a. over the project's 13yr life-of-mine, taking its post-tax NPV5 to \$3.5b. 15-mile project development permitting is expected March CY27 and should be a major catalyst for the stock as St Barbara can easily fund the project's \$300m of capex. Paragon views M&A as highly likely given its North American medium-term production focus and vast value on offer.

Lindian Resources is nearing its material structural inflection point. Sensationalised headlines regarding Malawian draft mining laws and domestic processing debates have seen substantial recent share price volatility. We view this regulatory chatter as irrelevant to the core thesis, even if Lindian issues the government a 15% free carried equity interest in its 100%-owned Kangankunde rare earths project. Production of monazite concentrate cannot realistically undergo further downstream oxide separation in Malawi due to regional power, water, technology and chemical reagents constraints - making a practical exemption or compliance framework highly likely. Lindian is now <2 months away from ramping up its 20ktpa Stage 1 production, where Kangankunde instantly becomes the world's 3rd largest, rare earths producer outside of China. The project is fully funded, boasts first-quartile economics, and features a 100% owned downstream processing edge via its SARECO facility. Trading on a mere 6x CY27 EV/EBITDA, we expect the stock to do very well as transient noise gives way to strong cash-flow generation and focus to turn to its world-class 120ktpa Stage 2 project development.

Fund positioning and risk metrics

Feature	Information
Fund size	\$120.7m
Longs	28
Shorts	3
Net exposure	147%
Beta-adj net exposure/ Average (rolling 12mths)	84%/84%
Gross exposure	201%
Cash	-47%
Global (as % FUM)	57%
Unlisted (as % FUM)	3.8%
Correlation	0.38
% positive months	59%
Up-down capture	121%/45%
Liquidity (% saleable inside 10BD)	70%

Unit pricing

	\$
NAV (mid-price cum.)	\$4.4957
Entry price	\$4.5025
Exit price	\$4.4890

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

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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.