



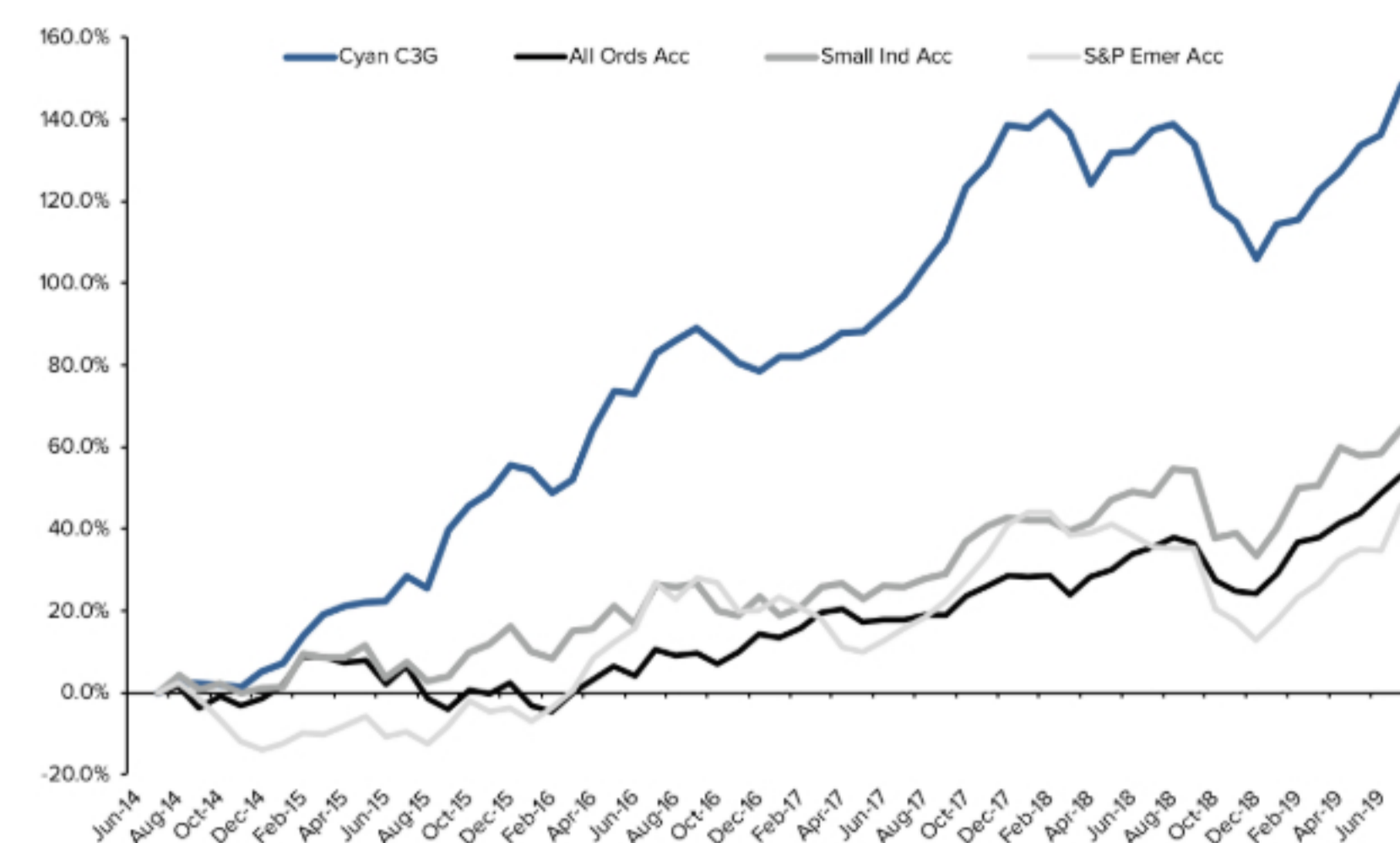
C3G Fund Update

31 July 2019
Unit Price: 1.935
(Ex-Dist 0.133 @ 30 June 2019)

31 July 2019

The C3G Fund delivered a strong return of +5.2% in July, comfortably outperforming the broader market with the All Ords and Small Ords up +3.0% and +3.7% respectively.

The end of July also marks the 5 year anniversary of the Fund. Over that period we have delivered a return of 20% p.a. (after all fees) for our investors. That track-record makes the Cyan C3G Fund one of the best performing funds in Australia over that time-frame.

