

Paragon Australian Long Short Fund

ARSN 161 565 920

Interim Report

For the half-year ended 31 December 2025

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made in respect of the Paragon Australian Long Short Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers the Paragon Australian Long Short Fund as an individual entity.

The Responsible Entity of the Paragon Australian Long Short Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806).

The Responsible Entity's registered office is:

Bennelong House
Level 1
9 Queen Street
Melbourne, VIC 3000

**Paragon Australian Long Short Fund
Directors' Report
For the half-year ended 31 December 2025**

Directors' Report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085) the Responsible Entity of the Paragon Australian Long Short Fund (the "Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2025.

Principal activities

The Fund's mandate is to invest primarily in Australian listed equities focusing on core competencies in the resource and industrial sectors in accordance with the provisions of the Fund's Constitution. The Fund may also invest in foreign listed stocks and equities in unlisted Australian and foreign companies. The objective of the Fund is to produce absolute returns and capital growth for unitholders over a 5 year investment horizon.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

Directors

The following persons held office as directors of Bennelong Funds Management Ltd during the half-year or since the end of the half-year and up to the date of this report:

Gillian Larkins
John Burke
Jeremy Cooper

Review and results of operations

During the half-year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31	31
	December	December
	2025	2024
	\$	\$
Operating profit for the half-year	84,686,650	6,430,065

Significant changes in the state of affairs

UBS AG has retired as Prime Broker, and UBS Nominees Pty Ltd has retired as Custodian. BFM has appointed Barrenjoey Markets Pty Limited as Prime Broker and Custodian. BFM has also appointed Citigroup Pty Limited as Global Custodian.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods; or
- (ii) the results of those operations of the Fund in future financial periods; or
- (iii) the state of affairs of the Fund in future financial periods.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of the Bennelong Funds Management Ltd.

A handwritten signature in black ink, appearing to read 'John Burke'.

John Burke
Director

Sydney, NSW
11 March 2026

11 March 2026

The Board of Directors
Bennelong Funds Management Ltd -
as Responsible Entity for Paragon Australian Long Short Fund
Level 1, 9 Queen Street
Melbourne VIC 3000

Dear Directors

Auditor's Independence Declaration to Paragon Australian Long Short Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bennelong Funds Management Ltd, as Responsible Entity for Paragon Australian Long Short Fund (the "Fund").

As lead audit partner for the review of the half-year interim report of the Fund for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Mark Stretton
Partner
Chartered Accountants

Paragon Australian Long Short Fund
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2025

Condensed Statement of Profit or Loss and Other Comprehensive Income

		Half-year ended	
		31	Restated*
		December	31
		2025	December
		2025	2024
Notes		\$	\$
Investment income			
	Interest income from financial assets at amortised cost	4,313	1,357
	Dividend income	473,303	-
	Net gains on financial instruments at fair value through profit or loss	4	8,390,113
	Net foreign exchange gain/(loss)	943,078	(721,428)
	Total investment income	110,008,107	7,670,042
Expenses			
	Management fees	896,767	394,663
	Performance fees	22,842,335	-
	Interest expense	875,054	596,029
	Custody fees	1,341	1,211
	Transaction costs	81,053	76,286
	Stock loan fees	72,974	22,455
	Short dividend expense	401,656	83,431
	Expense reimbursement fees	149,493	65,791
	Other operating expenses	784	111
	Total operating expenses	25,321,457	1,239,977
	Operating profit for the half-year	84,686,650	6,430,065
	Profit for the half-year	84,686,650	6,430,065
	Other comprehensive income	-	-
	Total comprehensive income for the half-year	84,686,650	6,430,065

* Net assets attributable to unitholders have been reclassified from a financial liability to equity. In conjunction with this change, the recognition of 'Finance costs attributable to unitholders' is no longer applicable and has been removed in the restated comparative period. Refer to note 7 for further details.

