

# Performance report | 31 December 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*	22.8%	34.3%	125.6%	125.6%	293.7%	94.3%	66.4%	30.8%	18.9%	825.6%
ASX All Ordinaries Accum. Index	1.3%	-0.8%	4.4%	4.4%	10.6%	11.0%	11.7%	9.7%	8.7%	192.3%
ASX Small Ords. Accum. Index	1.4%	1.8%	17.4%	17.4%	25.0%	16.4%	13.4%	6.9%	6.7%	129.4%

\* 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 +22.8% after fees in December. Global Indices were mixed: Nasdaq -0.7%, Russell 2000 -0.7%, Copper +12.7%, Gold +3.1% and Silver +7.5%. Local Indices were up: All Ords AI +1.3%, Small Ords AI +1.4% and ASX300 Resources AI +6.0%. Turaco, Kingsgate, Black Bear, Unico, Investigator, Blackrock Silver and Helius were standout performers for the Fund.

The US\$ was down -1.1% and US 10yr bonds rose +16bps. Oil was down -2.5%, Lithium was up +29.7%. Copper was up +9.6%, Silver +26.8% and Gold +1.9%: all marking monthly all-time highs. Ongoing gold and silver drivers include: the FED cutting rates 25bps in December and resuming QE; solid ongoing net gold buying from central banks and ETF inflows (led by Asia) lifting holdings to a record 3,932t; and from 01Jan26-31Dec27, China—the world's 2nd-largest silver mine producer (~14% of global supply) and dominant refiner (~65%)—has imposed strict licensing on silver exports, likely to curtail volumes and tighten refined supply.

### CY25 Review: *Strong stock picking across Gold, Silver and Copper. Bull cycle broadening out.*

The Fund returned +293.7% after fees for CY25. Global Indices were up: Nasdaq +20%; Russell 2000 +11%; Gold +153%, Silver +163%, Copper +70%; Lithium +91%. Local Indices were up: All Ords AI +11%; Small Ords AI +25%; ASX300 Resources AI +36%. Commodities were broadly up: Copper +41%, Silver +148%, Gold +65%; Lithium +63%; Oil was -19%. The US\$ fell -9%, its worst year since 2017, and US 10yr bonds fell -40bps. Several factors drove a strong CY25 for Gold, Silver and Copper: 1) US Treasury FY25 deficits annualising ~US\$1.8t (~6% of GDP); 2) Ballooning US federal debt surpassing US\$38t, US\$10t requiring refinancing in 2026 at higher rates; 3) The FED's rate-cutting cycle, ending QT and resuming QE; 4) Falling real rates (nearing negative); 5) Ongoing strong central banks gold buying and ETF inflows – the highest since 2020 – alongside material physical demand from key consumers

India and China; 6) Silver's unprecedented industrial demand growth and 5th consecutive year of material structural deficits of 150-230moz; 7) Central banks holding more gold than US Treasuries, reflecting a multi-year diversification strategy and reduced exposure to US\$-denominated assets; 8) Copper's strengthening fundamentals, bolstered by mine outages, surging US imports, and bullish AI-linked usage outlook; and 9) ongoing US\$ debasement - on the cusp of breaching 15-yr support level.

Paragon anticipated the strong CY25 rally in gold, silver, and copper. The Fund remained fully invested in high-alpha equities across market caps—focusing on mispriced growth producers, 'brownfield turnaround' developers and explorers, and takeover candidates with strong fundamentals – while scaling into highest-conviction picks throughout the year. Notable successes included early investments in Discovery Silver, SSRM, Meeka, Aris Mining, Predictive, Unico Silver, Turaco, Helius, Kingsgate, Andean Silver, K92, St Barbara and Firefly – all rising by multiples. Adriatic and Spartan also performed strongly, receiving takeover offers and since acquired. Paragon took profits in key winners after re-ratings turned them into simple beta plays, recycling capital into new high-alpha stock picks.

The past few years have seen only one or two resource sub-sectors offering compelling investment opportunities. As we enter 2026, several now do, with the resources bull cycle broadening and a constructive outlook across gold, silver, copper, energy, and battery minerals. Our confidence is supported by strong macro drivers, including energy transition demand, supply constraints, US tariffs, rising protectionism, and ongoing efforts to reshore supply chains and counter China's dominance in critical minerals. Paragon remains focused on identifying the best stocks amid intensifying competition for capital allocation. Several positions are yet to re-rate and should deliver strong returns across our focus areas that likely have years to run.

We thank all investors for your continued trust and support. Managing your capital is a privilege, and we're thrilled to have delivered for all in CY25.

## Fund positioning and risk metrics

Feature	Information
Fund size	\$149.8m
Longs	44
Shorts	6
Net exposure	148%
Beta-adj net exposure/Average (rolling 12mths)	74%/66%
Gross exposure	185%
Cash	-48%
Index futures	0%
Global (as % FUM)	44%
Unlisted (as % FUM)	3.5%
Correlation	0.36
% positive months	59%
Up-down capture	113%/21%
Liquidity (% saleable inside 10BD)	86%

## Unit pricing

	\$
NAV (mid-price cum.)	\$6.8599
Entry price	\$6.8702
Exit price	\$6.8496

## 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	Barrenjoey Markets
Global Custodian	Citigroup

## 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



[paragonfunds.com.au](http://paragonfunds.com.au)



[client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)



1800 895 388 (AU) or 0800 442 304 (NZ)

<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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