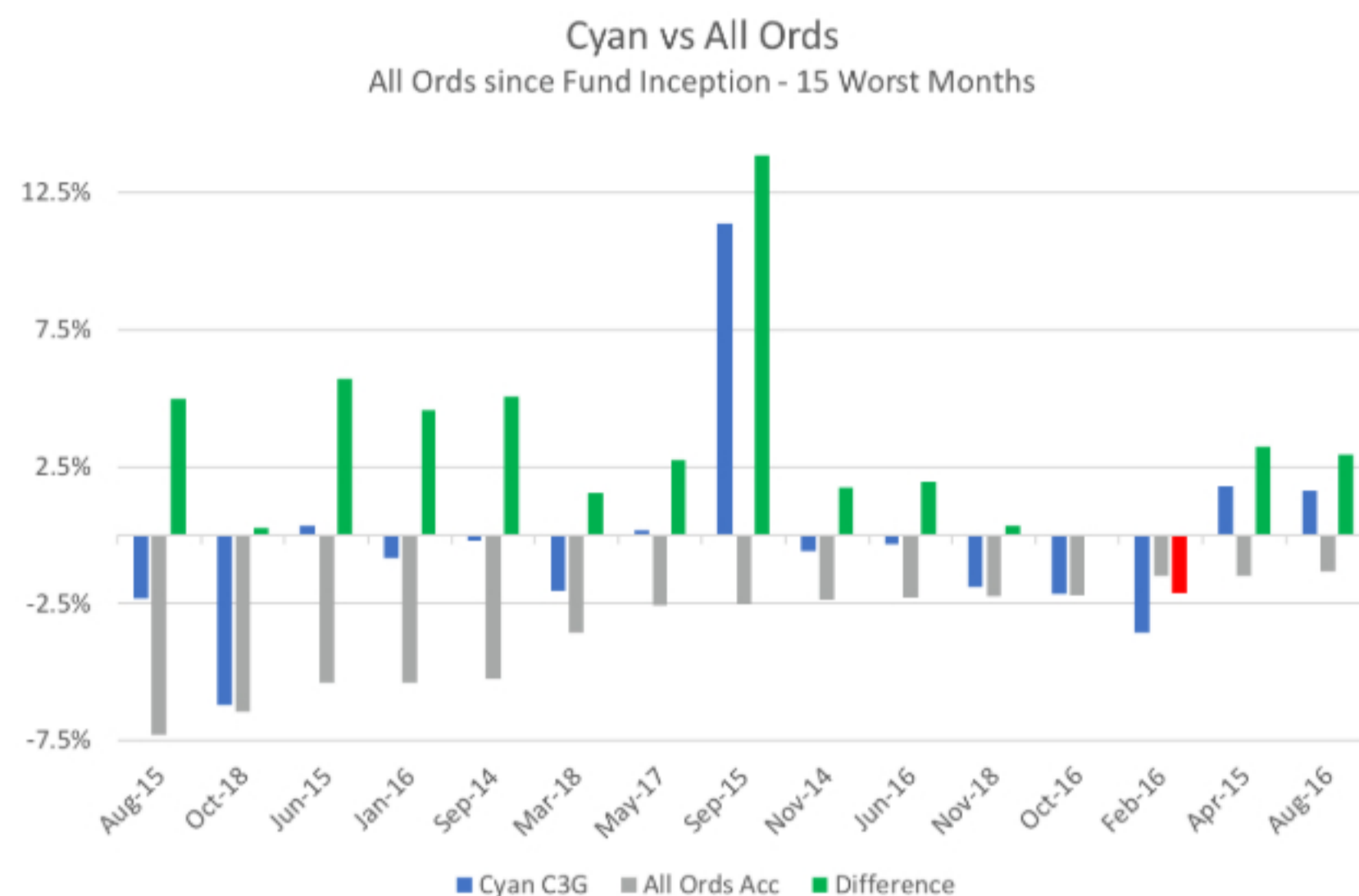


We established the Fund to deliver strong double-digit annual returns with below market volatility through long-only investments in ASX listed emerging growth companies. We are proud to have achieved those ambitions for our clients.

Of course, due to the vagaries of the market and a few mistakes along the way, it never happens in a straight line. And, although we do not benchmark our performance against ASX Indices, we are also proud to have comfortably exceeded the markets returns of the All Ords, Small Ords and Emerging Companies indices.

The Fund has clearly delivered good returns in strong markets, but equally satisfying is the fact that when the market has fallen we have almost always outperformed.

The chart below represents the worst 15 months the All Ords index has endured since the inception of the Fund; the Cyan C3G Fund outperformed the market in 14 of the 15 worst months (or 93% of occurrences).



FY2019 Distribution

The Fund paid a 13.3 cents per unit distribution in July, which investors elected to receive in cash or have reinvested in further units. All details are available in the holding and tax statements emailed to investors in early August.

Month in Review

Obviously during such a strong month there were numerous positive contributors in the portfolio and very few that performed poorly:

Aclidion (ALC) +32%: ALC has previously had strong technology solutions but, like many tech-based companies, had struggled to truly commercialise the business model. With the product suite now largely complete, and complemented by acquired businesses and products, the company is now proving itself commercially, as evidenced by the June quarterly cashflow statement. Strong revenue growth, positive cash generation and new contract wins positions ALC well to provide further growth in FY20.