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Paragon Australian Long Short Fund
Condensed Statement of Financial Position
As at 31 December 2025

Condensed Statement of Financial Position

		As at	
		31 December 2025	30 June 2025
Notes		\$	\$
Assets			
	10	39,067,205	47,183
		1,758,436	93,932
		3,159,731	11,108,669
	3, 5	249,382,288	109,378,164
		293,367,660	120,627,948
Liabilities			
	9	88,770,612	31,272,869
		-	246,723
		26,457,487	290,102
		-	3,834,344
	3, 6	28,341,050	16,030,750
		143,569,149	51,674,788
	7	149,798,511	68,953,160

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Paragon Australian Long Short Fund
Condensed Statement of Changes in Equity
For the half-year ended 31 December 2025

Condensed Statement of Changes in Equity

	Half-year ended	
	31 December 2025 \$	*Restated 31 December 2024 \$
Total equity at the beginning of the half-year	68,953,160	38,816,637
Comprehensive income for the half-year		
Profit for the half-year	84,686,650	6,430,065
Other comprehensive income	-	-
Total comprehensive income for the half-year	84,686,650	6,430,065
Transactions with unitholders		
Applications	4,607,206	1,320,000
Redemptions	(8,448,505)	(2,437,836)
Reinvestment of distributions	-	-
Distributions paid and payable	-	-
Total transactions with unitholders	(3,841,299)	(1,117,836)
Total equity at the end of the half-year	149,798,511	44,128,866

** Net assets attributable to unitholders have been reclassified from a financial liability to equity. In conjunction with this change, the transactions attributable to the unitholders are presented in the above statement. Refer to note 7 for further details.*

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Paragon Australian Long Short Fund
Condensed Statement of Cash Flows
For the half-year ended 31 December 2025**

Condensed Statement of Cash Flows

	Half-year ended	
	31 December 2025	31 December 2024
Notes	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	156,666,466	88,260,726
Payments for purchase of financial instruments at fair value through profit or loss	(171,658,283)	(89,973,368)
Interest income received from financial assets at amortised cost	3,955	1,369
Dividends received	473,303	-
Management fees paid	(752,103)	(385,533)
Transaction costs paid	(81,053)	(76,286)
Stock loan fees paid	(66,317)	(21,696)
Custody fees paid	(1,341)	(1,211)
Expense reimbursement fees paid	(125,839)	(64,298)
Interest expense paid	(842,869)	(586,054)
Short dividends paid	(308,156)	(64,231)
Net GST amounts (paid)/received	7,244	30,364
Other operating expenses paid	(784)	(111)
Net cash outflow from operating activities	<u>(16,685,777)</u>	<u>(2,880,329)</u>
Cash flows from financing activities		
Proceeds from applications by unitholders	5,960,206	1,415,000
Payments for redemptions by unitholders	(8,448,505)	(2,437,836)
Distributions paid to unitholders	(246,723)	-
Net cash outflow from financing activities	<u>(2,735,022)</u>	<u>(1,022,836)</u>
Net decrease in cash and cash equivalents	(19,420,799)	(3,903,165)
Cash and cash equivalents at the beginning of the half-year	(31,225,686)	(16,859,514)
Effects of foreign currency exchange rate changes on cash and cash equivalents	943,078	(721,428)
Cash and cash equivalents at the end of the half-year	9, 10 <u>(49,703,407)</u>	<u>(21,484,107)</u>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the interim financial statements

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1 General information

The interim financial statements cover the Paragon Australian Long Short Fund (the "Fund") as an individual entity. The Fund was constituted on 6 December 2012, registered with the Australian Securities and Investments Commission on 20 December 2012 and commenced operations on 1 March 2013. The Fund will terminate on

5 December 2092 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

Paragon Australian Long Short Fund is a registered managed investment scheme under the *Corporations Act 2001*.

The Responsible Entity of the Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806) (the "Responsible Entity"). The Responsible Entity's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne, VIC 3000. The interim financial statements are presented in the Australian currency.

The Fund's mandate is to invest primarily in Australian listed equities focusing on core competencies in the resource and industrial sectors in accordance with PDS and the provisions of the Fund's Constitution. The Fund may also invest in foreign listed stocks and equities in unlisted Australian and foreign companies. The objective of the Fund is to produce absolute returns and capital growth for unitholders over a 5 year investment horizon.

The interim financial statements are for the half-year ended 31 December 2025.

The interim financial statements were authorised for issue by the directors of the Responsible Entity on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of the interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

The half-year financial report is a general purpose condensed financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report, as well as all public information on the Fund.

