

Performance report | 28 February 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*	7.6%	11.4%	27.2%	56.0%	62.0%	25.1%	6.6%	13.8%	10.1%	216.2%
ASX All Ordinaries Accum. Index	-4.0%	-2.8%	2.8%	7.2%	9.3%	10.3%	8.8%	9.2%	8.5%	165.1%
ASX Small Ords. Accum. Index	-2.8%	-1.5%	5.7%	7.2%	7.3%	7.6%	2.1%	5.6%	5.3%	86.6%

* 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 +7.6% after fees in February. Global Indices were mostly down: Nasdaq -2.8%, Russell 2000 -5.4%, Copper -1.3%, Lithium -11.1%, Gold +2.0% and Silver +0.4%. Local Indices were down: All Ords AI -4.0%, Small Ords AI -2.8% and ASX300 Resources AI -3.2%. Ora Banda, Meeka, SSR Mining and Predictive performed well for the Fund, partially offset by falls in St Barbara, Andean Silver and CanAlaska Uranium.

The US\$ was -0.7% lower and US 10yr bonds -33bps – both rolling over since Trump took office in January. Gold was +2.1% higher, another record monthly close at US\$2,858/oz. Other commodities dropped, Silver -0.5%, Lithium -2.0% and Oil -3.8%, except Copper was up +5.5%.

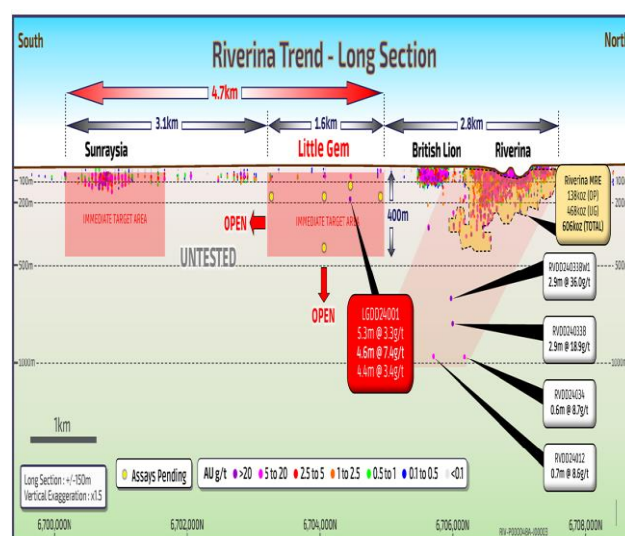
Portfolio Insights: *Ora Banda's 1st class execution*

Ora Banda (OBM) has shown impressive execution in its underground (UG) mining operations and exploration efforts, leading to a quick recovery in its share price from its correction in late 2024.

Riverina UG is currently 500-750m in length ('strike'). Significant depth extensions discovered (~800m below current UG workings; 1,000m below surface) likely adds 8+yrs of mine life at its current ~90koz p.a. gold production. Strike extensions could increase this to 120-150koz p.a. And whilst its early days, its new discovery at Little Gem ~2,500m to the south has similar structural controls, plunging shoots, and alteration mineralogy as Riverina. Another \$20m in exploration has been approved to test whether Riverina and Little Gem connect. Riverina has proven very consistent where current resources are simply limited by drilling. Due to its chequered history (discussed in [November 2023](#)), OBM's prolific land package has missed exploitation over the previous 3 Gold bull cycles. Figure 1 illustrates Riverina's long

section view - so much yet to be tested. Riverina is looking like an Orogenic gold system, which are known to be as deep as they are long.

Figure 1: OBM's Riverina Trend Long section view.



Source: Ora Banda

At Sand King, its 2nd UG mining development, operations are ramping up well, with both grade and recoveries exceeding expectations. Steady-state production levels are expected in June and ~60koz p.a. commercial production run-rate anticipated by July. Its growing Gold endowment is supported by solid exploration results.

OBM continues to self-fund its growth via its strong free-cashflow (FCF) generation, enabling expansion plans to be brought forward. Peers trade at >2x OBM's FCF multiple due to their longer 'Reserve-backed' mine-lives and UG operating history. Paragon expects this valuation gap to close as OBM continues de-risking its strong growth in production, FCF and mineable resources.

Fund positioning and risk metrics

Feature	Information
Fund size	\$59.6m
Longs	28
Shorts	4
Net exposure	147%
Beta-adj net exposure/Average (rolling 12mths)	74%/86%
Gross exposure	180%
Cash	-47%
Index futures	0%
Global (as % FUM)	40%
Unlisted (as % FUM)	6.5%
Correlation	0.45
% positive months	59%
Up-down capture	104%/72%
Liquidity (% saleable inside 10BD)	81%

Unit pricing

	\$
NAV (mid-price)	\$2.3518
Entry price	\$2.3554
Exit price	\$2.3483

Fund facts

Feature	Information
APIR code	PGF0001AU
Investment Manager ¹	Paragon IM Pty Ltd
Responsible Entity ¹	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 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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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 (AU) or 0800 442 304 (NZ) or client.experience@bennelongfunds.com.

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