



# Cyan C3G Fund

## Information Memorandum

20 September 2022

# Table of Contents

DISCLAIMER	1
KEY FEATURES	2
ABOUT THE FUND	3
ABOUT THE MANAGER	4
INVESTMENT PHILOSOPHY	5
INVESTMENT PROCESS	6
INVESTING IN THE FUND	8
SUBSCRIPTIONS	8
REDEMPTIONS	8
BUY/SELL SPREAD	9
UNIT PRICING	9
RIGHTS ATTACHING TO UNITS	9
CAPITAL STRUCTURE OF CYAN INVESTMENT MANAGEMENT PTY LTD	10
BENEFITS AND RISKS	11
FEES AND CHARGES	13
MANAGEMENT FEES	13
EXPENSES	13
PERFORMANCE FEES	13
BENCHMARK	13
HIGH-WATER MARK	13
TAXATION	13
CUSTODY AND ADMINISTRATION	14
CUSTODIAN	14
FUND ADMINISTRATOR	14
ANTI-MONEY LAUNDERING REGULATIONS	14
APPLICATION FORM	15
CORPORATE DIRECTORY	31

# Disclaimer

This document has been issued by Cyan Investment Management Pty Ltd (AFSL 453209), the trustee and investment manager for the Cyan C3G Fund (Fund) to offer Units in the Fund. This Information Memorandum has not been lodged with the Australian Securities & Investments Commission (ASIC).

The offer for Units in the Fund is set out entirely in this Information Memorandum. Applications for Units in the Fund will only be offered to persons receiving this Information Memorandum in Australia, or other jurisdictions where it is lawful to do so, and who also qualify as "Wholesale Clients".

Investments in the Fund are not deposits with, or any other liabilities of, Cyan Investment Management Pty Ltd and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Cyan Investment Management Pty Ltd does not guarantee the performance of the Fund, the rate of income, the return of capital to Unitholders, any particular rate of return or any taxation consequences of any investment made in the Fund.

Prospective investors should read this Information Memorandum in its entirety before investing and where appropriate, seek independent professional advice before deciding to invest in the Fund. The Information Memorandum should be read in conjunction with the Fund's Trust Deed which is available from Cyan Investment Management Pty Ltd. The contents of this Information Memorandum should not be construed as tax, legal or investment advice or a recommendation by Cyan Investment Management Pty Ltd, its directors, officers or employees to invest in the Fund. This Information Memorandum may not contain all the information that a prospective investor or an investor's adviser may require to make an informed decision as to whether to subscribe for Units in the Fund.

The Fund is a managed investment scheme that is not required to be registered under the Corporations Act. In addition, this Information Memorandum is not required to and does not include all the information that would be required to be included in a product disclosure statement. An investor is not provided with the protections afforded to an investor in a managed investment scheme that has been registered under the Corporations Act.

The information contained in this document has been provided by Cyan Investment Management Pty Ltd and other sources considered reliable but no assurance can be given by these parties as to the accuracy or completeness of this information.

To the fullest extent permitted by law:

- no representation or warranty (express or implied) is given; and
- no responsibility or liability is accepted,

by Cyan Investment Management Pty Ltd or any other party named in this document as to the truth, accuracy or completeness of any statement, forecast, information or other matter (whether express or implied) contained in this Information Memorandum.

## Key Features

Key Feature	
The Investment	Units in the Cyan C3G Fund, a wholesale unit trust
Minimum Initial Investment	\$100,000 (for investors who are independently verified as wholesale clients). Other investors may be accepted at the discretion of the Trustee and Manager.
Investment Objectives	High real rate of return, primarily through capital growth and dividends within risk parameters acceptable to the manager.
Fund Composition	The Fund will primarily invest in ASX listed companies outside the ASX 100. The Fund will typically own 15-35 stocks.
Investment Risk	Medium - High
Investment Timeframe	3 - 5 years
Trustee	Cyan Investment Management Pty Ltd
Manager	Cyan Investment Management Pty Ltd
Administrator	Apex Fund Services Ltd 'Apex'
Custodian	Sandhurst Trustees Ltd 'Sandhurst'
Distributions	The Fund will distribute all of its realised profits including dividends (if any) on an annual basis. Investors will also be given the opportunity to reinvest some or all of any distributions they receive back into the Fund. There is no guarantee that any distributions will be declared, or that if declared, the amount of any distribution will remain constant or increase over time.
Subscriptions	Monthly
Redemptions	Monthly
Management Fee	A maximum of 1.5% (plus GST) per annum of the Net Asset Value of the Fund, calculated and paid monthly.
Performance Fee	20% (plus GST) of the increase in the Unit Price of the Fund above the Benchmark (after Management Fees and fund costs, but before Performance fees) in a Performance Period subject to a High-Water Mark accrued monthly and paid within 15 days of each Calendar Quarter.
Benchmark	2.5% per Calendar Quarter when the Unit Price is above the High-Water Mark. If the Unit Price is below the High-Water Mark no Performance Fees are charged and the Benchmark does not increase.
High-Water Mark	The highest Unit Price (adjusted for distributions) as at the last day in a Performance Period over the past 12 months.
Performance Period	Calendar Quarter
Risks	<p>Key risks applicable to this investment include (but are not limited to): market risk, liquidity risk, investment selection risk, timing of applications and redemptions, Fund risk, interest rate risk, currency risk, retirement of Trustee, industry risk, licensing requirements, performance of other asset classes, tax, past performance not a guide to future performance, and investment speculative.</p> <p>These risks are set out in more detail in the "Benefits and Risks" section of this Information Memorandum.</p>

## About the Fund

The Fund operates as a wholesale unregistered managed investment scheme under a unit trust structure. The Fund primarily invests in ASX listed companies outside the ASX100.

The principal objectives of the Fund are:

- To achieve a high real rate of return over the long-term within defined risk parameters acceptable to the Manager through a diversified portfolio of ASX listed companies.
- To achieve a positive return over the long-term regardless of overall market conditions and without reference to market indices such as the All Ordinaries Index or the Small Ordinaries Index.

The Manager seeks to achieve this investment outcome by actively managing a portfolio of Australian listed and soon to be listed securities. When the opportunity to invest in suitable securities cannot be found, the Manager may reduce the level of equities exposure and accumulate a defensive cash position. Whilst it is the Company's intention, there is no guarantee that any distributions or returns will be declared, or that if declared, the amount of any returns will remain constant or increase over time.

It is intended that the Fund will hold a range of securities according to the following characteristics.

- Cash generative and income producing stocks likely to be held over the long-term (C class)
- Established growth phase companies (G class)
- Emerging businesses (E Class)
- Short-term driven positions and other trading opportunities (S Class)

The Fund does not invest in derivatives and does not use debt to leverage the Fund's performance. However, companies in which the Fund invests may be leveraged.