The condensed financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's annual financial report for the year ended 30 June 2025. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

There are no standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(b) Material accounting policies

The material accounting policies applied in the preparation of the interim financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2025.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2025 that have a material impact on the amounts recognised in the prior periods or will affect current or future periods.

3 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting half-year ended.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) is based on their quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the annual financial statements for the year ended 30 June 2025. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and financial liabilities held by the Fund is the last trade price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Significant observable inputs (level 2)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included in level 2.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

(iii) Significant unobservable inputs (level 3)

The fair value of financial instruments that are determined using valuation techniques that rely on material inputs that are not observable are included in level 3 and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

3 Fair value measurement (continued)

(iii) *Significant unobservable inputs (level 3) (continued)*

Specific valuation techniques using observable inputs used to value financial instruments include:

- Private market securities are valued using valuation techniques such as reference to the current fair value or recent transaction prices of substantially similar instruments, market multiples techniques using the applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer or discounted cash flow techniques.
- Securities which are suspended from trading are valued using the last traded price or other valuation techniques (described above) where the investment manager determines that the last traded price no longer reflects the fair value of the securities.

(iv) *Recognised fair value measurements*

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 31 December 2025 and 30 June 2025.

As at 31 December 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Australian equity securities and trusts	155,076,568	778,176	72,976	155,927,720
International equity securities	91,149,068	-	2,305,500	93,454,568
Convertible debenture	-	-	-	-
Total financial assets	246,225,636	778,176	2,378,476	249,382,288
Financial liabilities				
Australian equity securities and trusts sold short	28,341,050	-	-	28,341,050
Total financial liabilities	28,341,050	-	-	28,341,050
As at 30 June 2025				
Financial assets				
Australian equity securities and trusts	70,313,172	-	694,317	71,007,489
International equity securities	35,031,723	-	2,305,500	37,337,223
Convertible debenture	-	-	1,033,452	1,033,452
Total financial assets	105,344,895	-	4,033,269	109,378,164
Financial liabilities				
Australian equity securities and trusts sold short	16,030,750	-	-	16,030,750
Total financial liabilities	16,030,750	-	-	16,030,750

3 Fair value measurement (continued)

(iv) Recognised fair value measurements (continued)

The Level 3 investments as at 31 December 2025, comprise of:

- (1) Leo Lithium Limited (LLL)- The Fund holds a residual interest in Leo Lithium Limited, an Australian mining company formerly involved in the development of the Goulamina Lithium Project in Mali through a joint venture with Ganfeng Lithium. Following divestment due to geopolitical risks, the Fund's exposure comprises proceeds for the remaining royalty asset that has been sold.

At 31 December 2025, the investment is classified as Level 3 and carried at \$72,976 (\$0.035 per share). The fair value marked to market of the sale price and remaining cash on balance sheet is set to be returned to shareholders in February 2026.

All other previous assets were sold for cash as per previous Sum of the Parts Valuation provided and since received as a cash distribution.

LLL at \$0.035/sh represents <0.5% of the Fund's NAV.

The directors consider the fair value at reporting date to be appropriate.

- (2) ISX Financial EU Plc (ISXFEU) - The Fund holds an unlisted equity interest in ISX Financial EU Plc, a Cyprus-incorporated public company formed following the demerger from Southern Cross Payments Ltd (formerly iSignthis Ltd). ISXFEU provides financial technology and regulatory compliance solutions under its Probanx brand, including core banking systems, identity verification, onboarding, card processing, and digital wallets. The company is licensed and regulated in the European Union and the United Kingdom, with shares issued to Southern Cross Payments shareholders at a ratio of 1:10 as part of the demerger.

At 31 Dec 2025, the investment is classified as Level 3 and fair valued at \$2,305,000 (\$5.30 per share).

Management valued the investment using an EBITDA multiple methodology, ascribing a 30x EBITDA multiple (~20% discount to its comparable listed peers) on a 12m forecast EBITDA of €55.5m / AUDEUR FX of 0.57 /100m shares = \$2,902m = \$26.09/sh.

Paragon's carrying value of ISXFEU of \$5.30/sh, represents an 80% discount to the EBITDA-based valuation.

ISXFEU carried at \$5.30/sh represents 1.5% of the Fund's NAV.

The directors consider the carrying value at reporting date to be appropriate.

