

# **Paragon Australian Long Short Fund**

ARSN 161 565 920

## **Interim Report**

**For the half-year ended 31 December 2024**

# Paragon Australian Long Short Fund

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## Interim Report

### For the half-year ended 31 December 2024

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made in respect of the Paragon Australian Long Short Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers the Paragon Australian Long Short Fund as an individual entity.

The Responsible Entity of the Paragon Australian Long Short Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806), appointed on 18 December 2024 upon the retirement of Paragon Funds Management Ltd (ABN 42 159 623 873) (AFSL 426800).

The Responsible Entity's registered office is:

Bennelong House  
Level 1  
9 Queen Street  
Melbourne, VIC 3000

**Paragon Australian Long Short Fund  
Directors' Report  
For the half-year ended 31 December 2024**

## Directors' Report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085) the Responsible Entity of the Paragon Australian Long Short Fund (the "Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2024.

### Principal activities

The Fund's mandate is to invest primarily in Australian listed equities focusing on core competencies in the resource and industrial sectors in accordance with the provisions of the Fund's Constitution. The Fund may also invest in foreign listed stocks and equities in unlisted Australian and foreign companies. The objective of the Fund is to produce absolute returns and capital growth for unitholders over a 5 year investment horizon.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

### Directors

The following persons held office as directors of Paragon Funds Management Ltd from 1 July 2024 until 18 December 2024:

Mr John Deniz  
Ms Hillier Deniz  
Mr Samuel Lanyon

The following persons held office as directors of Bennelong Funds Management Ltd from 18 December 2024 and up to the date of this report:

Lincoln McMahon (Resigned 31 December 2024)  
Gillian Larkins (Appointed Chairperson 31 December 2024)  
John Burke  
Jeremy Cooper

### Review and results of operations

During the half-year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	<b>Half-year ended</b>	
	<b>31 December 2024</b>	31 December 2023
	\$	\$
Operating profit for the half-year	<b>6,430,065</b>	2,687,905

There were no distributions declared during the half-year ended 31 December 2024 and 31 December 2023.

The Fund performance for the half-year to 31 December 2024 was the outcome of a very strong recovery in the September quarter, largely driven by the Fund's precious metals holdings, coming off the back of risk-off sell offs in June, to then be partially reversed again, with further risk-off selling in November and December. Uncertainty surrounding Trump's policies immediately after his election win, along with China economic growth concerns, caused a macro-led sell-off. Despite this, the Fund achieved a net return of +16% after fees for the half-year.

**Paragon Australian Long Short Fund  
Directors' Report  
For the half-year ended 31 December 2024  
(continued)**

**Significant changes in the state of affairs**

Effective 18 December 2024, Bennelong Funds Management Ltd was appointed as the Fund's new Responsible Entity, replacing Paragon Funds Management Ltd.

As a result of the change in Responsible Entity, the Fund's key changes are as follows:

- The Fund has reissued the PDS and constitution on 18 December 2024.
- The Investment Manager of the Fund is Paragon IM Pty Ltd (ABN 90 682 128 785), appointed on 18 December 2024 replacing Paragon Funds Management Ltd.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year.

**Matters subsequent to the end of the financial period**

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods; or
- (ii) the results of those operations of the Fund in future financial periods; or
- (iii) the state of affairs of the Fund in future financial periods.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of the Bennelong Funds Management Ltd.



John Burke  
Director

Sydney, NSW  
11 March 2025

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BENNELONG FUNDS MANAGEMENT LTD, THE RESPONSIBLE  
ENTITY**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2024, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Ryan Leemon  
Partner – Audit and Assurance  
[Moore Australia Audit \(VIC\)](#)  
Melbourne, Victoria

11 March 2025

*Moore Australia*  
Moore Australia Audit (VIC)  
ABN 16 847 721 257  
Chartered Accountants