### Key Benefits:

- The C3G Fund is managed by a highly experienced investment team with proven track records in both funds management and company analysis.
- Investors have a true alignment of interests with the Manager due to the Manager's meaningful capital investment in the C3G Fund.
- The C3G Fund is a unique and diversified Australian equities portfolio with a clearly defined stock and portfolio risk management framework.
- Limited fund size to allow significant investment flexibility in the aim of providing investors excess returns.
- Investment transparency and liquidity (monthly unit pricing and subscription and redemptions).

# About the Manager

## Cyan Investment Management

Cyan Investment Management Pty Ltd was established in 2013 as a Melbourne based boutique funds management business. The major shareholders and directors of Cyan Investment Management are Graeme Carson and Dean Fergie.

### Graeme Carson

(Founding Director and Portfolio Manager)

Graeme has over 25 years experience in Australian financial markets through roles in both Stockbroking and Funds Management. The majority of his career has been focused on researching and valuing ASX listed companies of all sizes across many different sectors.

Graeme has worked for companies including Macquarie Bank, Bankers Trust and Bell Potter Securities and has developed a passion for identifying and analysing high quality companies offering unrealized value for investors.

Graeme's formal qualifications include a Bachelor of Business Degree from Monash University in Melbourne.

### Dean Fergie, CFA

(Founding Director and Portfolio Manager)

Dean was the founder and a major shareholder of OC Funds Ltd (formerly Opiz Capital Limited), a boutique Australian equities Dean has over 30 years experience in the funds management industry covering all major asset classes. He has worked for National Australia Asset Management, Morgans Financial Group and was a founder and Executive Director of OC Funds Management.

He holds several formal qualifications including: CFA® charterholder, Master of Applied Finance; and Bachelor of Engineering (Civil) and is a regular contributor to Ausbiz, Livewire Markets, The AFR, The Australian and Stockhead.

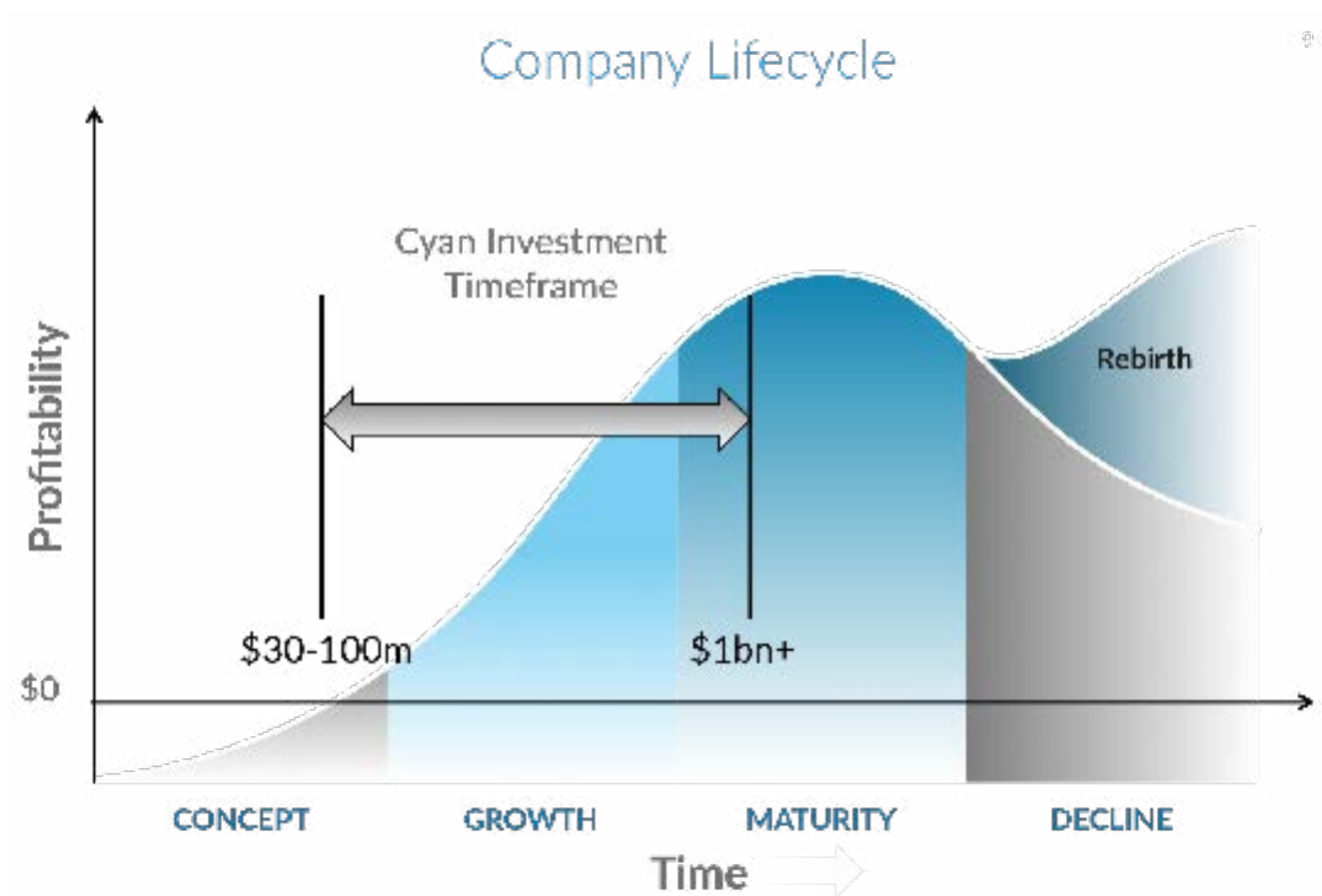
Dean has lectured for the Securities Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

Updated information on the team and LinkedIn profile links can be found [here](#).