(v) Transfers between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

3 Fair value measurement (continued)

(vi) *Fair value measurements in an inactive market (Level 2) and using significant unobservable inputs (Level 3)*

The following table presents the movement in Level 2 and Level 3 instruments at 31 December 2025 by class of financial instrument:

At 31 December 2025	Unlisted equity securities		Total
	Level 2	Level 3	
	\$	\$	\$
Opening balance - 1 July	-	4,033,269	4,033,269
Purchases	499,901	-	499,901
Sales	-	(990,047)	(990,047)
Gains/(losses) recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income	278,275	(664,746)	(386,471)
Closing balance	778,176	2,378,476	3,156,652

The following table presents the movement in Level 2 and Level 3 instruments at 30 June 2025 by class of financial instrument:

At 30 June 2025	Unlisted equity securities		Total
	Level 2	Level 3	
	\$	\$	\$
Opening balance - 1 July	-	4,905,577	4,905,577
Transfers in/(out)	-	332,479	332,479
Sales	-	(32,606)	(32,606)
Gains/(losses) recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income	-	(1,172,181)	(1,172,181)
Closing balance	-	4,033,269	4,033,269

(vii) *Financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value does not differ from its fair value (deemed to be redemption price for individual units) due to no differences in valuation inputs.

Paragon Australian Long Short Fund
Notes to the Interim Financial Statements
For the half-year ended 31 December 2025
(continued)

4 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Half-year ended	
	31 December 2025	31 December 2024
	\$	\$
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	33,997,274	(4,316,849)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	76,459,432	12,603,273
Total net gains/(losses) on financial assets at fair value through profit or loss	110,456,706	8,286,424
Financial liabilities		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	(984,667)	316,112
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	(884,626)	(212,423)
Total net gains/(losses) on financial liabilities at fair value through profit or loss	(1,869,293)	103,689
Total net gains/(losses) on financial instruments at fair value through profit or loss	108,587,413	8,390,113

5 Financial assets at fair value through profit or loss

	As at	
	31 December 2025	30 June 2025
	\$	\$
Australian equity securities and trusts	155,927,720	71,007,489
International equity securities	93,454,568	37,337,223
Convertible debenture	-	1,033,452
Total financial assets at fair value through profit or loss	249,382,288	109,378,164

Paragon Australian Long Short Fund
Notes to the Interim Financial Statements
For the half-year ended 31 December 2025
(continued)

6 Financial liabilities at fair value through profit or loss

	As at	
	31 December 2025	30 June 2025
	\$	\$
Australian equity securities and trusts sold short	28,341,050	16,030,750
Total financial liabilities at fair value through profit or loss	28,341,050	16,030,750

7 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the period were as follows:

	Half-year ended		Half-year ended	
	31 December 2025	31 December 2025	31 December 2024	31 December 2024
	Units	\$	Units	\$
Opening balance	22,677,014	68,953,160	25,751,971	38,816,637
Applications	1,230,693	4,607,206	679,292	1,320,000
Redemptions	(2,070,800)	(8,448,505)	(1,195,397)	(2,437,836)
Profit/(loss) for the half-year	-	84,686,650	-	6,430,065
Closing balance	21,836,907	149,798,511	25,235,866	44,128,866

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

Net assets attributable to unitholders - restatement of comparative figures

During the prior financial year, the Responsible Entity reassessed the terms of the Fund for the presentation of the net assets attributable to unitholders in accordance with the requirements of AASB 132 *Financial Instruments: Presentation*.

Accordingly, the Responsible Entity concluded that the units issued to unitholders should be reclassified from a financial liability and instead be presented as equity. This reclassification had no impact on the recognition and measurement of assets held by the Fund, nor did it impact the net asset value of the Fund. This reclassification solely impacted the presentation of the interim financial statements of the Fund. Accordingly, the condensed statement of profit or loss and other comprehensive income, and the condensed statement of changes in equity for the period ended 31 December 2024 have been restated to reflect this reclassification.

