

# Performance report | 31 October 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*	-7.5%	62.9%	63.6%	55.3%	72.3%	69.6%	43.7%	23.8%	15.8%	537.3%
ASX All Ordinaries Accum. Index	0.5%	3.1%	11.8%	5.8%	12.5%	18.8%	13.2%	12.6%	9.0%	196.2%
ASX Small Ords. Accum. Index	1.9%	14.3%	25.3%	17.5%	22.8%	24.7%	13.9%	9.6%	6.8%	129.6%

\* 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 -7.5% after fees in October. Global Indices were mixed: S&P500 +2.3%, Russell 2000 +1.8%, Copper +2.9%, Gold -5.7% and Silver -7.1%. Local Indices were up: All Ords AI +0.5%, Small Ords AI +1.9% and ASX300 Resources AI +3.8%. Discovery Silver, K92 (3Q25 exceeding expectations), and Predictive Discovery performed well for the Fund, however, were more than offset by the broader correction across other gold and silver holdings.

The US\$ was up +2.0% and US 10yr bonds fell -8bps. Oil was down -3.4%, Lithium up +12.2%. Copper was up +4.5%, hitting an all-time high of US\$11,174/t and surpassing its previous high in May 2024 of US\$10,900/t. Silver rose +4.4%, to US\$48.69/oz, a record monthly close - surpassing its previous monthly close high of US\$47.91/oz in April 2011. Intra-month, Silver hit a new all-time high of US\$54.48/oz (surpassing its previous all-time high in January 1980 of US\$49.95/oz), then correcting -16% (the 8<sup>th</sup> > -10% correction this bull cycle). Gold rose +3.8%, marking another record monthly close at US\$4,003/oz. Intra-month, gold hit an all-time high of US\$4,381/oz, then correcting -11% (the 7<sup>th</sup> > -5% correction this bull cycle). Normal bull cycle volatility.

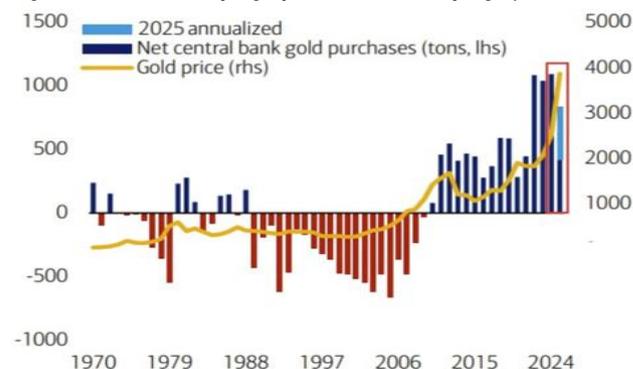
US Treasury reported a surprise US\$198b surplus in September (from "creative accounting" rather than a reduction in spending), with a FY25 deficit ending at US\$1.78t, 2% lower than FY24 but also the 4<sup>th</sup> largest annual deficit in history. Ongoing gold drivers include US federal debt surpassing US\$38t, the FED cutting rates another 25bp and signalling the end of QT, falling real rates (approaching negative), central bank (CB) gold buying (220t net in 3Q25, up +30% yoy and up +28% on 2Q25) and increased ETF inflows (222t in 3Q25, the biggest quarterly inflow in years).

Gold and silver M&A continued with Predictive's \$3.5b+ scrip merger-of-equals with Robex (who will fully fund Bankan's development), Coeur's US\$7b scrip takeover of NewGold and Fresnillo's C\$780m all-cash takeover of Probe Gold.

### Market Insights: *Unprecedented CB gold buying*

CBs are buying unprecedented amounts of gold, on track to buy twice as much as the annual average seen in 2011–2021, for the 4<sup>th</sup> year in a row. This comes after CBs already bought +1,080, +1,051, and +1,089 tonnes of gold annually from 2022-2024. 2025 will be their 16<sup>th</sup> annual net buying in a row, their longest run on record. See Figure 1.

Figure 1: Gold net buying by CB's; record buying spree.



Sources: Figure1 - BoA, Bloomberg. Figure 2 - LSEG, CG

CBs collectively now hold more gold than US Treasuries, reflecting a multi-year strategy of diversification and reduced exposure to US\$-denominated assets. See Figure 2.

Figure 2: CB gold as a % FX reserves – clear rebalancing.



## Fund positioning and risk metrics

Feature	Information
Fund size	\$104.9m
Longs	41
Shorts	5
Net exposure	134%
Beta-adj net exposure/Average (rolling 12mths)	54%/70%
Gross exposure	191%
Cash	-34%
Index futures	0%
Global (as % FUM)	48%
Unlisted (as % FUM)	4%
Correlation	0.38
% positive months	59%
Up-down capture	106%/32%
Liquidity (% saleable inside 10BD)	86%

## Unit pricing

	\$
NAV (mid-price cum.)	\$4.7232
Entry price	\$4.7303
Exit price	\$4.7161

## 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 <sup>2</sup>	Barrenjoey Markets
Global Custodian <sup>2</sup>	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)

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

2 Bennelong Funds Management Ltd appointed Barrenjoey Markets Pty Limited ABN 66 636 976 059 as Prime Broker and Custodian, replacing UBS AG and UBS Nominees Pty Ltd respectively, commencing 18 September 2025. Citigroup Pty Limited ABN 88 004 325 080 was appointed as Global Custodian, replacing UBS Nominees Pty Ltd, commencing 3 October September 2025. The Fund's PDS was re-issued on 22 September 2025 to reflect these changes in key service providers.

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