

Total Returns

As at: 30 November 2020	1 mth	3 mths	6 mths	1 yr	3 yrs (p.a.)	5 ys (p.a.)	Since Incept (p.a.)	Since Incept (cum)	Volatility
Cyan C3G Fund	12.2%	4.2%	28.5%	2.0%	4.6%	12.0%	16.4%	162.3%	12.0%
S&P/ASX All Ords Accum	10.2%	8.6%	16.4%	-0.1%	7.5%	9.5%	7.3%	56.8%	9.5%
S&P/ASX Small Ind Accum	10.1%	8.3%	15.8%	3.2%	7.3%	9.2%	9.1%	73.9%	9.2%

November 2020

The Fund enjoyed an excellent November (our best on record) with a rise of 12.2%, ahead of the substantial 10.2% gain in the All Ordinaries Accumulation Index (its biggest monthly gain since 1988).

The Fund's performance this month was especially pleasing given the more than 20% combined allocation in cash and holdings in companies that are yet to list (and hence were not upwardly valued).

There has been much speculation as to why the stock market has been so bullish. The official interest rate cut in early November has been an ongoing factor, along with US election certainty and, we increasingly suspect, a capitulation of share market bears that have been covering shorts or allocating capital back into equities.

Month in Review

Across the board our Fund holdings performed outstandingly well.

Long-term holding **Readcloud (RCL)**, in which we initially invested in the 20c IPO in February 2018, gained 75% to close the month at 70c. RCL's revenue growth has attracted the attention of a number of US investment firms, two of which have lodged substantial shareholding notices in the past month. This accelerated the positive momentum stemming from a [company acquisition in October](#), an upbeat November AGM and a \$4m boost to the balance sheet through the exercising of options.

Micro-investment platform **Raiz (RZI)** gained 30% in the month as it benefited from organic growth in its underlying FUM which now stands at \$580m and customer numbers of 1.2m, an impressive increase of 6% in November alone. The initial, and growing, attraction of RZI as a business is the incredibly strong recurring revenue stream of now almost \$1m per month based on monthly fee generation.

Alcidion (ALC) rose 50% after its clinical decision making software, Miya Precision, [won a landmark \\$9.5m deal with an NHS Trust hospital](#) (South Tees) in the UK. We have been invested in ALC since March 2019 over which time the company's share price has risen from 4c to over 20c.

Quickstep (QHL) announced its [acquisition of Boeing Component repairs](#) which helped add 20% to its share price in the month. We've been a long-term supporter of QHL and recently talked about our attraction to it as an investment in the an investment in the stock market news site, [The Motley Fool](#).

Media

Cyan spoke to the [Motley Fool about our investments in Quickstep \(QHL\), Raiz \(RZI\) and Alcidion \(ALC\)](#)

We were interviewed on Ausbiz and talked about the [importance of diversification given the current market volatility](#)

We spoke to Damen Purcell at Fund Monitors about the [search for returns in a low interest-rate environment](#).

Outlook

Last month we wrote about, and still maintain, what we believe is a considerable stock market driver:

“For us, the most significant recent event ... has been the RBA's decision to cut official rates to 0.1% ... Critically the lowered interest rate makes asset classes other than term deposits and money market securities increasingly attractive. In short, investors now realise that their money will do almost no work for them sitting in the bank and this rotation out of cash, term deposits and bonds is starting to be reflected in the renewed market buoyancy thus far in November.”

Whilst some pockets of the market have struggled — note the rotation out of Covid-19 tailwind stocks like Kogan (-20%), Temple and Webster (-20%) and JB HiFi (-10%) — market optimism remains intact as evidenced by the recent 60% premium on the largest IPO of the year, Nuix.

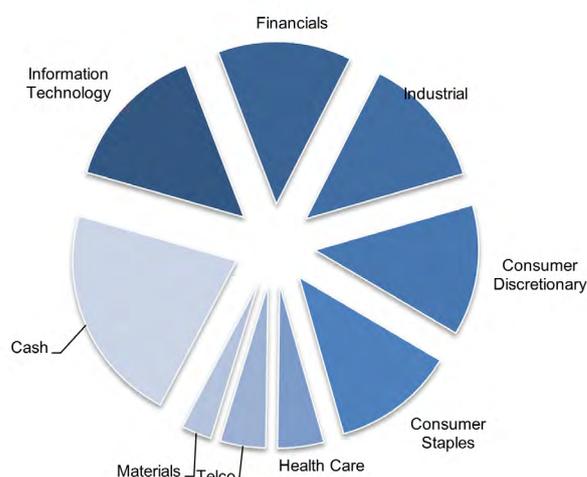
In terms of the Fund, we have investments in two promising IPOs coming on in December: road safety phone detection company [Acusensus](#) and game developer [Playside Studios](#), which we expect could further bolster the Fund's returns into the end of the year.

At the time of writing the Fund has made more advances into December and, all else being equal, should result in a calendar 2020 result ahead of the All Ords.

As we will not distribute the December report until early January 2021, we would like to thank all our investors for their ongoing support in what has been an incredibly volatile and challenging (but ultimately rewarding) year in which to maintain a stock market investment.

We would like to wish all our readers a safe and happy holiday season and look forward to unearthing more exciting investment opportunities in 2021.

Sector Allocation



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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 November 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.