

As at: 30 September 2021	1 mth	3 mths	6 mths	1 yr	3 yrs (p.a.)	5 ys (p.a.)	Since Incept (p.a.)	Since Incept (cum)	Volatility
<b>Cyan C3G Fund</b>	3.4%	6.1%	6.9%	20.2%	7.1%	8.7%	15.8%	186.7%	16.3%
<b>S&amp;P/ASX All Ords Accum</b>	-1.6%	2.0%	10.9%	31.5%	10.4%	10.8%	8.8%	83.3%	14.1%
<b>S&amp;P/ASX Small Ind Accum</b>	-1.3%	3.8%	11.4%	29.1%	9.5%	9.8%	10.3%	102.6%	16.7%

## September 2021

The ASX sustained a monthly fall of 1.6% in September 2021, for only the second time in 18 months, with the previous fall (of 3.4%), coincidentally, occurring 12 month prior in September 2020.



Happily the Cyan C3G Fund did not follow the broader market lower, finishing September with a monthly rise of 3.4% and taking the return for the first quarter of FY22 to 6.1% (all after all fees).

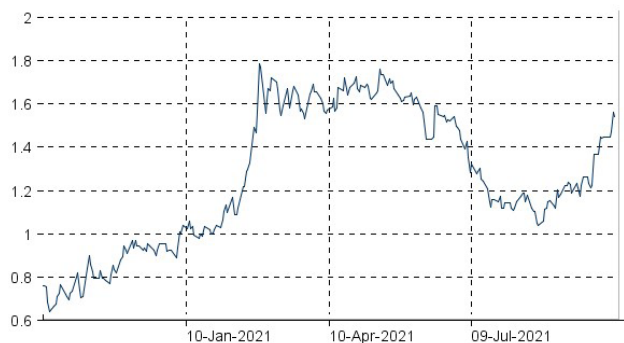
Detailed returns and downloads of our unit price and distribution history since inception are available on our website at: [Performance • \(cyanim.com.au\)](http://Performance.cyanim.com.au)

The market’s confidence was dented on a few fronts including Chinese property developer Evergrande’s financial woes, increases in both domestic and global interests rates as inflation concerns emerged and a significant retracement in the iron price which weighed heavily on the likes of **BHP (-18%)**, **Fortescue (FMG -29%)** and **Rio Tinto (RIO -11%)**.

### IRON ORE PRICE



## AUSTRALIAN 10yr BOND RATES



However as Australia tracks further down the Covid-19 road map to re-opening, investors looked favourably on the outlook for the travel and hospitality sectors.

## Month in Review

As anticipated in our [August report](#), the Cyan C3G Fund benefited in September from a couple of newly listed IPOs along with some positive performances from existing holdings.

**Zoom2U (Z2U +147%)** a technology-driven gig economy courier platform (analogous to Uber but for deliveries) had an extremely strong IPO debut. Prior to listing, Z2U heralded major corporate clients such as DHL, Nespresso and Pact Group, but shortly after their IPO the company announced a number of new client contracts with Bing Lee, A-Mart Furniture and Telstra. In addition, the market was no doubt beginning to appreciate the material tailwinds the business is enjoying due to the extended lockdowns in VIC and NSW, [competitor StarTrack's industrial action](#) and the mounting pressures on the Australia Post system ([Australia Post delivery delays revealed](#)) which is driving a huge increase in parcel volumes and is likely to result in a significant increase in Z2U's FY22 revenues.

Our investment in **Touch Ventures (TVL +21%)** ended the month at a 21% premium to its IPO price of 40c and at a 142% premium to our original pre-IPO investment price of 20c that we'd made 12 months prior. Whilst this was obviously a very positive financial outcome for the Fund we were honestly expecting a stronger debut given their strong association with Afterpay (APT) and attractive investment portfolio. Graeme Carson wrote a

comprehensive article on the company in Livewire Markets [Touch gives investors a slice of Afterpay talent](#) which clearly lays out why we retain such optimism for the company.

In July we made a small investment in online market research company **Pureprofile (PPL +106%)** which really kicked ahead this month. The company had been completely out of favour since it listed back in 2016 but a recent change in management, reduction in debt, a partnership with Flybuys and a return to profitability along with some [targeted investor marketing](#) has seen the market embrace the stock.

In terms of the disappointing results:

**Vita Group (VTG -14%)** - announced the long-awaited acquisition by Telstra of its portfolio of franchised Telstra stores and mobile accessories business, Sprout, which amounted in total to a cash consideration of \$110m or 66cps. Post this deal VTG is expecting to pay a special dividend of up to 45cps. Whilst we believe this was a solid outcome, the market was possibly underwhelmed that the company is proposing to retain a proportion of these proceeds to help expand its growing beauty clinic division (Artisan) which last year saw revenue and gross profit rise over 40%. We remain long-term holders of the company given the exceptional cashflow the stock is providing and the continued upside from its expansion of Artisan.

**Raiz (RZI -12%)** - whilst the shareholder spat that we discussed last month between the founder and some of the board has been resolved, RZI was no doubt impacted by the retracement in the market and the impact on its level of FUM. As at early October [RZI reported a September increase in FUM of 0.3%](#) with customer numbers still growing strongly up 5% over the month. We also expect further positive momentum to emerge with the upcoming listing in November of Raiz's parent company, **Acorns Grow Inc** ([which has just hired a former Amazon executive as president](#)) and which should clearly illustrate the attractive relative value of the Australian business.

# Media

Cyan featured in Ausbiz during the month - [all of our Ausbiz appearances are listed here.](#)

As mention above, we wrote about Touch Venture (TVL) in Livewire [Touch gives investors a slice of Afterpay talent](#)

All details are in the ['News'](#) section of our website.

# Outlook

Whilst, at the time of writing, the ASX is continuing to track lower in October, the positive momentum the Fund experienced in September has extended into the new month.

We fully expect further positive newsflow from both **Touch Ventures (TVL)** and **Zoom2U (Z2U)**; gaming developer **Playside Studios (PLY)** has new titles being released this month; **Maggie Beer (MBH)** can be expected to trade very strongly this quarter particular due to its recently acquired online hamper business [Hamper Emporium](#); and we believe an opening up of the economy to benefit holdings such as venue owner and micro-brewer **Mighty Craft (MCL)**.

We also have two more pre-IPO investments that are well down the path of a listing before the end of calendar 2021.

As always, we welcome investors to contact us directly with any queries.

**Graeme Carson & Dean Fergie**

# Cyan Financial Year Returns

FY	Return
2015	+22.3%
2016	+41.4%
2017	+11.4%
2018	+20.4%
2019	+1.8%
2020	-13.1%
2021	+31.8%
2022*	+6.1%
Annualised	+15.8%



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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 30 September 2021. 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.