



| PERFORMANCE DATA*               | 1 month | 3 months | 6 months | Financial YTD | 1 year | 2 year p.a. | 3 year p.a. | 5 year p.a. | Net Return p.a. | Total Net Return |
|---------------------------------|---------|----------|----------|---------------|--------|-------------|-------------|-------------|-----------------|------------------|
| Paragon Aust. Long Short Fund   | -17.2%  | -17.7%   | +16.0%   | +16.0%        | -4.0%  | +8.2%       | -12.3%      | +4.3%       | +7.5%           | +135.1%          |
| ASX All Ordinaries Accum. Index | -3.1%   | -0.9%    | +6.9%    | +6.9%         | +11.4% | +12.2%      | +6.9%       | +8.3%       | +8.6%           | +164.4%          |
| ASX Small Ords. Accum. Index    | -3.2%   | -1.0%    | +5.5%    | +5.5%         | +8.4%  | +8.1%       | -1.6%       | +4.0%       | +5.3%           | +83.6%           |

\* Performance data reported is 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 -17.2% after fees in December. Global Indices were down: S&P 500 -2.5%, Russell 2000 -8.4%, Resources -17.5%, Copper -11.9%, Lithium -13.7%, Uranium -17.2%, Gold -10.0% and Silver -12.7%. Local Indices were also down: All Ords AI -3.1%, Small Ords AI -3.1% and ASX300 Resources AI -3.2%. The Fund was hit hard due to: 1) Post US election volatility re threats of Trump’s trade wars; 2) After the Fed cut rates by 25bps, they guided for 2 x 25bps cuts in CY25 (previously 4); 3) Headwinds from a rallying US\$ (+2.6%) and 10yr bond rates (+40bps); and 4) SBM falling 34% after receiving a baseless ~\$200m tax claim on its Simberi operations, which we expect to be cleared near term. Whilst Resources equities were hit hard, US\$ gold was only marginally lower at -0.5%, A\$ gold +4.0% (all-time highs) and Copper -1.3%. Drivers for gold continue. US debt at US\$36t+ continues to climb with a US\$367b budget deficit for November. Global debt is also rising at US\$102t+. China’s Central Bank (CB) resumed its gold buying after a 6 month pause, adding 5t in November and 9.4t in December. All CB’s bought a net 60t of gold in October, their biggest monthly purchase for the year to date. Pleasingly, the Fund has had a strong start to January.

2024 in Review: Harsh macro-led sell off in November & December spoils the year

The Fund returned an estimated -4.0% after fees for 2024. Global Indices were mixed: S&P500 +24% driven by ‘Mag7’ (39% of the index!); Lithium -43%, Resources -4%, Uranium -1% and Precious Metals +10% to +14%. Local Indices were also mixed: Small Ords AI +8%, All Ords AI +11% and the ASX300 Resources AI -15%. Several factors contributed to a volatile and challenging year-end in 2024: 1) Concerns around Chinese economic growth; 2) Japan’s unexpected hawkish rate hikes; 3) Uncertainty surrounding Trump’s policies and potential tariff threats; and 4) 4Q headwinds from rallying US\$ and 10yr bond rates.

The Fund’s primary exposure throughout the year was in gold, silver and copper equities, focusing on ‘brownfield-turnaround’ growing producers, developers and explorers, with strong fundamentals and takeover appeal. Notable successes included early investments in Ora Banda, WA1, Spartan, Firefly, Turaco, Andean Silver, Rex Minerals (takeover) and NexGen. However, Peninsula, First Quantum, Ero Copper, Genmin and our other Silver stocks faced stock-specific issues, resulting in cutting losses and exiting. Given our constructive view, a predominant net-long bias was maintained throughout the year.

Paragon got the call on Gold right, with prices breaking all-time highs amid strong central bank buying and the Fed’s rate-cutting cycle. This provided a solid tailwind to winners including Ora Banda, Spartan and St Barbara. However, unrealised gains were given up in the last 2 months as positions were held through the volatility, in anticipation of larger moves expected in 2025. Copper remained volatile throughout the year, however Paragon maintains a positive medium-term outlook. Winning shorts in Newmont, Northen Star and Atlas, were partially offset by losing shorts in Nickel Mines and Evolution.

Despite the disappointing 2024 performance, Paragon looks forward to Trump's inauguration on January 21, and clarity of his policies in the first 100 days in office. Tariff threats are a negotiating tactic and markets are expected to adjust once polices are known. After a harsh end of year sell-off across Resources, the risk-reward is outstanding and well placed to rally. Macro headwinds will pass, with strong returns anticipated for key stock picks across precious metals, copper, energy and lithium.

FUND POSITIONING & RISK METRICS

|  |         |
|--|---------|
| Fund Size  | \$44.3m |
| Longs  | 26      |
| Shorts   | 4       |
| Net exposure                                       | 149%    |
| Beta-adj net exposure/<br>Average (rolling 12mths) | 95%/86% |
| Gross exposure                                     | 193%    |
| Cash   | -49%    |
| Index Futures                                      | 0%      |
| Global (as % FUM)                                  | 34%     |
| Unlisted (as % FUM)                                | 10%     |
| Correlation  | 0.46    |
| % Positive Months                                  | 58%     |
| Up/Down Capture                                    | 97%/78% |
| Liquidity (% saleable inside 10BD)                 | 83.4%   |

UNIT PRICING

|                 |          |
|-----------------|----------|
| NAV (Mid-Price) | \$1.7487 |
| Entry Price     | \$1.7513 |
| Exit Price      | \$1.7460 |

FUND FACTS

|                                      |  |
|--------------------------------------|--|
| APIR Code                            | PGF0001AU  |
| Investment Mgr <sup>(1)</sup>        | Paragon IM Pty Ltd   |
| Responsible Entity <sup>(1)</sup>    | Bennelong Funds Management Ltd   |
| Strategy                             | Aust Equities L/S (long-bias),<br>Fundamental, Concentrated.<br>Global and unlisted permitted. |
| Objective                            | >10% p.a. over 5yrs  |
| Structure                            | Unit trust   |
| Domicile                             | Australia  |
| Pricing/Applications/<br>Redemptions | Monthly  |
| Min. Investment                      | \$25,000   |
| Min. Additions                       | \$5,000  |
| Min. Redemptions                     | \$10,000   |
| Fund Administrator                   | Link Fund Solutions  |
| Prime Broker/Custodian               | UBS  |

(1) The Paragon Australian Long Short Fund was launched on 1 March 2013 by Paragon Funds Management Ltd, which acted as both Responsible Entity and Investment Manager of the Fund. The above performance data relates to this strategy. Bennelong Funds Management Ltd assumed responsibility as Responsible Entity on 18 December 2024 and appointed Paragon IM Pty Ltd as Investment Manager of the Fund. For performance history relating to this date, please contact Client Experience on 1800 895 388 or [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com).

This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the Paragon Australian Long Short Fund. The Fund is managed by Paragon IM. 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 BFML is the Trustee or Responsible Entity (Bennelong Fund). 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 relevant Information Memorandum (IM) and or Product Disclosure Statement (PDS) which is available on the BFML website, bennelongfunds.com, or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). Information about the Target Market Determinations (TMDs) for the Bennelong Funds is available on the BFML website BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no 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 any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past Fund performance is not indicative of future performance. Information is current as at the date of this document. Paragon IM Pty Ltd (ABN 90 682 128 785) is a Corporate Authorised Representative of BFML (AFSL 296806).