## Core Philosophies

### Our Core Philosophies

- Small-cap stocks are not inherently risky, although certain sectors within the smaller companies space are.
- The opportunity for significant growth of well positioned, managed and resourced smaller companies, often exceeds that of larger companies.
- Broker research is typically conflicted.
- We typically look for businesses that are one or more of:
  - a) under researched,
  - b) fundamentally undervalued,
  - c) have a catalyst for re-rating.
- We concentrate a portion of our time on the IPO market as we consider newly listed companies can experience a significant degree of information and price inefficiency.
- We are patient but vigilant. Companies mostly don't change in value significantly over short periods of time – but sentiment certainly does.
- We do not tolerate poor performers.
- We have a conservative philosophy with respect to cash and only deploy cash when we consider the risk/return equation to make sense
- We look to identify companies that are about to enter, or are within, the growth phase of their lifecycle



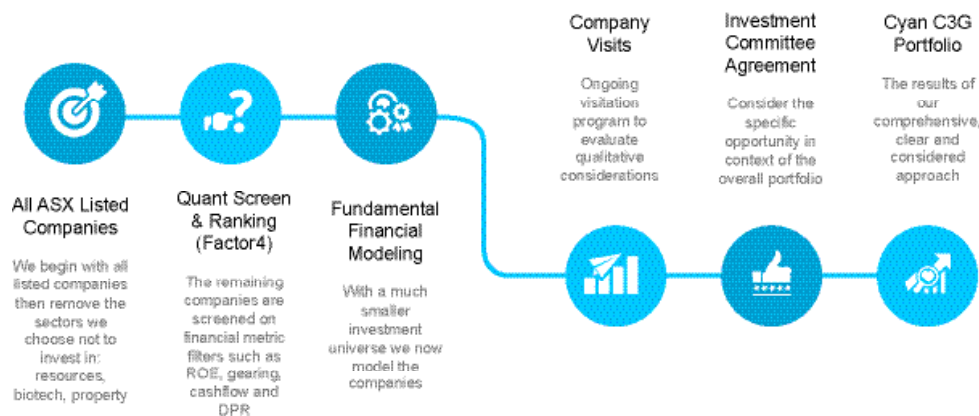
# Investment Philosophy

The Manager's investment philosophy is underpinned by a number of long held investment beliefs:

- With appropriate groundwork and research, the best investment opportunities in the Australian share market can be usually found in smaller, less researched companies.
- There is no substitute for first hand research.
- Investigate many opportunities but invest in few.
- Long-term investment outcomes are determined as much by the investments that are avoided as the investments that are made. Significant focus is given to investment selection and avoiding low-quality or exceedingly high-risk investments. As such, the Manager typically avoids industry sectors including direct resources, resource services, biotechnology and property.
- The vast majority of investment funds should be directed to cash generative businesses that the Manager can understand and value appropriately. Again the Manager typically avoids highly-g geared businesses and those with sustained negative operating cash-flows.
- In any portfolio there will be under-performing investments. The Manager's skill in recognising mistakes early and dealing with them objectively is critical to generating long-term excess returns.

# Investment Process

The process continually undertaken by the investment team is graphically represented as:



The foundations of Cyan's investment process are threefold:

- Comprehensive Research;
- Considered Perspective, and;
- Clear Discipline.

Through these three cornerstones, the Manager uses a defined process for portfolio selection and construction.

## Comprehensive Research:

The Manager uses a proprietary stock filter in order to eliminate a large proportion of investments due to both internal characteristics (such as gearing levels or cash flow) and external characteristics (such as exposure to commodity prices or customer concentration)



Once the investment universe is filtered, the Manager uses a fundamental bottom-up investment approach, primarily seeking cash generative companies that it believes are mispriced by the market. This process typically contains some key elements:

- Meeting with management – The Manager undertakes an active company visitation program and looks to maintain strong relationships with company management.
- Qualitative assessment – The Manager must be genuinely satisfied that it understands the company and its business model, its strategy and how it generates cash or has a clear path to cash generation. Other key considerations include assessment of the strength and capability of management and its ability to execute its strategy within the competitive operating environment of the company.
- Financial Modeling – Where possible, the Manager models the key financial statements for the appropriate companies in its investment universe. Key financial metrics include cashflow generation and return on capital employed.
- Valuation – The Manager uses a variety of valuation techniques, depending on the type of company and its stage of development. The most widely used techniques are discounted cashflow, enterprise value multiples and return on equity/capital techniques.

The Manager of the Fund will look first hand to invest in companies that it believes will provide a positive return, regardless of their size or index inclusion.

## Considered Perspective:

The research process has been designed to identify compelling investment opportunities; however there is no guarantee that these will go up in price, or are even suitable for the C3G Fund at a particular point in time. Before an investment is made, it needs to be put in perspective in relation to:

- The overall risk profile and weightings of current investments in the Fund.
- The industry in which each company operates and the constantly changing competitive landscape.
- The macro influences that may impact the company's performance including economic conditions, legislative changes or market sentiment.
- The potential catalysts that may release any identified embedded value in the company.
- A common sense check.

## Clear Discipline:

Clarity of process and discipline in execution are inherent within the investment process. The key characteristics include:

- Defined hurdle rates for profitability, return on equity, gearing and cashflow generation.
- Agreed and consistent valuation techniques.
- Adherence to the portfolio composition parameters.

The Manager incorporates a defined risk framework containing both absolute risk measures and liquidity measures to construct and maintain a balanced diversified and efficient portfolio.

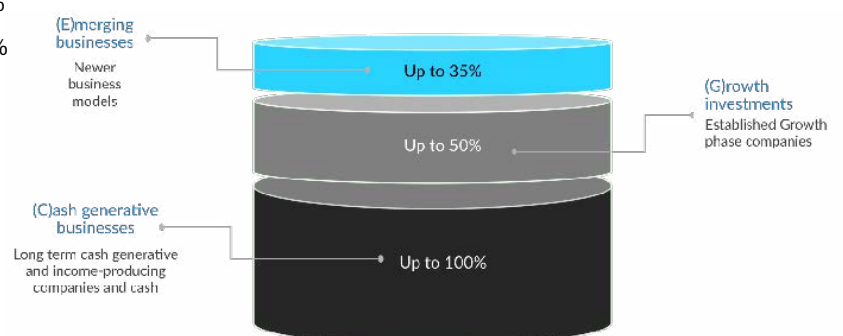
Parameters are:

### Individual Stock Weightings

- Maximum Fund weighting in any one stock: 12.5%
- Maximum shareholding in any one company: 7.5%

### Class Weighting Limits:

- Cash: 100%
- Class C: 100%
- Class G: 50%
- Class E: 35%



# Investing in the Fund

## Subscriptions

Subscriptions to the Fund can be made at online at: <http://www.cyanim.com.au/how-to-invest>

It is intended that Investors will be able to subscribe or redeem Units on a monthly basis, at the end of each Calendar Month.

The initial minimum investment is \$100,000 provided the potential investor is a Wholesale Client (as defined in the Corporations Act). If you are relying on the wealth test or if you are a Professional Investor (as defined in the Corporations Act), you will also need to provide a "Sophisticated or Professional Investor Certificate". Refer to Annexure A of this Information Memorandum for a pro forma Sophisticated or Professional Investor Certificate. Investors who qualify as wholesale clients under the "price or value" test will not need to provide the Sophisticated or Professional Investor Certificate if they invest more than \$500,000.