7 Net assets attributable to unitholders (continued)

Net assets attributable to unitholders - restatement of comparative figures (continued)

(a) Condensed statement of profit or loss and other comprehensive income

	31 December 2024	
	Restated	Pre-restated
	\$	\$
Operating profit	6,430,065	6,430,065
Finance costs attributable to unitholders*		
Increase in net assets attributable to unitholders	-	(6,430,065)
Profit for the half-year	6,430,065	-
Other comprehensive income		
Other comprehensive income	-	-
Total comprehensive income for the half-year	6,430,065	-

** Since the net assets attributable to unitholders are classified as equity rather than as a liability, the change in net assets attributable to unitholders is not considered a finance cost. Consequently, "Finance costs attributable to unitholders" in the condensed statement of profit or loss and other comprehensive income are no longer applicable.*

7 Net assets attributable to unitholders (continued)

Net assets attributable to unitholders - restatement of comparative figures (continued)

(b) Condensed statement of changes in equity

	31 December 2024	
	Restated \$	Pre-restated \$
Opening balance as at 1 July 2024	38,816,637	-
Comprehensive income for the half-year		
Profit for the half-year	6,430,065	-
Other comprehensive income	-	-
Total comprehensive income for the half-year	6,430,065	-
Transactions with unitholders		
Applications	1,320,000	-
Redemptions	(2,437,836)	-
Total transaction with unitholders	(1,117,836)	-
Closing balance as at 31 December 2024 **	44,128,866	-

*** Since the net assets attributable to unitholders are classified as equity, the transactions attributable to the unitholders are presented in the condensed statement of changes in equity. The "Closing balance as at 31 December 2024" in the restated column equals the amount of "Net assets attributable to unitholders - Liability" calculated as at 31 December 2024. Therefore, there is no impact on the net assets attributable to unitholders as at 31 December 2024.*

8 Distributions to unitholders

There were no distributions declared for the half-year ended 31 December 2025.

9 Borrowings

	As at	
	31 December 2025 \$	30 June 2025 \$
Borrowings	88,770,612	31,272,869
Total borrowings	88,770,612	31,272,869

Borrowings comprise of a cash advance (overdrawn balance) provided by the prime broker under a formal prime brokerage agreement, up to a maximum credit limit as determined by the prime broker. Interest expense is calculated on the daily overdrawn balance. The interest rate charged is as set out in the prime brokerage agreement and can be changed by the prime broker from time to time. The Fund's assets are granted as security under a general security deed to the prime broker for all liabilities owing, and the maximum credit limit provided is subject to a margin calculation of the Fund's assets held less liabilities owing, and any shortfall in margin can be immediately called upon.

The weighted average interest rate of the Fund's borrowings as at 31 December 2025 is 3.99% (30 June 2025: 4.86%).

10 Cash and cash equivalents

	As at	
	31 December 2025	30 June 2025
	\$	\$
Cash at bank	39,067,205	47,183
Total cash and cash equivalents	39,067,205	47,183

11 Related party transactions

Responsible Entity

The Responsible Entity of Paragon Australian Long Short Fund is Bennelong Funds Management Ltd.

The Investment Manager of the Fund is Paragon IM Pty Ltd (ABN 90 682 128 785).

There have been no significant changes to the related party transactions disclosed in the last annual report for the year ended 30 June 2025.

All transactions with related parties are conducted on normal commercial terms and conditions.

12 Events occurring after the reporting period

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2025 or on the results and cash flows of the Fund for the half-year ended on that date.

13 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities and commitments as at 31 December 2025 and 30 June 2025.

**Paragon Australian Long Short Fund
Directors' Declaration
For the half-year ended 31 December 2025**

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached condensed financial report is in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board interpretations and International Financial Reporting Standards as stated in Note 2 to the condensed financial report;
- (e) in the directors' opinion, the attached condensed financial report and notes thereto are in accordance with the *Corporation Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.



John Burke
Director

Sydney, NSW
11 March 2026

Independent Auditor's Review Report to the Unitholders of Paragon Australian Long Short Fund

Conclusion

We have reviewed the half-year interim report of Paragon Australian Long Short Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2025, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' declaration as set out on pages 4 to 19.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year interim report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Interim Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of Bennelong Funds Management Ltd (the "responsible entity"), would be in the same terms if given to the Directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Interim Report

The Directors of the responsible entity (the "Directors") are responsible for the preparation of the half-year interim report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year interim report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Interim Report

Our responsibility is to express a conclusion on the half-year interim report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year interim report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year interim report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Melbourne, 11 March 2026