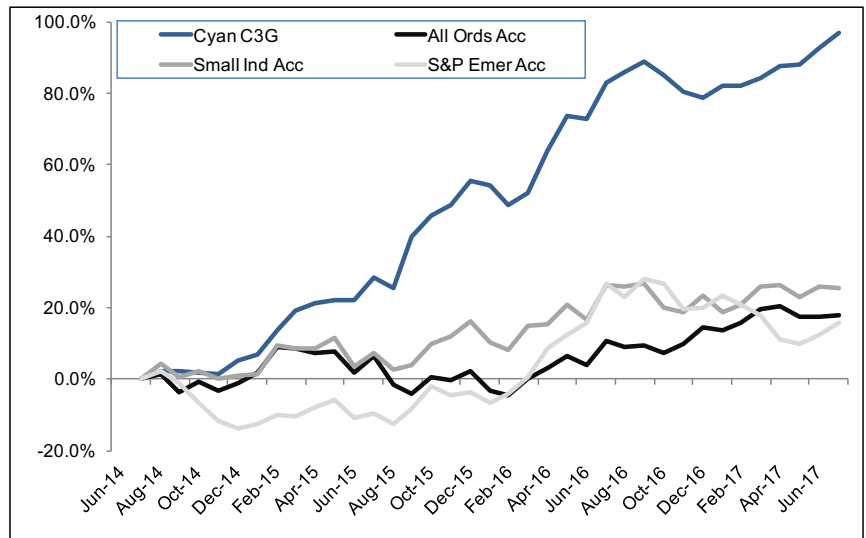


Cyan aims to invest in the most promising and highest quality smaller companies listed on the ASX.

C3G Fund Update 31 July 2017



Returns to: 31 July 2017	Cyan C3G	S&P Small Ind Acc
1 mth	2.3%	-0.2%
3 mths	4.9%	-0.7%
1 year	7.6%	-0.6%
2 year (p.a.)	23.8%	8.2%
3 years (p.a.)	25.4%	7.9%
Since Incept (p.a.)	25.1%	7.8%
Since Incept (cum)	97.0%	25.7%
Volatility	10.7%	12.8%



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	XSI	+/-
2015		2.4%	-0.2%	-0.3%	-0.6%	3.8%	1.9%	6.3%	4.6%	1.8%	0.7%	0.3%	22.3%	7.2%	+15.1%
2016	5.1%	-2.3%	11.4%	4.1%	2.3%	4.5%	-0.8%	-3.6%	2.2%	7.9%	5.7%	-0.3%	41.4%	12.8%	+28.6%
2017	5.8%	1.6%	1.7%	-2.1%	-2.4%	-1.0%	1.9%	0.1%	1.2%	1.9%	0.2%	2.4%	11.4%	7.9%	+3.5%
2018	2.3%												2.3%	-0.2%	+2.5%

Three Year Performance Milestone

The Cyan C3G Fund posted a strong result in July, returning +2.3% and delivering a milestone three year cumulative return of 97% (or 25% p.a.). This exceeded our closest benchmark, the ASX Small Industrials Accumulation Index, by more than 70%. In addition, our returns have been achieved with lower volatility than any of the comparable ASX Indices.

In the three years to date, the Cyan C3G Fund has enjoyed 26 up months and 10 down months.

Since inception, the Cyan C3G Fund has predominately been invested in a diversified portfolio of small to mid-sized growth-orientated ASX listed companies. We very much focus on delivering capital growth to our investors but, at the same time, manage downside risk and volatility with a conservative approach to portfolio construction. The Cyan C3G Fund has, on average, held a cash balance exceeding 30%.

Our successful investment philosophy has remained unchanged and we have not, and will not, invest in resources, biotechnology or any companies that are yet to be commercially proven.

We clearly cannot estimate what return the Fund will produce in the near-term, however we remain confident that the space in which we operate will continue to generate outstanding investment opportunities if we search diligently and invest carefully.

July Review

The monthly return of 2.3% was delivered in a volatile market with the Small Industrials retracing 0.2% by month's end.

We had a broad group of contributors to the positive return, but some of the standouts included:

Afterpay Touch (APT) – The completion of the Afterpay Touchcorp merger at the end of June removed some uncertainty and investors appeared to refocus on the stellar growth metrics this fintech is delivering, resulting in share price appreciation of 14% in July.

Axesstoday (AXL) – This financier released an announcement mid-month guiding their FY17 earnings ahead of prospectus forecasts and, for the first time, providing profit projections for FY18. Management appears confident the growth will continue and the market agreed, pushing the price up 14%.

Adairs (ADH) – The Australian retail sector has been making headlines of late as share prices have come under pressure due to the proposed arrival of Amazon. We had limited exposure to the sector but held the view that some of these companies had been sold down too aggressively and took a position in Adairs. We were rewarded with a 37% share price rise when the company released a positive trading update.

Family Zone (FZO) – This small tech company focuses on cyber security for children through the delivery of a parental control platform, predominantly on mobile devices. It's getting good traction from both consumers and schools and looks to be developing a strong growth trajectory. It is still in the early phase of its growth lifecycle, hence we have taken a relatively small position in the Fund, but we think the metrics look good and have been impressed by the management team during a number of recent meetings. FZO share price rose 24% in July.

Through the month the Fund increased its positions in a number of core holdings and initiated some new investments, the most material being **Motorcycle Holdings (MTO)**. We see MTO as well positioned to consolidate the highly fragmented motorbike sales industry in Australia. The company is well funded for growth, is well managed by an experienced team and is reinvesting a good proportion of its earnings at high rates of return.

As is always the case, there were a handful of positions that fell slightly throughout the month, including **MSL Solutions (MPW)** and **Skydive the Beach (SKB)**, but not significantly enough to materially impact the overall return of the Fund.

Outlook

We continue to have compelling expectations for the companies in which we have invested your funds. As a whole we believe these businesses will grow materially over the next year, with the first catalyst being the reporting of solid earnings results in the upcoming reporting season.

The Fund is well diversified with 24 individual holdings and no position accounting for more than 6.5% of the total Fund. The stocks lie across 6 broad industry sectors including: consumer staples and discretionary; industrials; health care; technology and financials. The weighted average market cap is approximately \$250m.

We continue with our heavy schedule of company meetings and research analysis to identify new opportunities and feel that the smaller companies sector of the overall market is showing definite signs of improvement.

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 if investors wish to discuss any aspect of their investment in the Cyan C3G Fund.

Dean Fergie and Graeme Carson

Cyan C3G Fund Details

Minimum Initial Investment	\$100,000
Investment Risk	Medium
Trustee and Manager	Cyan Investment Management Pty Ltd
Administrator	Apex Fund Services
Custodian	Australian Executor Trustees (IOOF)
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	±0.3%
Typical Portfolio	20-40 companies



Cyan Investment Management
17/31 Queen Street
Melbourne VIC 3000
(03) 9111 5632

www.cyanim.com.au
info@cyanim.com.au

To invest: <http://www.cyanim.com.au/how-to-invest/>

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 2017. 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.