PARAGON FUND SUMMARY - MAY 2013

KEY FUND FACTS

Fund Managers	John Deniz & Nick Reddaway
Strategy	Australian absolute return
Inception Date	1/03/2013
Total Net Return	-0.8%

FUND PERFORMANCE (net of fees)

1 Month	-2.2%
3 Month	-0.8%
6 Month	-
1 yr	-

COMMENTARY

The Paragon Fund returned -2.2% net of fees for the month vs. -4.4% for the market (All Ordinaries Accumulation Index). Since inception the Paragon Fund has returned -0.8% net of fees vs. -3.0% for the market. Key drivers of performance included a combination of:

• Gains made in companies benefiting from the weak Australian Dollar and short positions in resources and domestic cyclicals. Declines in our large cap financials and select small cap holdings.

• Running an average portfolio net exposure of ~50%.

HISTORICAL PERFORMANCE (net of fees)
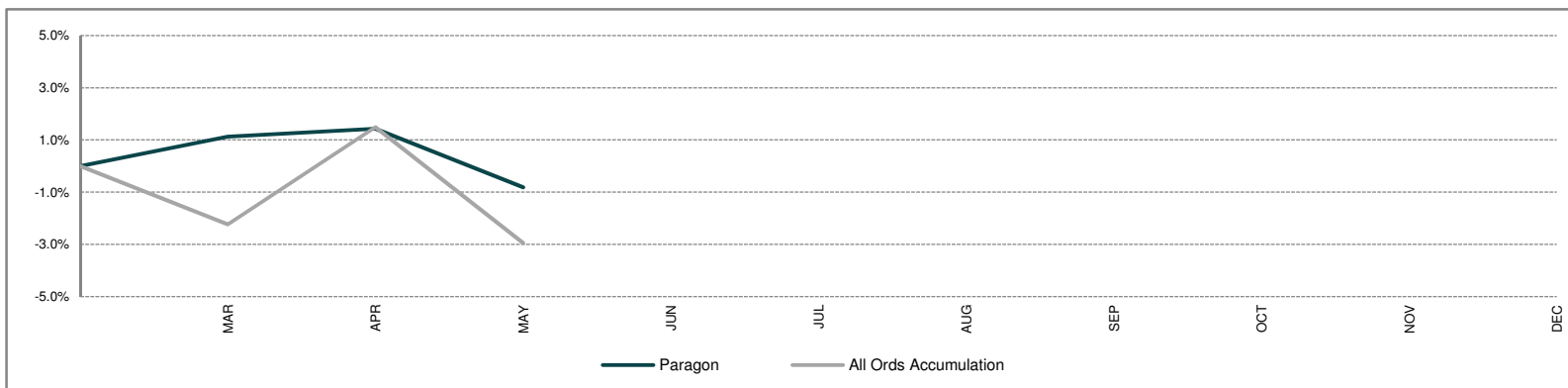
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2013			1.1%	0.3%	-2.2%								-0.8%

Performance results are presented net of all transaction costs, investment management and performance fees and all other costs incurred by the Fund.

INDUSTRY EXPOSURE

	Long	Short	Net
Resources	5.2%	0.0%	5.2%
Industrials	33.3%	-11.1%	22.1%
Financials	9.2%	0.0%	9.2%
Total	47.7%	-11.1%	36.6%
Cash			63.4%

PORTFOLIO HOLDINGS

Long	18
Short	8
Total	26

PORTFOLIO CONCENTRATION

Top 5	16.9%
Top 10	41.0%