**Paragon Australian Long Short Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2024**

**Statement of Profit or Loss and Other Comprehensive Income**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Notes	\$	\$
<b>Investment income</b>		
Interest income from financial assets at amortised cost	1,357	27,296
Net gains on financial instruments at fair value through profit or loss	4    8,390,113	3,652,017
Net foreign exchange (loss)/gain	(721,428)	101,844
<b>Total investment income</b>	<b>7,670,042</b>	<b>3,781,157</b>
<b>Expenses</b>		
Management fees	394,663	338,888
Interest expense	596,029	475,718
Custody fees	1,211	1,980
Transaction costs	76,286	105,350
Stock loan fees	22,455	35,964
Short dividend expense	83,431	78,425
Expense reimbursement fees	65,791	56,493
Other operating expenses	111	434
<b>Total operating expenses</b>	<b>1,239,977</b>	<b>1,093,252</b>
<b>Operating profit for the half-year</b>	<b>6,430,065</b>	<b>2,687,905</b>
<b>Finance costs attributable to unitholders</b>		
Increase in net assets attributable to unitholders	7    (6,430,065)	(2,687,905)
<b>Profit/(loss) for the half-year</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

**Paragon Australian Long Short Fund**  
**Statement of Financial Position**  
**As at 31 December 2024**

**Statement of Financial Position**

	<b>As at</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>Notes</b>	<b>\$</b>
<b>Assets</b>		
Receivables	<b>42,803</b>	73,179
Due from brokers - receivable for securities sold	-	1,484,308
Financial assets at fair value through profit or loss	3, 5 <b>75,615,143</b>	62,340,090
<b>Total assets</b>	<b>75,657,946</b>	63,897,577
<b>Liabilities</b>		
Borrowings	9 <b>21,484,107</b>	16,859,514
Payables	<b>333,983</b>	198,426
Financial liabilities at fair value through profit or loss	3, 6 <b>9,710,990</b>	8,023,000
<b>Total liabilities</b>	<b>31,529,080</b>	25,080,940
<b>Net assets attributable to unitholders - liability</b>	7 <b>44,128,866</b>	38,816,637

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**Paragon Australian Long Short Fund  
Statement of Changes in Equity  
For the half-year ended 31 December 2024**

**Statement of Changes in Equity**

	Half-year ended	
	31 December 2024	31 December 2023
	\$	\$
<b>Total equity at the beginning of the half-year</b>	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the half-year</b>	-	-

*Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half-year.*

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*



**Paragon Australian Long Short Fund**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2024**

**Statement of Cash Flows**

	Half-year ended	
	31 December 2024	31 December 2023
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial assets at fair value through profit or loss	52,990,099	79,579,803
Payments for purchase of financial assets at fair value through profit or loss	(56,494,420)	(86,550,636)
Proceeds from re-purchase of financial liabilities at fair value through profit or loss	35,289,243	24,506,499
Payments for settlement of financial liabilities at fair value through profit or loss	(33,497,564)	(17,141,842)
Interest income received from financial assets at amortised cost	1,369	2,015
Management fees paid	(385,533)	(334,823)
Transaction costs paid	(76,286)	(105,350)
Stock loan fees paid	(21,696)	(21,868)
Custody fees paid	(1,211)	(1,980)
Expense reimbursement fees paid	(64,298)	(55,828)
Interest expense paid	(586,054)	(405,529)
Short dividends paid	(64,231)	(78,425)
Net GST amounts (paid)/received	30,364	(37,433)
Other operating expenses paid	(111)	(434)
<b>Net cash outflow from operating activities</b>	<b>(2,880,329)</b>	<b>(645,831)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	1,415,000	409,921
Payments for redemptions by unitholders	(2,437,836)	(1,407,860)
Distributions paid to unitholders	8	(309,370)
<b>Net cash outflow from financing activities</b>	<b>(1,022,836)</b>	<b>(1,307,309)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,903,165)</b>	<b>(1,953,140)</b>
Cash and cash equivalents at the beginning of the half-year	(16,859,514)	(20,581,765)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(721,428)	101,844
<b>Cash and cash equivalents at the end of the half-year</b>	<b>9</b>	<b>(21,484,107)</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **Notes to the interim financial statements**

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**Paragon Australian Long Short Fund**  
**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2024**  
**(continued)**

## **1 General information**

The interim financial statements cover the Paragon Australian Long Short Fund (the "Fund") as an individual entity. The Fund was constituted on 6 December 2012, registered with the Australian Securities and Investments Commission on 20 December 2012 and commenced operations on 1 March 2013. The Fund will terminate on 5 December 2092 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

Paragon Australian Long Short Fund is a registered managed investment scheme under the *Corporations Act 2001*.

