



\*Since inception - 1 March 2013

PERFORMANCE DATA <i>(after fees)</i>	1 month	3 months	6 months	Financial YTD	1 year	2 year p.a.	3 year p.a.	5 year p.a.	Net Return p.a.	Total Net Return*
Paragon Aust. Long Short Fund	+0.3%	+1.7%	-8.1%	-11.9%	-2.5%	-19.3%	-13.9%	+5.0%	+6.6%	+103.4%
ASX All Ordinaries Accum. Index	-2.7%	+1.5%	+16.0%	+10.8%	+9.9%	+5.6%	+7.1%	+8.4%	+8.3%	+143.5%
ASX Small Ords. Accum. Index	-3.1%	+3.3%	+19.7%	+10.9%	+7.4%	-1.4%	0%	+4.0%	+5.2%	+76.6%

### OVERVIEW

The Fund returned +0.3% after fees in April. Global Indices were mixed: Nasdaq -4.6%, Russell -7.1%, Lithium -0.2% and Gold +4.8%. Local Indices were down: All Ords AI -2.7%, Small Ords AI -3.1%, except Resources +0.4%. Orabanda, WA1 (took profits) and Firefly performed well for the Fund, offset by falls in Genmin, Patriot and Peninsula.

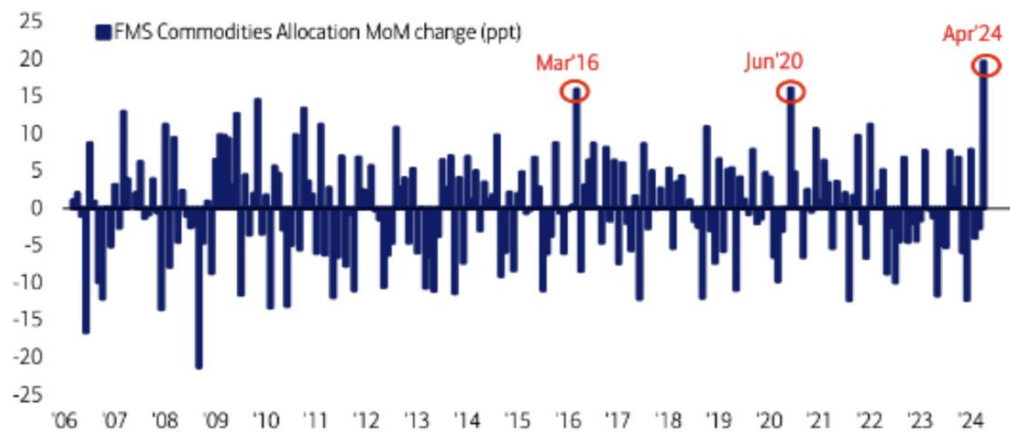
Rising geopolitical risks in the Middle East drove volatility across global markets, with Israel-Iran tensions initially escalating before easing back by month end. The US\$ rose +1.7% and US 10yr bonds rose 48bps, both typically headwinds for Resources. Gold was up +2.5%, Silver +5.3%, Oil +0.4%, Uranium + 2.2%, Copper continued to break out rising +13.9% and Lithium rose +4.8%.

### Portfolio insights: Inflows into Resources are underway

We have discussed the bull case for Resources and Commodities on several occasions. Commodity prices are moving higher, driven by several factors - economic growth, decarbonisation, electrification and AI, a lack of supply growth and low inventories, geopolitical uncertainty, and segmentation of global trade. Such strong fundamentals will drive inflows into related equities, the question being when, not if. As billionaire fund manager Stan Druckenmiller has rightly said many times, its flows and liquidity that moves markets. We find Figure 1's record monthly flows into Commodities in April very noteworthy. The two previous peaks of inflows to the sector were March 2016 and June 2020, both preceding strong performances in Resources equities.

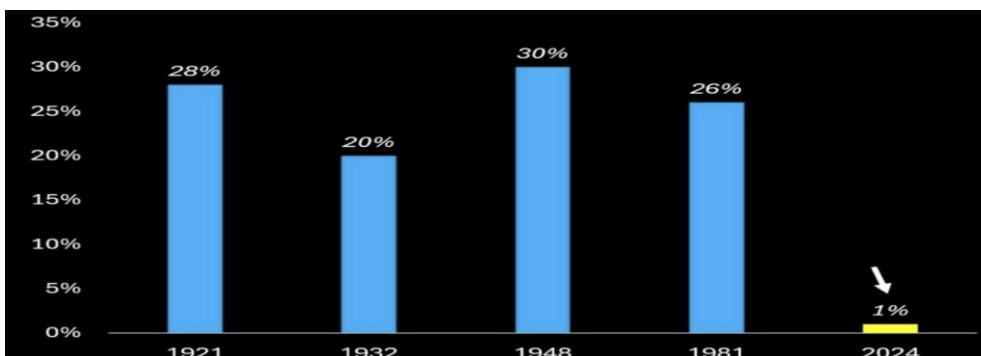
Figure 1: Commodities saw their largest monthly allocation in history in April

Source: BoA



Generalist funds continue to be underweight in Resources and Precious metals. Figure 2 illustrates this for the Gold sector, supporting the potential for significant growth ahead.

Figure 2: Gold & gold miners as a % of total global assets



Source: Siberjunge, Erste, Lawrence Pepard, Crescat

### FUND POSITIONING & RISK METRICS

Fund Size	\$39.2m
Longs	27
Shorts	1
Net exposure	140%
Beta-adj net exposure/ Average (rolling 12mths)	91%/93%
Gross exposure	149%
Cash	-40%
Index Futures	0%
Global (as % Net exposure)	29%
Unlisted (as % Net exposure)	7%
Correlation	0.53
% Positive Months	58%
Up/Down Capture	96%/88%
Liquidity (% saleable inside 10BD)	76%

### UNIT PRICING

NAV (Mid-Price)	\$1.5135
Entry Price	\$1.5157
Exit Price	\$1.5112

### FUND FACTS

APIR Code	PGF0001AU
Responsible Entity & Investment Manager	Paragon 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
Administrator	Link Fund Solutions
Prime Broker/Custodian	UBS