Quickfee (QFE) +85%: In last month's report we mentioned QFE as an upcoming IPO. The business offers premium funding and payment solutions to the accounting and legal industries in both Australia and the United States. It listed strongly in early July and closed the month at an 85% premium to its \$0.20 issue price. QFE is still in the early stages of its company lifecycle and we look forward to seeing its progress both domestically and offshore.

Readcloud (RCL) +22%: This education technology business is leading the charge to digitise books for secondary school students and those undertaking vocational training. Similarly to **Aclidion**, the share price was driven up on the back of a positive operating update and quarterly cashflow statement. We participated in a small amount capital raise at month's end to accelerate its push into the vocational training sector.

Atomos (AMS) +34%: This 'prosumer' video technology company, in which we originally invested late last year, continues to enjoy good traction with its product suite and also raised capital to support the working capital requirements driven by strong demand for new products. The company will deliver revenue around 20% higher than its original prospectus forecast and has already moved into profitability. We see a strong 12 months ahead.

PSC Insurance (PSI) +10%: This insurance services business has been a long term holding of the Fund. It continues to blend organic growth with strategic investments and acquisitions both domestically and internationally. We expect the group to deliver a solid result in the upcoming reporting season illustrating further earnings growth as a result of its expansion strategy.

Returns to: 31 July 2019	Cyan C3G	All Ord Acc	S&P Small Ind Acc	S&P Emerg Acc
1 mth	5.2%	3.0%	3.7%	8.3%
3 mths	9.3%	8.3%	2.8%	10.1%
6 mths	15.9%	18.6%	17.5%	23.7%
1 year	4.6%	12.9%	10.9%	7.4%
3 years (p.a)	10.7%	11.4%	9.1%	4.7%
5 years (p.a)	19.9%	8.9%	10.5%	7.8%
Since Incept (p.a.)	19.9%	8.8%	10.4%	7.8%
Since Incept	148.3%	53.0%	64.4%	45.7%
Volatility	11.0%	11.0%	13.1%	12.9%

Media

Dean Fergie wrote 'Winning at the IPO Game' for Livewire during the month.

Please refer to the 'News' section of our website for links to other articles this past month featuring Cyan.

Outlook

We again find ourselves in the midst of increased volatility, thanks largely to the financial and political positioning of the US President and co. Ongoing trade wars and associated currency fluctuations are likely to continue to drive sentiment in the short term. Hopefully our previously mentioned track record of outperformance in difficult markets continues...it is at the time of writing.

That said, rather than trying to pick short-term trading directions, we continue to invest on a stock specific basis through a well-diversified portfolio of around 30 companies. August welcomes reporting season so we expect the market will more fully focus on individual company performance rather than macro events and short-term sentiment.

We thank all our investors for their support and look forward to keeping everyone updated with the Fund's progress. As always we are contactable in person and encourage you to do so if you have any questions for us.

Some key Fund criteria are outlined below.

Fund Type	ASX Listed Companies / Cash
Structure	Wholesale Unit Trust
Minimum Initial Investment	\$100,000
Investment Risk	Medium
Trustee and Manager	Cyan Investment Management
Administrator	Apex Fund Services
Custodian	Sargon Corporate Trust
Management Fee	1.5% p.a.
Benchmark / Performance Hurdle	2.5% per quarter (after fees)
Performance Fee	20% (above benchmark)
High Watermark	Yes
Subscriptions/Redemptions	Monthly
Buy/Sell Spread	NAV ±0.3%
Typical Portfolio	20-40 companies

Dean Fergie and Graeme Carson

Cyan Investment Management

AFSL No. 453209

An investment in the Cyan C3G Fund can be made by clicking [here](#)



Past performance is not a reliable indicator of future performance. The Total Returns of the Cyan C3G Fund over specified periods are shown above. This document contains information regarding Total Returns to 31 July 2019. Total Returns are calculated after taking into account performance fees. A performance fee of 20.5% is payable quarterly on any excess performance (after deducting the Management fee) above the quarterly benchmark of 2.5%. A performance fee is only payable where the Fund has exceeded both the benchmark and high water mark.

The Total Return performance figures quoted are historical, calculated using end of month mid prices and do not allow the effects of income tax or inflation. Total Returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. The Indices do not incur these costs. This information is provided for general comparative purposes. Positive returns, which the Fund is designed to provide, are different regarding risk and investment profile to index returns. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific recipient. As such, before acting on any information contained in this document, recipients should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. Cyan Investment Management Pty Ltd (AFSL 453209) is the issuer of the Cyan C3G Fund. A current IM is available from Cyan Investment Management Pty Ltd, located at 17/31 Queen St Melbourne, VIC 3000. A person should consider the IM before deciding whether to acquire or continue to hold an interest in the Cyan C3G Fund. Any opinions or recommendation contained in this document are subject to change without notice and Cyan Investment Management Pty Ltd is under no obligation to update or keep any information contained in this document current. Cyan Investment Management Pty Ltd holds AFSL 453209.

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