The Responsible Entity of the Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806) (the "Responsible Entity") formerly Paragon Funds Management Ltd (ABN 42 159 623 873) (AFSL 426800). The change in Responsible Entity occurred on 18 December 2024. The Responsible Entity's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne, VIC 3000. The interim financial statements are presented in the Australian currency.

The Fund's mandate is to invest primarily in Australian listed equities focusing on core competencies in the resource and industrial sectors in accordance with PDS and the provisions of the Fund's Constitution. The Fund may also invest in foreign listed stocks and equities in unlisted Australian and foreign companies. The objective of the Fund is to produce absolute returns and capital growth for unitholders over a 5 year investment horizon.

The interim financial statements are for the half-year ended 31 December 2024.

The interim financial statements were authorised for issue by the directors of the Responsible Entity on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

## **2 Summary of material accounting policies**

The principal accounting policies applied in the preparation of the interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

### **(a) Basis of preparation**

The interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The interim financial statements does not include all the notes of the type normally included in annual financial statements. Accordingly, the interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### **(b) Material accounting policies**

The accounting policies applied in the preparation of the interim financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2024.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect current or future periods.

### **3 Fair value measurement**

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting half-year ended.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

*(i) Fair value in an active market (Level 1)*

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) is based on their quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the interim financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and financial liabilities held by the Fund is the last sale price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

*(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)*

The fair value of financial assets and financial liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

*(iii) Recognised fair value measurements*

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 31 December 2024 and 30 June 2024.

**Paragon Australian Long Short Fund**  
**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2024**  
**(continued)**

**3 Fair value measurement (continued)**

*(iii) Recognised fair value measurements (continued)*

<b>As at 31 December 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Financial assets</b>				
Australian equity securities and trusts	59,236,630	1,052,943	-	60,289,573
International equity securities	12,121,659	898,411	2,305,500	15,325,570
<b>Total financial assets</b>	<b>71,358,289</b>	<b>1,951,354</b>	<b>2,305,500</b>	<b>75,615,143</b>

**Financial liabilities**

Australian equity securities and trusts sold short	9,710,990	-	-	9,710,990
<b>Total financial liabilities</b>	<b>9,710,990</b>	<b>-</b>	<b>-</b>	<b>9,710,990</b>

As at 30 June 2024

Financial assets

Australian equity securities and trusts	44,080,246	1,052,943	1,000,000	46,133,189
International equity securities	13,354,267	547,134	2,305,500	16,206,901
<b>Total financial assets</b>	<b>57,434,513</b>	<b>1,600,077</b>	<b>3,305,500</b>	<b>62,340,090</b>

Financial liabilities

Australian equity securities and trusts sold short	8,023,000	-	-	8,023,000
<b>Total financial liabilities</b>	<b>8,023,000</b>	<b>-</b>	<b>-</b>	<b>8,023,000</b>

The Level 2 investments typically relate to private placements in pre-IPO stocks in which the Fund has subscribed to in advance of the stocks official listing. Fair value is determined using the valuation technique of the subscription price or the most recent arms' length placement price by the number of securities subscribed for by the Fund under the relevant offer.

Additionally, Level 2 investments may include stocks temporarily suspended from trading. Fair value is determined as the market price at date of suspension.

Leo Lithium Limited, at a cost of \$1,052,943 (69c/share), remains in Level 2 at 31 December 2024, unchanged from 30 June 2024, whilst the company completes its sale of its 40% JV share of its Mali Lithium asset. A cash distribution of 17.2c/share to shareholders was received in January by the Fund, representing T1 portion of the company's intended distribution to shareholders upon completion of the transaction. A further distribution, T2 estimated at 15c/share remains and is anticipated for July 2025, at which time the residual carry value of the investment will be supported by the remaining assets of the company.