The Trustee can only process subscriptions when it has received a completed application form (and if applicable, a Sophisticated or Professional Investor Certificate), relevant verification documents pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), and the application money. A completed application form (either in this IM or online at <http://www.cyanim.com.au/how-to-invest>), relevant verification documents, and the application money must be received at the Fund administrator's office by 4 p.m. on a business day before or at the end of the Calendar Month to be accepted at the end of that Calendar Month. The Trustee may change these time periods by giving notice to Investors

Units in the Fund can be paid for by cheque made payable to: "Cyan Investment Management Pty Ltd, Cyan C3G Fund – Applications Account" or by transfers to the following bank account:

Bank: The Bendigo and Adelaide Bank Limited  
 Name: Sandhurst Trustees Ltd ACF Cyan IM Pty Ltd ATF Cyan C3G Fund – Application Account  
 BSB: 633-000  
 Account No: 174 470 427

The preferred method of payment is by electronic funds transfer. A subscription will not be accepted until the funds have been cleared.

Under the Trust Deed, the Trustee has the discretion to reject an application for Units without giving a reason. If the application is rejected, the application monies without interest will be returned to the investor at the address notified on the Application Form.

Units will be issued on the first Business Day of the calendar month following the application. Units will be issued at the Issue Price applicable at that time (described further below). On issue, an acknowledgment will be issued to the Unitholder by the Fund Administrator.

By applying for Units in this Fund, the investor agrees to be bound by the terms of this Information Memorandum and the Trust Deed, as amended from time to time.

## Redemptions

A redemption form available [here](#) must be completed and emailed to [cyan@apexfunds.com.au](mailto:cyan@apexfunds.com.au) or mailed to the Fund administrator by 4 p.m. on a business day not less than two business days before the end of the Calendar Month.

Cyan C3G Fund  
 c/o Apex Fund Services (Australia) Pty Ltd  
 PO Box 189,  
 Flinders Lane VIC 8009

All reasonable efforts by the Trustee will be made to ensure Investors are able to redeem their investment in the Fund within 21 days of the end of the Calendar Month. However, the Trustee does not guarantee that it will affect the withdrawal requested. Any redemption proceeds will be transferred to the Unitholder's nominated bank account.

A Unit may only be redeemed at a withdrawal price derived as follows:

- (a) calculating the net asset value of the Fund as at the relevant withdrawal date before deducting liabilities specifically attributed to the Fund;
- (b) deducting from the amount determined above at (a), the withdrawal transaction charges (if any) specifically attributed to the Fund, calculated as at the withdrawal date;
- (c) deducting liabilities (including any accrued performance fee) specifically attributed to the Fund; and
- (d) dividing the resulting amount by the number of Units in the Fund on the withdrawal date, the resulting amount being rounded up to the nearest whole cent (0.5 of a cent being rounded up).

The Trustee may suspend redemption of units in the Fund for the duration of an event or circumstance where the Trustee considers it desirable for the protection of the Fund or in the best interests of investors or where the pricing of the underlying assets of the Fund is not possible.

## Buy/Sell spread

A buy/sell spread applies to the Fund. It is a transaction cost charged when you buy and sell units in the Fund and is designed to fairly allocate costs associated with buying and selling Fund assets as a result of investors acquiring or redeeming units in the Fund; it is retained by the Fund and is not payable to Cyan Investment Management. A buy spread of 0.30% applies to each investment in the Fund and a sell spread of 0.30% applies to each withdrawal from the Fund. The buy/sell spread may change from time to time without prior notice.

## Unit Pricing

After the initial offer of Units pursuant to this Information memorandum, the unit price will be based on the following valuation methodology:

- (a) Cash and near-cash holdings (e.g. short-term bank deposits) will be assessed at face value;
- (b) Listed securities will be assessed at market value;
- (c) The face value of any liabilities of the Fund will be subtracted from the total value of assets ((a) and (b) above);
- (d) The value (as determined by the Trustee) of any contingent and future liabilities will also be subtracted from the total value of assets (points (a) and (b) above); and
- (e) The Net Asset Value of the Fund (calculated as per points (a) to (d) above) will be divided by the number of Units issued to arrive at the Issue Price per Unit.

## Rights attaching to Units

A brief summary of the rights attaching to Units is set out below:

- (a) Each Unit confers on the Unit holder a beneficial interest in the Fund as an entirety and does not confer an interest in a particular part of the Fund or its assets;
- (b) All Units of a series are of equal value;
- (c) No certificates will be issued for Units, unless determined otherwise by the Trustee;
- (d) Units are freely transferable by instrument in writing (subject to any Corporations Act requirements).

## Distributions and Distribution Reinvestment Plan

The Fund intends to distribute all of its realised profits (Distributable Income) (if any) on an annual basis at June 30 each year. Investors wishing to do so will be permitted to reinvest some or all of their distributions from the Fund.

The decision to reinvest distributions must be made by June 15. Investors can also elect at the time of subscribing for units in this Fund to reinvest part or all of their annual distribution into the Fund (see Application Form).

Distributions will be re-invested on the first business day in July at the Issue Price for that day.

Unitholders registered as at 5pm on the last day of the relevant financial year are entitled to a share of the Distributable Income not previously distributed pro rata to the number of Units held to the number of Units then on issue.

Distributions are normally paid within three (3) months from 30 June in the relevant distribution period.

If there is a change in tax law which subjects Cyan Investment Management Pty Ltd to tax on the Fund's income or gains, regardless of distributions to Unitholders and their liability to tax (ie company style taxation), Cyan Investment Management Pty Ltd has a discretion as to the distribution it makes and can choose when to make distribution of the income and gains derived by the Fund.

## Capital structure of Cyan Investment Management Pty Ltd

Shares are held evenly between Cyan Investment Management Pty Ltd's two major shareholders and directors, Dean Fergie and Graeme Carson.

There are no options to acquire any fully paid ordinary shares on issue.

# Benefits and Risks

## Benefits

Some of the benefits of investing in the Fund include:

### Exposure to high growth emerging companies

The Fund provides investors with exposure to the small and mid-cap listed securities through a professionally managed wholesale fund structure.

### Access to Cyan Investment Management's specialist investment expertise

The Manager consists of individuals with significant investment experience and expertise specifically relating to emerging companies listed on the ASX.

### Active asset allocation and portfolio risk management

The Fund is actively managed and targets high growth investments whilst mitigating risk through a diversified portfolio approach and cash weightings.

### Investor Service

Investors will receive regular communications on the performance of their investment and the returns of the Fund. This will comprise a monthly unit price and rolling unit price performance, a quarterly newsletter and full year financial reports and taxation statements.

### Investment in a managed fund

Investments in the Fund are pooled. The relatively large amount of money which may be invested by the Fund allows access to investment opportunities, markets and diversity which may not be available to individual investors. Managed funds can also often invest at a lower cost than ordinary investors and may be able to access investment and risk management techniques not available to ordinary investors.

