

# Performance report | 31 August 2025

## Paragon Australian Long Short 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*	29.2%	14.2%	59.8%	23.2%	103.3%	51.6%	30.6%	14.7%	13.8%	405.4%
ASX All Ordinaries Accum. Index	3.2%	7.3%	11.8%	5.8%	14.9%	14.8%	12.8%	12.2%	9.1%	196.3%
ASX Small Ords. Accum. Index	8.4%	12.4%	16.7%	11.5%	23.4%	15.7%	9.8%	7.9%	6.4%	117.8%

\* 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 +29.2% after fees in August. Global Indices were up: S&P500 +1.9%, Russell 2000 +7.0%, Copper +11.9%, Lithium +23.9, Gold +22.3% and Silver +22.7%. Local Indices were up: All Ords AI +3.2%, Small Ords AI +8.4% and Small Resources AI +13.7%. SSRM, Equinox, Aris and Discovery Silver (all exceeding expectations in strong 2Q25 production results), St Barbara, Many Peaks (growing gold discovery) and Argenta Silver - were standout performers for the Fund.

The US\$ was down -2.2% and US 10yr bonds -14bps. Oil was down -6.1%. Copper was up +3.8% and Lithium +12.2%. Gold was +4.8%, another record monthly close. Rising Central Banks' gold holdings (~27%) now exceed their declining US Treasuries holdings (~23%) as a percentage of international reserves – for the first time since 1996. Silver was up +8.2%, closing at US\$39.72/oz – its highest monthly close since August 2011. Global solar installations reached 380GW in 1H25, +64% yoy. The surge in solar electricity generation is the fastest growth in the history of electricity production. This unprecedented growth is the major driver for long-term Silver industrial demand growth and ongoing significant industry deficits. Despite the rerating in gold and silver prices, investor positioning - in both physical gold and related equities - is at best moderate and not extended.

### Portfolio Insights: *SSRM's Çöpler catalyst nearing*

SSRM is a diversified gold and silver producer with prominent mines in North and South America and Turkey, following its 2020 acquisition of Alacer Gold. We were investors in [Alacer during 2019-2020](#), attracted to its world-class Çöpler sulphide project, commissioned in 1Q19 and ramping to ~230koz p.a.. Çöpler oxide heap leach production contributed an additional ~100koz p.a.. We took profits in 3Q20 around Alacer's takeover, making ~3.5x on our investment.

In February 2024, a catastrophic collapse of the heap leach pad at the Çöpler gold mine caused a deadly landslide, resulting in nine fatalities and halting operations. ~US\$1.2b was wiped off SSRM's market cap—nearly the entire value of Çöpler when gold was US\$2,000/oz. SSRM incurred ~US\$300m in remediation and reclamation costs, with about two-thirds spent to date. We monitored the stock through 2024, viewing the sell-off as excessive and representing deep value.

In December 2024, SSRM made a highly accretive US\$250m acquisition of the 2.3moz Cripple Creek & Victor (CC&V) gold mine in Colorado from Newmont. Paragon reinvested on this catalyst, regarding the ~US\$1.5b market cap at the time as vastly undervalued based on these factors: 1) an unhedged, long-life North American high-margin production base of ~450koz p.a., 2) a likely near-term restart of the Çöpler sulphide mine with 200koz+ p.a. high-margin production, 3) solid management and a net cash balance sheet, and 4) outstanding reward-risk for a sector-leading gold growth stock with production set to rise ~50% over 2-3 years.

Although SSRM's share price has risen 3x since our investment, Paragon still views it as attractively priced. The market has rerated the stock on strong North American production, boasting solid organic growth at low capital intensity, and increasing recognition that CC&V is worth multiples of SSRM's acquisition price.

Paragon anticipates approval to restart the Çöpler sulphide mine near-term. This should prove to be a material catalyst, especially given the gold price is ~80% higher since operations halted. We do not expect oxide production to restart, which represents only ~5% of overall asset value. Çöpler has generated ~US\$3b in taxes and royalties for the Turkish government over its 15-year operational life. Restarting the independent sulphide operation—boasting another 15+ year life-of-mine—is simply too important a fiscal revenue source.

## Fund positioning and risk metrics

Feature	Information
Fund size	\$84.9m
Longs	32
Shorts	5
Net exposure	144%
Beta-adj net exposure/Average (rolling 12mths)	64%/74%
Gross exposure	181%
Cash	-44%
Index futures	0%
Global (as % FUM)	53%
Unlisted (as % FUM)	4%
Correlation	0.41
% positive months	59%
Up-down capture	109%/54%
Liquidity (% saleable inside 10BD)	82%

## Unit pricing

	\$
NAV (mid-price cum.)	\$3.7455
Entry price	\$3.7511
Exit price	\$3.7399

## Fund facts

Feature	Information
APIR code	PGF0001AU
Investment Manager <sup>1</sup>	Paragon IM Pty Ltd
Responsible Entity <sup>1</sup>	Bennelong Funds Management Ltd
Strategy	Aust Equities L/S (long-bias), Fundamental, Concentrated. Global and 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 (formerly Link Fund Solutions)
Prime Broker/Custodian	UBS

## How to invest

The Fund is open to investors directly via the PDS. Applications can be made by completing an Application Form (available on BFML's website [www.bennelongfunds.com](http://www.bennelongfunds.com) or by contacting Client Experience) and forwarding it to the Administrator at the address shown on the Application Form.

## Get in touch



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<sup>1</sup> 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 (AU) or 0800 442 304 (NZ) or [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com).

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