### 3 Fair value measurement (continued)

*(iii) Recognised fair value measurements (continued)*

The Level 3 investments as at 31 December 2024, comprise of:

- (1) ISX Financial EU Plc (ISXFEU) - The current carry value of \$2,305,500 is Paragon's valuation of the unlisted European subsidiary of Southern Cross Payments Limited (ASX:SP1) (formerly iSignthis Limited) (ASX: ISX), upon the European demerger in December 2020. The valuation remains unchanged, and is supported by the company's continuing revenue growth and strengthening financial position. The growth is self-funded, as the company remains cash flow positive and gross margins and profitability metrics continue to improve year on year. Management's latest assessment arrives at an estimated market-cap of A\$820-\$860m (A\$7.45-\$7.82/share) against a derived carry value of \$5.30/share. ISXFEU is preparing for an international listing before the end of the year. Given buoyant global markets, particularly for ISXFEU's sector and expanding valuations for its peers, as well as the company's very strong growth metrics, we remain confident that an IPO price well in excess of our carrying value will be achieved. The court cases have progressed throughout 2024. Any findings are ring-fenced to ISX AU and do not impact on ISX FEU. Management does not attribute any value to the shares held in the Australian company, which does retain adequate cash for these ongoing legal proceedings. On this valuation basis, and considerations noted above, it is the opinion of the directors that the current carry value remains appropriate.
- (2) Latitude 66 Cobalt Limited - As disclosed in the 30 June 2024 Annual Report, LAT commenced trading from 4 July 2024. The Fund disposed of its holding of LAT in July 2024.

*(iv) Transfers between levels*

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

*(v) Fair value measurements in an inactive market (Level 2) and using significant unobservable inputs (Level 3)*

The following table presents the movement in Level 2 and Level 3 instruments at 31 December 2024 by class of financial instrument:

**At 31 December 2024**

	<b>Unlisted equity securities</b>		<b>Total</b>
	<b>Level 2</b>	<b>Level 3</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance - 1 July	1,951,354	2,305,500	4,256,854
Transfers from Level 1	-	-	-
Purchases	332,479	-	332,479
Sales	-	(1,000,000)	(1,000,000)
Gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	18,798	-	18,798
<b>Closing balance</b>	<b>2,302,631</b>	<b>1,305,500</b>	<b>3,608,131</b>

### 3 Fair value measurement (continued)

(v) *Fair value measurements in an inactive market (Level 2) and using significant unobservable inputs (Level 3) (continued)*

The following table presents the movement in Level 2 and Level 3 instruments at 30 June 2024 by class of financial instrument:

At 30 June 2024	Unlisted equity securities		
	Level 2	Level 3	Total
	\$	\$	\$
Opening balance - 1 July	2,481,656	3,305,500	5,787,156
Purchases	1,437,716	-	1,437,716
Sales	(1,922,085)	-	(1,922,085)
Gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	(397,210)	-	(397,210)
Closing balance	1,600,077	3,305,500	\$4,905,577.00

(vi) *Financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value does not differ from its fair value (deemed to be redemption price for individual units) due to no differences in valuation inputs.

### 4 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Half-year ended	
	31 December 2024	31 December 2023
	\$	\$
<b>Financial assets</b>		
Net realised (loss)/gain on financial assets at fair value through profit or loss	<b>(4,316,849)</b>	5,732,403
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<b>12,603,273</b>	(1,783,614)
<b>Total net gains/(losses) on financial assets at fair value through profit or loss</b>	<b>8,286,424</b>	3,948,789
<b>Financial liabilities</b>		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	<b>316,112</b>	(97,578)
Net unrealised (loss)/gain on financial liabilities at fair value through profit or loss	<b>(212,423)</b>	(199,194)
<b>Total net gains/(losses) on financial liabilities at fair value through profit or loss</b>	<b>103,689</b>	(296,772)
<b>Total net gains on financial instruments at fair value through profit or loss</b>	<b>8,390,113</b>	3,652,017