## Risks

All investments are subject to varying risks and the value of the investment can decrease as well as increase. Investments in different companies can have different results. These results are dictated by the individual risk characteristics of the investment, timing and market volatility.

Although the members of the Trustee's management team have extensive experience in many aspects of investment and intend to use their best judgement in the application of the Investors' funds, there are considerable risks present for investors who decide to acquire Units in the Fund. Not all risks can be eliminated and the risk management strategies that are adopted may not always be successful. However, the Trustee's risk management policies are designed to minimize many of these risks.

If these risks materialize, the value of your investment or any distributions could fall and investors could lose money. These risks include, but are not limited to:

### Market risk

The risk of decline against a whole asset class (e.g. the share market) due to economic factors, political or geographical events, changing legal conditions or changing market sentiment.

### Liquidity risk

The risk that securities that are not actively traded may not be readily convertible to cash without some loss of capital. The Units in the Fund are not listed, and nor will they be able to be actively traded. In relation to Units, this may make it difficult for investors to realize their investment in any way other than the redemption facility, which is available to investors monthly.

### Investment selection risk

The risk that specific investments chosen for the Fund will not perform as well as others. Some factors that may affect the value of a security are changes in company earnings, management changes, competitor behavior, economic conditions, investor sentiment, currency price movements, government policy, technology development failure, inability access sufficient funding and global events.

## Timing of applications and redemptions

The relevant time periods for processing applications and redemptions of units may mean that the value of the Fund may vary significantly from the time an application or redemption request is lodged and the time it is processed.

## Fund risk

Risks particular to the Fund include that it could terminate (e.g. if its costs of operating become unreasonable), the fees and expenses could change, Cyan Investment Management could be replaced as Trustee and its management and staff could change.

## Interest rate risk

Changes in interest rates can have a positive or negative impact directly or indirectly on the Fund's investment values or returns. For example, as a result of interest rate changes, the cost of borrowings of the investee entities in which the Fund invests can decrease or increase or the income return on a fixed interest security can become more or less favourable.

## Currency risk

The Fund may invest in securities which hold underlying investments in countries other than Australia. If the value of overseas currencies changes relative to the Australian dollar, the value of the investments in the Fund can change.

## Retirement of Trustee

Under the Trust Deed, the Trustee may retire by giving notice to investors, and has the right to appoint a Trustee as its replacement. There is a risk that the new Trustee may not have the same level of expertise and knowledge as the Trustee, which could disadvantage the performance of the Fund. In the event the Trustee must retire from its position, the Trustee will conduct rigorous due diligence on any appointment of a new Trustee.

## Industry risk

There are a number of industry risk factors that may affect the future operational performance of the Fund. These factors are outside the control of the Manager. Such factors include increased regulatory and compliance costs, unforeseen Government legislation, and collapse in equity markets.

## Licensing requirements

The ability of the Manager to continue to manage the Fund in accordance with this Information Memorandum and the Corporations Act is dependent on the maintenance of the Manager's Australian financial services licence and its continued solvency. Maintenance of the Australian financial services licence depends, among other things, on the Manager continuing to comply with the ASIC imposed licence conditions and the Corporations Act.

## Performance of other asset classes

Good performance, or anticipated performance, of other asset classes can encourage individuals to divert money away from equity markets. This may have a negative impact on the Fund.

## Tax

Taxation and changes to tax systems can have an effect on returns but also the relative merit of putting monies in various asset classes and in an individual security. All of these items may have a negative impact on the Fund.

## Past performance not a guide to future performance

The past performance of funds managed by the Manager is not necessarily a guide to future performance of the Manager or the Fund.

## Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Fund or by investors in the Fund. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Information Memorandum. Therefore, the Units to be issued pursuant to this Information Memorandum carry no guarantee with respect to the payment of dividends, returns of capital or any market value of those securities. Potential investors should consider that the investment in the Fund is speculative and should consult their professional advisers before deciding whether to apply for Units pursuant to this Information Memorandum.

Notwithstanding the above, the Trustee will use all reasonable endeavours to ensure that all risks undertaken are within normal business parameters for an investment fund of the kind intended, and offset as far as possible by commensurate returns.

## Fees and Charges

### Management Fees

The Manager will receive a Management Fee of 1.5% (plus GST) per annum of the Net Asset Value of the Fund based on the Net Asset Value of the Fund at the start of each Calendar Month, calculated and accrued monthly and payable monthly in arrears within seven business days of the end of each month.

### Expenses

Costs that are met by the Fund include: audit, brokerage, bank charges, fund accounting, back office administration, custodian, secretarial and reporting costs. Direct fund expenses will vary with Fund size.

### Performance Fees

By applying for units in the Fund you also agree to pay the Manager a Performance Fee. The Performance Fee is 20% (plus GST) of the increase in the Unit Price of the Fund (adjusted for any distributions) above the Benchmark in a Performance Period subject to a High-Water Mark. The Performance Fee is accrued monthly and paid each Calendar Quarter.

Where the Fund's Unit Price is above the Benchmark Gain and the High-Water Mark at the end of the Performance Period (each Calendar Quarter), the Performance Fee will be paid within 15 days from the end of each Performance Period. This means that the gain in value of the Unit Price must exceed the Benchmark Gain and also be above the High-Water Mark (adjusted for distributions) before a Performance Fee is charged.

In the event that the Unit Price begins the Performance period below the High-Water Mark and finishes the Performance Period above the High-Water Mark, a Performance Fee will only be charged if the Unit Price at the end of the Performance Period exceeds the High-Water Mark by greater than the Benchmark.

### Benchmark

2.5% per Calendar Quarter when the Unit Price is above the High-Water Mark. If the Unit Price is below the High-Water Mark no Performance Fees are charged and the Benchmark does not increase.

### High-Water Mark

The High-Water Mark is calculated as the highest Unit Price (adjusted for distributions) as at the last day in a Performance Period over the past 12 months (4 Performance Periods).

## Taxation

Because the Fund will distribute all of its realised profits, current advice suggests the Fund itself will not have to pay any Australian income tax on either income or capital gains. Investors should note, however, that any distributions they receive from the Fund might give rise to a tax liability depending on their individual circumstances.

Investors should seek independent professional advice regarding their own taxation position prior to investing in the Fund.

# Custody and Administration

## Custodian

The Trustee has appointed Sandhurst under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Trustee to effect cash and investment transactions.

Sandhurst has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

Sandhurst's role as Custodian is limited to holding the assets of the Fund.

