

Total Returns

As at 31 Jan 2020	1 mth	3 mths	6 mths	1 year	3 years (p.a.)	5 years (p.a.)	Since Incept (p.a.)	Since Incept (cum)	Volatility
Cyan C3G Fund	-0.3%	-7.5%	-1.1%	14.6%	10.5%	18.1%	17.7%	145.6%	11.5%
S&P All Ords Accum	4.7%	5.9%	5.3%	24.9%	12.4%	9.6%	9.0%	61.1%	10.6%
S&P Small Ind Accum	4.1%	5.6%	5.3%	23.7%	13.4%	11.3%	10.4%	73.1%	12.4%

The new decade kicked off with a bang in January as the ASX surged ahead on renewed optimism about the economic outlook and ongoing enthusiasm for Australian equities in light of sustained low interest rates.

Unfortunately the Cyan C3G Fund returned -0.3%, behind both the S&P/ASX Small Industrials Accumulation Index (+4.1%) and the S&P/ASX All Ords Index (+4.7%). Nevertheless the 12 month return of 14.6% remains at the top end of our long term target of 10-15% p.a.

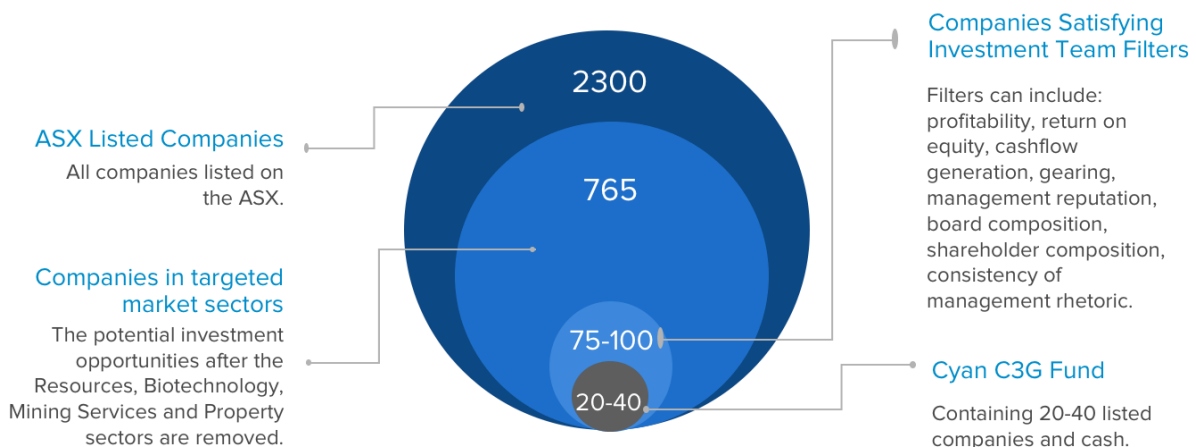
At Cyan, our primary focus is to deliver growth to our investors, whilst carefully managing risk. To do so, we invest in companies at various points of maturity and weight the portfolio according to the underlying risks versus the potential returns. This typically results in a portfolio of 20 to 40 companies ranging in market capitalisation from \$50m to \$1bn. The graphic below puts this in context versus the overall market.

Such a concentrated portfolio (20-40 stocks versus 500 in the All Ords) results in the C3G Fund being largely uncorrelated to the return of the overall market. Particularly when the market is very strong, and taking into account our sometimes conservative cash balance, there will be times we fail to keep pace with the market.

Month in Review

During the month the Fund had 16 positions deliver positive results, 15 negative and four flat. Our strongest positive contributor by price movement rose 39% and our weakest contracted 21%.

Quickstep (QHL) +23%: This advanced manufacturer of high-value carbon-fibre products has been making great progress in turning around its existing operations and is now well positioned to truly scale the business through new material long-term contracts. We are hoping for further near-term catalysts to drive the price higher.



RPM Global (RUL) +30% This provider of software solutions to the mining industry is successfully transitioning from a more traditional provider to one of recurring revenue through its Software as a Service model. It contains a number of characteristics we look for by way of operating leverage and return on capital employed. We see a very strong couple of years ahead.

Others positive contributors included long-term Fund holdings **Readcloud (RCL) +10%** and **Alcidion (ALC) +11%**. We remain confident in the outlook for both businesses.

We also enjoyed some early success from two recent IPO's in which we subscribed:

Icetana (ICE) +39% is a software company focussed on video analytics for surveillance and security. Existing clients include University campuses, manufacturing facilities and military operations. The company is now capitalised to increase its technical offering and expand its sales effort.

Open Learning (OLL) +22% is a small, but growing, provider of online learning platforms for education providers. It operates in all types of online education, from short courses through to online degrees. It currently has in excess of 2.5m enrolments across 8,000 courses provided by over 60 education providers and is looking to expand aggressively.

As always, we experienced some negative price movers over the month. Two notable under-performers were **Oventus (OVN) -21%** and **Schrole (SCL) -17%**, both on the back of cashflow statements released to the market during the month. In both instances it was more of a case of over-hyped expectation by the market rather than genuinely poor results. We have since taken the opportunity to add to our position in SCL.

Outlook

The portfolio contains companies at various stages of the growth lifecycle. We remain confident that our investment positions will be rewarded over time, whilst being completely aware that this never happens in a straight line. The volatility can be particularly extreme for some of the less mature companies, the share prices of which tend to be catalyst driven as they prove to be executing their growth strategies. We expect that the upcoming reporting season will provide some of those catalysts.

We thank all our investors for your support and look forward to keeping you all 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.

Cyan C3G Fund Details

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To invest: cyanim.com.au/how-to-invest

Structure	Wholesale Unit Trust
Minimum Initial Investment	\$100,000
Investment Risk	Medium
Trustee and Manager	Cyan Investment Management Pty Ltd
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 \pm 0.3%
Typical Portfolio	20-40 companies

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 January 2020. 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 Street, 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.