

# Performance report | 30 June 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*	-7.3%	3.1%	74.6%	102.6%	102.6%	33.3%	23.2%	14.9%	12.1%	310.6%
ASX All Ordinaries Accum. Index	1.4%	9.5%	5.9%	13.2%	13.2%	12.9%	13.5%	12.0%	8.7%	180.0%
ASX Small Ords. Accum. Index	0.8%	8.6%	6.4%	12.3%	12.3%	10.8%	10.0%	7.4%	5.6%	95.4%

\* 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 -7.3% after fees in June and +102.6% for the financial year FY25. Global Indices were up: S&P500 +4.6%, Russell 2000 +5.4%, Copper +10.1%, Gold +2.3% and Silver +11.1%. Local Indices were mixed: All Ords AI +1.4%, Small Ords AI +0.8% and Small Resources AI -2.5%. Onyx (gold discovery), Vizsla (took profits) and Adriatic Silver (confirmed takeover offer from Dundee, took profits) performed well for the Fund. These were however more than offset by declines in Ora Banda (took profits on remainder of position; ~8x return in <3yrs) and St Barbara (4Q production downgrade), along with declines in other Gold, Silver and Copper holdings. The Fund was also impacted by short-term headwinds: 1) the GDX gold index announcing revisions to its holdings, resulting in non-fundamental selling across the ASX-listed gold sector; 2) discounted capital raises in a few of the long positions; and 3) volatility from the Middle East War and apparent progress on US-China trade tariffs.

The US\$ declined -2.6% and US 10yr bonds -17bps. Gold was 0.3% higher. Silver was up +9.3% to US\$36.03/oz, its highest monthly and quarterly close in 13 years. Oil up +5.8%, and Copper up +7.5% to US\$5.05/lb, nearing all-time highs. The FED kept rates on hold with markets pricing in 2 rate cuts this year. US Treasury posted a US\$316b budget deficit in May, the 3rd-largest on record. US Federal Debt has now increased to over US\$37t. All key drivers for Gold.

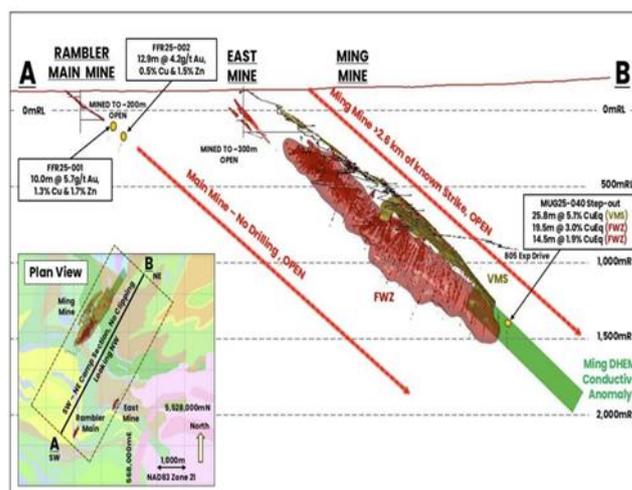
### Market Insights: Copper M&A update

Copper equities have experienced a marked increase in M&A activity over the past year, driven by both major and mid-tier producers. In 2024, BHP and Lundin jointly acquired Filo for US\$4.1b, securing a major copper project in Argentina. UAE-based International Resource Holdings acquired Zambia's Mopani Mine for US\$1.1b. In December 2024, RIO sold a 30% stake in its Winu copper project in WA to Sumitomo for US\$400m, valuing the project at US\$1.3b. Also in December 2024, Lundin sold its Neves-Corvo in Portugal and

Zinkgruvan in Sweden zinc-copper mines to Boliden for US\$1.45b. In May, Xanadu accepted a US\$160m takeover for its Mongolian-based copper project from Bastion Mining. Further, a \$230m+ bidding war is currently underway for New World Resources' Antler copper project in the US. Antler is looking to produce 25ktpa of copper-equivalent (CuEq) from its modest 341kt CuEq resource.

Increasing Copper M&A is instructive and bodes well for the Fund's Firefly investment (acquired for \$0.375/sh in Sep 2023 at ~\$150m market cap). Firefly is advancing its Ming copper project in Newfoundland in Canada, having delineated 1.2mt CuEq metal. It boasts material exploration upside and production potential of ~50ktpa CuEq over a long mine-life. High-grade copper growth assets in tier-1 jurisdictions like Ming's are rare. Firefly has tripled since the Fund's entry (trading at \$1.04/sh). Given Firefly's modest market cap of ~\$600m (includes \$130m cash with, no debt plus \$75m+ gold asset to be sold) and strong project economics, Paragon expects it to attract interest from both mid to large-cap peers.

Figure 1: Firefly's Ming mine – long section. Source: Firefly



## Fund positioning and risk metrics

Feature	Information
Fund size	\$69.2m
Longs	30
Shorts	5
Net exposure	135%
Beta-adj net exposure/Average (rolling 12mths)	56%/76%
Gross exposure	181%
Cash	-35%
Index futures	0%
Global (as % FUM)	39%
Unlisted (as % FUM)	5.0%
Correlation	0.40
% positive months	59%
Up-down capture	102%/54%
Liquidity (% saleable inside 10BD)	87%

## Unit pricing

	\$
NAV (mid-price cum.)	\$3.0515
Entry price	\$3.0561
Exit price	\$3.0470

## 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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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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