Please note that Sandhurst has consented to be named in this Information Memorandum as custodian of the Fund in the form and context in which it is named. Sandhurst does not make, or purport to make, any statement that is included in this Information Memorandum and there is no statement in this Information Memorandum which is based on any statement by Sandhurst.. To the maximum extent permitted by law, Sandhurst expressly disclaims and takes no responsibility for any part of this Information Memorandum other than the references its name. Sandhurst does not guarantee the repayment of capital or any particular rate of capital or income return

## Fund Administrator

The Trustee has appointed Apex Fund Services Ltd. (the "Fund Administrator") part of the Apex Group Ltd to serve as the administrator of the Fund pursuant to an administration agreement between the Trustee and the Fund Administrator (the "Administration Agreement"). Apex Group Ltd. is a global financial services provider. With 85 offices in 42 countries worldwide and 10,000 employees upon the close of announced acquisitions, Apex delivers an extensive range of services to asset managers, capital markets, private clients and family offices. The Group has continually improved and evolved its capabilities to offer a single-source solution through establishing the broadest range of services in the industry; including fund services, digital onboarding and bank accounts, depositary, custody and super ManCo services, business services including HR and Payroll and a pioneering ESG Ratings and Advisory service for private companies.

The Fund Administrator will perform all general administrative tasks for the Fund, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. The Fund Administrator shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Fund Administrator of the Fund.

The Fund Administrator is licensed as a fund administrator by the Bermuda Monetary Authority (BMA) under section 43 of the Investment Funds Act 2006.

The head office of the Administrator is located at 20 Reid Street, 3rd Floor, Williams House, Hamilton HM11 Bermuda. Fund Administrator may delegate its duties to Apex Fund Services (Australia) Pty Ltd (the "Sub-Administrator") and the Sub-Administrator is located at Level 13, 459 Little Collins Street, Melbourne VIC 3000.

# Anti-Money Laundering Regulations

By applying for units in the Fund you are taken to agree to the following terms:

- You warrant that you apply with all applicable anti-money laundering laws and regulations, including but not limited to the anti-money laundering laws and regulations of Australia (in force from time to time);
- You are not aware and have no reason to suspect:
  - The money used to fund your investment in the Fund has been or will be derived from or related to any money laundering or other activities deemed illegal under applicable laws or regulations or otherwise prohibited under the international convention or agreement ("illegal activities");
  - The proceeds of your investment in the Fund will be used to finance illegal activities; and
  - You agree to promptly provide us with all information that we reasonably request in order to comply with all applicable laws and regulations relating to anti-money laundering.

We are required to obtain certain identification and verification from you in respect of the Anti-Money Laundering and Counter Terrorism Financing Act 2006. Customer identification forms (for various customer types) (Anti-Money Laundering Forms) are provided in this Information Memorandum at Annexure B.



# Application Form

## How to Invest

### Application Procedure

Subscriptions to the Fund can be made at online [here](#).

All applications for Units in the Fund must be made online or using the Application Form that accompanies this IM.

Initial subscription amount is \$100,000. All applications for amounts totaling less than \$500,000 must be accompanied by written proof that the subscriber is a wholesale client with the meaning of s761G and s761GA of the Corporations Act. (See page 27 – How do I qualify as a Wholesale Investor.)

The criteria for qualifying as a Wholesale Client is subject to change. By lodging an application form in respect of the offer of units contained in this IM you declare and warrant to the Trustee that you are and will remain a wholesale client within the meaning of s761G and s761GA of the Corporations Act.

### 'Small-Scale Offering' Provision

Notwithstanding the above, the Trustee, in its absolute discretion, may accept applications for Units in the Fund from retail investors under certain circumstances in accordance with the 'small-scale offering' provisions of the Corporations Act. Generally, the 'small-scale offering' provisions permit the Trustee to raise funds from retail clients provided that it does not do so from more than 20 retail investors and no more than \$2 million is raised from retail investors, both within a 12-month period, and the offers are a 'personal offer' within the meaning of the Corporations Act.

Supply of a Tax File Number (TFN) is discretionary. It is not an offence if you decide not to supply your TFN. If you do not supply your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.

Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.

Applications under Power of Attorney must be accompanied by a certified copy or the original of the Power of Attorney with specimen signatures.

Subscription money may be paid by cheque or electronic transfer. Cheques are made payable to 'Sandhurst Trustees Ltd ACF Cyan Investment Management Pty Ltd ATF Cyan C3G Fund – Application Account' and should be sent with the Application Form(s) to:

Apex Fund Services  
PO Box 189,  
Flinders Lane, VIC 8009

Electronic Transfers are to be paid to the following bank account:

Bank: The Bendigo and Adelaide Bank Limited  
Name: Sandhurst Trustees ACF Cyan Investment Management Pty Ltd ATF Cyan C3G Fund - Application Account

BSB: 633-000  
Account No: 174 470 427

## Examples of correct names and required signatures

Type of Investor	Correct Name	Incorrect Name	Signature Required
Individual/ joint investors • use full name of each applicant, do not use initials	Alexander John Smith Laura Sue Barden	Alex Smith Laura S Barden	• signature of each applicant
Company • use full company title, do not use abbreviations	ABC Pty Ltd XYZ Limited	ABC P/L, ABC Co, XYZ Inc.	• by two directors, or • by a director and a secretary, or • if there is only one director by that sole director
Trusts/minors • use trustee(s)/individual(s) name(s) • use trust/minor name as designation	Paul Ryan Smith ATF <Smith Family Trust> Paul Ryan Smith<Joel Smith>	Paul Smith Family Trust Joel Smith	• signature of each trustee/ individual • if trustee is a company see above
Superannuation fund • use trustee(s) personal name(s) • use fund name as designation	Amy Rachel Wood ATF <Amy Wood Super Trust> ABC Pty Ltd ATF <Smith Superannuation Trust>	A R Wood Super Trust Smith Super Trust	• signature of each trustee • if trustee is a company, see above
Deceased estates • use executor(s) personal names, do not use name of the deceased	John Smith <Est Jane Smith A/c>	Estate of the Late Jane Smith	• signature of the executor(s)

## Application Form (cont.)

### HOW TO COMPLETE THIS FORM

- |   |                         |
|---|-------------------------|
| <input type="checkbox"/> All Investors            | Pages 17, 18 & 27       |
| <input type="checkbox"/> Individual / Sole Trader | Individual - Page 20    |
| <input type="checkbox"/> Company                  | Company - Pages 22 & 23 |
| <input type="checkbox"/> Trust / Fund             | Trust - Pages 24-26     |

Wholesale Investor Declaration (unless subscribing under small scale offering): Page 29

Are you an existing investor?  No  Yes

Existing investors in the Cyan Investment Management Fund are only required to complete Step 1 and Step 3. There is no minimum investment for existing Unitholders in the Fund.