**Paragon Australian Long Short Fund**  
**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2024**  
(continued)

**5 Financial assets at fair value through profit or loss**

	As at	
	31 December 2024	30 June 2024
	\$	\$
Australian equity securities and trusts	60,289,573	46,133,189
International equity securities	15,325,570	16,206,901
<b>Total financial assets at fair value through profit or loss</b>	<b>75,615,143</b>	<b>62,340,090</b>

**6 Financial liabilities at fair value through profit or loss**

	As at	
	31 December 2024	30 June 2024
	\$	\$
Australian equity securities and trusts sold short	9,710,990	8,023,000
<b>Total financial liabilities at fair value through profit or loss</b>	<b>9,710,990</b>	<b>8,023,000</b>

**7 Net assets attributable to unitholders**

Movements in the number of units and net assets attributable to unitholders during the period were as follows:

	Half-year ended		Year ended	
	31 December 2024	31 December 2024	30 June 2024	30 June 2024
	Units	\$	Units	\$
Opening balance	25,751,971	38,816,637	26,667,445	45,811,917
Applications	679,292	1,320,000	790,061	1,275,290
Redemptions	(1,195,397)	(2,437,836)	(1,901,152)	(3,109,261)
Reinvestment of distributions	-	-	195,617	336,051
Increase/(decrease) in net assets attributable to unitholders	-	6,430,065	-	(5,497,360)
<b>Closing balance</b>	<b>25,235,866</b>	<b>44,128,866</b>	25,751,971	38,816,637

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

**8 Distributions to unitholders**

There were no distributions declared for the year ended 30 June 2024 and in the half-year ended 31 December 2024.



**Paragon Australian Long Short Fund**  
**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2024**  
**(continued)**

## 9 Borrowings

	<b>As at</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Borrowings	<b>21,484,107</b>	16,859,514
<b>Total borrowings</b>	<b>21,484,107</b>	16,859,514

## 10 Related party transactions

### Responsible Entity

The Responsible Entity of Paragon Australian Long Short Fund is Bennelong Funds Management Ltd, appointed on 18 December 2024, replacing Paragon Funds Management Ltd.

The Investment Manager of the Fund is Paragon IM Pty Ltd (ABN 90 682 128 785), appointed on 18 December 2024 replacing Paragon Funds Management.

Significant changes to the related parties transactions are limited to the changes in the entities responsible only.

All transactions with related parties are conducted on normal commercial terms and conditions.

## 11 Events occurring after the reporting period

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 31 December 2024 or on the results and cash flows of the Fund for the half-year ended on that date.

## 12 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities and commitments as at 31 December 2024 and 30 June 2024.


**Paragon Australian Long Short Fund  
Directors' Declaration  
For the half-year ended 31 December 2024**

**Directors' Declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Bennelong Funds Management Ltd.



John Burke  
Director

Sydney, NSW  
11 March 2025

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PARAGON AUSTRALIAN LONG SHORT FUND

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Paragon Australian Long Short Fund (the Fund), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Emphasis of matter – fair value measurement of financial assets

We draw attention to note 3 in the financial statements which identifies that that the Fund has an investment in Southern Cross Payments Limited (ASX: SP1) (Formerly iSignthis Limited) (ASX: ISX) and its European Subsidiary ISX Financial EU Plc (ISXFEU) with a total carrying value of \$2,305,500 at 31 December 2024. The investments have been classified as tier 3. This matter as set forth in Note 3 detail the director's valuation basis and assessment for this investment. Our opinion is not modified in respect of this matter.

### Responsibility of the Directors for the Financial Report

The directors of the Bennelong Funds Management Ltd (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ryan Leemon  
Partner – Audit and Assurance  
[Moore Australia Audit \(VIC\)](#)  
Melbourne, Victoria

11 March 2025

*Moore Australia*  
Moore Australia Audit (VIC)  
ABN 16 847 721 257  
Chartered Accountants