PLEASE COMPLETE THIS APPLICATION FORM IN BLOCK LETTERS



## STEP 1 (cont.)

# Application Form (cont.)

## INVESTOR & INVESTMENT DETAILS (cont.)

### Taxation Details

Are you a resident of Australia for taxation purposes? (Select one of the following options)

Yes – please complete below       No – please provide country of residence: \_\_\_\_\_

Tax File Number (TFN) or Australian Business Number (ABN): \_\_\_\_\_

Exemption Number: \_\_\_\_\_

Please indicate to whom this TFN or ABN belongs:

Company       Trust/Super Fund       Individual       Other – please specify: \_\_\_\_\_

Please note: You are not obliged to provide either your TFN or ABN but if you do not provide either your TFN or ABN and unless you claim a TFN exemption, the Trustee will be required to deduct tax at the highest marginal tax rate (plus Medicare levy). By inserting the ABN and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. Collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act 1988 (Cth).

I confirm that I have obtained independent taxation advice in relation to the Cyan Investment Management Fund prior to investing.

### Distributions and withdrawal proceeds

Your bank account details      Distributions can only be paid to an Australian bank account and cannot be paid by cheque. By completing this section you confirm that any distributions and withdrawal proceeds sent by EFT to a designated bank account are sent at your risk insofar as the onus to provide bank account details rests solely on you.

Please pay distributions and withdrawal proceeds to the following bank account: Bank \_\_\_\_\_

Branch Name \_\_\_\_\_

BSB \_\_\_\_\_

Account Number \_\_\_\_\_

Account Name \_\_\_\_\_

### Distribution Reinvestment Plan

Investors can elect to reinvest part or all of their distributions into the Fund.

Please check this box if you would like to reinvest distributions

## STEP 2: Complete identification for either:

- Individual - Page 20
- Company - Page 22 & 23
- Trust Investors - Page 24-26

# STEP 2: INDIVIDUAL

## Application Form (cont.)

### INVESTOR IDENTIFICATION – INDIVIDUAL INVESTORS

COMPLETE THIS SECTION IF YOU ARE INVESTING AS AN INDIVIDUAL OR SOLE TRADER

#### PERSONAL DETAILS

Full given name(s) Surname

---

Date of Birth (dd/mm/yyyy)

---

Residential Address (PO Box Is Not Acceptable)

Street

---

Suburb State Postcode Country

---

#### COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

---

ABN (if any)

---

Principal Place of business (if any) (PO box is NOT acceptable)

Street

---

Suburb State Postcode Country

---

#### VERIFICATION PROCEDURE

Verify your full name; and EITHER your date of birth or residential address using an original or certified copy of the documents listed below.

##### Acceptable Primary ID Documents

Select ONE valid option from this section only

- Australian State or Territory or equivalent foreign vehicle driver's licence containing a photograph of the person
- Australian passport (a passport that has expired within the preceding 2 years is acceptable)
- Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
- Foreign passport or similar travel document containing a photograph and the signature of the person\*
- National identity card\*

\* Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

Acceptable Secondary ID Documents – should only be completed if the individual does not own a document from Part 1

Select ONE valid option from this section only

Australian birth certificate

Australian citizenship certificate

Foreign birth certificate

Foreign citizenship certificate

AND Select ONE valid option from this section only

A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address

A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)

#### IMPORTANT

Please attach a legible copy of any ID documentation to the completed application form.

## CERTIFIED COPY OF AN ORIGINAL DOCUMENT

Certified copy means a document that has been certified as a true copy of an original document.

Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by an appropriately qualified person.

People who can certify documents include Australian Lawyers, Accountants, Dentists, Medical Practitioners, Police Officers, Nurses and Pharmacists among others.

The eligible certifier must include the following information:

- Their full name
- Address
- Telephone number
- The date of certifying
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable

The certified copy must include the statement, "I certify this is a true copy of the original document".

For photographic documents, the certified copy must include the statement, "I certify this is a true copy of the original document and the photograph is a true likeness".

Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

# STEP 2: COMPANY

## Application Form (cont.)

### INVESTOR IDENTIFICATION – COMPANY INVESTORS

COMPLETE THIS SECTION IF YOU ARE INVESTING THROUGH A COMPANY

#### COMPANY DETAILS

Important: please note if you are a company acting as a trustee of a fund, complete also trust section

##### 1.1 General information

Full name (as registered by ASIC, if applicable) ACN/ARBN

---

Nature of the Company's business

---

Country of formation/incorporation/registration

---

Registered Office Address (PO Box Is NOT Acceptable)

Street

---

Suburb

State

Postcode

Country

---

Principal Place of business (if any) (PO box is NOT acceptable)

Street

---

Suburb

State

Postcode

Country

---

##### 1.2 Regulatory/Listing Details (select the following categories (if any) that apply to the Company and provide the information requested)

Regulated company (licensed by an Australian Commonwealth, State or Territory statutory regulator)

Regulator name (e.g. ASIC)

---

Licence Number (e.g. AFSL)

---

Listed company – Name of market/exchange

---

Majority-owned subsidiary of an Australian listed company

Australian listed company name

---

Name of market/exchange

---

Foreign company – Name of foreign registration body

---

Foreign registration/identification number

---

Full address of company in its country of formation, incorporation or registration as recorded by the foreign registration body

---

If foreign company is not registered, then the full address of its place of business in the foreign country of incorporation.

---

Full name and address of the company's local agent in Australia

---



## STEP 2: COMPANY (cont.)

### 1.3 Company Type (select only ONE of the following categories)

- Listed or public domestic company or foreign public company (Go to Step 3, page 26)
- Proprietary/Private companies (Go to Section 1.4 and 1.5 below)
- Other type of company (please specify): \_\_\_\_\_ (Go to Step 3, page 26)

### 1.4 Directors

Provide full name of each director below

Full given name(s)	Surname
1	
2	
3	
4	

If there are more directors, provide details on a separate sheet of paper and attach it to your application form.

### 1.5 Shareholders

Provide details of ALL individuals who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital.

<b>Shareholder 1</b>			
Full given name(s)		Surname	
Residential Address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country
<b>Shareholder 2</b>			
Full given name(s)		Surname	
Residential Address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country
<b>Shareholder 3</b>			
Full given name(s)		Surname	
Residential Address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country

- If there are more shareholders, provide details on a separate sheet of paper and attach it to your application form.
- If the company is an Australian company registered with ASIC identification is now COMPLETE.
- If the company is a foreign company please also attach a certified copy of the certification of registration or registration extract issued by the relevant foreign registration body. The certificate of registration or extract must show:
- in the case of a registered foreign company the following information must be verified: (i) the full name of the company as registered by ASIC;
  - whether the company is registered by the relevant foreign registration body and if so whether it is registered as a private or public company; and
  - the ARBN issued to the company;
- (b) in the case of an unregistered foreign company the following information must be verified:
- the full name of the company; and
  - whether the company is registered by the relevant foreign registration body and if so:
    - any identification number issued to the company by the relevant foreign registration body upon the company's formation, incorporation or registration; and
    - whether the company is registered as a private or public company

## STEP 2: TRUST

### Application Form (cont.)

#### INVESTOR IDENTIFICATION – TRUST INVESTORS

COMPLETE THIS SECTION IF YOU ARE INVESTING THROUGH A TRUST

#### IDENTIFICATION OF TRUSTS AND TRUSTEES

##### 1.1 General Information

Full name of trust

---

Full business name (if any) of the trustee in respect of the trust

---

Country in which trust was established

---

Nature and activities of the trust

---

##### 1.2 Type of Trust (select the trust types that apply to the Trust and provide the information requested)

Other trust type (e.g. Family, unit, charitable, estate, self managed superannuation fund)

Trust description (e.g. unregistered, fixed, family, unit)

---

(Complete section 1.3 (Beneficiary Details) and 1.4 (Trustee Details))

Registered managed investment scheme (registered by ASIC)

Australian Registered Scheme Number

---

Unregistered managed investment scheme which only has wholesale clients and does not make small scale offerings under section 1012E of the Corporations Act 2001 Australian Registered Scheme Number

Regulated trust (e.g. Complying superannuation fund other than an SMSF)

Name of regulator (e.g. ASIC, APRA, ATO)

---

Trust's ABN or registration / licensing details

---

Government superannuation fund

Name legislation establishing the fund

---

## STEP 2: TRUST (cont.)

**IMPORTANT**

For all trust types, please also complete the identification of only ONE of the Trustees.

- For identification of an individual Trustee, complete Part B1 on page 18,
- For identification of a Corporate Trustee, complete Part B2 on page 20.

And for other trust types and unregistered managed investment schemes, please also provide the following documentation:

- Certified copy<sup>1</sup> or certified extract of trust deed page showing the name of the trust, or
- Notice assessment or certified copy<sup>1</sup> of notice of assessment issued by the ATO in the past 12 months.

<sup>1</sup> For the definition of certified copy and list of people that can certify documents refer to Section B.1C on page 19 of this application form.

### 1.3 Beneficiary Details (only complete if "Other trust type" is selected in section 1.2 above)

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

Yes – Provide details of the membership class/es (e.g. unit holders, family members, charitable purpose)

(Go to Section 1.4)

No – Provide full name of each beneficiary below

Full given name(s)	Surname
1	
2	
3	
4	

If there are more directors, provide details on a separate sheet of paper and attach it to your application form.



## STEP 3: Complete declaration and signature

### Application Form (cont.)

#### PART C: DECLARATION AND SIGNATURE

The Applicant acknowledges, confirms and agrees in favour of the Trustee and Manager that:

- the information contained in this Application is complete, true and correct;
- the Applicant warrants that it is either:
  - a wholesale client for the purposes of the Corporations Act 2001 (Cth) in relation to an investment in the Trust, or
  - applying to invest in the Trust under the small scale offering exemption under s1012E of the Corporations Act 2001 (Cth);
- it has read the Information Memorandum dated 15 June 2014 for the Fund (iM) to which this Application applies and has received and accepted the offer in Australia;
- it agrees to be bound by the provisions of the Trust Deed for the Fund;
- the Trustee may accept or reject the Applicant's Application in whole or in part by notice in writing to the Applicant;
- if investing as trustee on behalf of a superannuation fund or trust the Applicant confirms that is acting in accordance with its designated powers and authority under the trust deed. In the case of superannuation funds, the Applicant also confirms that it is a complying fund under the Superannuation Industry (Supervision) Act;
- it acknowledges that an investment in the Fund does not represent an investment in or a deposit or other liability of the Trustee or the Manager; and
- it acknowledges that none of the Trustee or the Manager or any of their officers, advisers, agents or associates in any way guarantee the performance of the Fund nor any return of capital.

#### Signing instructions

- Individual investor.
- Sole signatory signing on behalf of a company: I confirm that I am signing as a sole director, or sole director and secretary of the company.
- Two Directors signing on behalf of a company.
- Director and Company Secretary signing on behalf of a company.
- Trustee on behalf of a superannuation fund or trust: Each trustee must sign, and by signing, each trustee confirms that they have the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust
- Signed under a Power of Attorney: I declare that I have not received notice of revocation of the Power of Attorney, and enclose a certified copy of the Power of Attorney (and authorized signatories).
- Joint account application – must be signed by all parties.

#### Account operating instructions (if no selection is made, all individuals to sign will be assumed)

- Any individual to sign
- Any two individuals to sign
- All individuals to sign
- Other (please specify

Signature	Name (block letters please)	Title	Date
1			
2			
3			
4			

## STEP 4: Complete Wholesale Investor Test

### How do you qualify as a Wholesale Investor

If you are not investing as the trustee of a superannuation fund (including self managed superannuation funds), and apply for \$500,000 or more, you'll be automatically deemed a Wholesale Investor and no additional documentation is required.

If you are an Australian investor investing less than \$500,000 or a trustee of an Australian superannuation fund, additional documentation will be required to certify that you are a Wholesale Investor in the form of:

1. Excluding superannuation funds, an accountant's certificate certifying that the proposed Unitholder has:
  - net assets of at least A\$2.5million,
  - gross income for each of the last two financial years of at least \$250,000, or
  - is a manufacturer and employs 100 or more people, or the investing entity is not a manufacturer and employs 20 or more people,

An example is included in the Schedule (page 28). OR

2. Including superannuation funds:
  - an accountant's certificate qualifying the investor as a wholesale investor,
  - holds an Australian financial services licence, or
  - is a 'professional investor' as otherwise defined in the Corporations Act.

Please contact the Manager if you need us to assist you in providing the appropriate documentation to certify that you are a Wholesale Investor.

# Application Form (cont.)

## SCHEDULE

### Certification by a qualified accountant of Wholesale Investor Status

Chapter 7 of the Corporations Act 2001

#### Investor Details

Full given name(s) Surname

---

Company name / Trustee Name / Account Name

---

ACN or ABN

---

Contact details (PO box is NOT acceptable)

Street

---

Suburb State Postcode Country

---

Telephone Facsimile

---

Email

---

#### Certification

I certify that the person or entity whose details are set out above:

has net assets of at least \$2.5 million; or

has a gross income for each of the last 2 financial years of at least \$250,000

I belong to [name of my professional body]

---

My membership designation from this professional body is

---

I comply with this body's continuing professional education requirements

Signature

---

Name and title (block letters please)

---

Date

---

#### Accountant's address and contact details

# Corporate Directory

## Trustee and Investment Manager

Cyan Investment Management Pty Ltd, AFSL No. 453209  
17/31 Queen St  
Melbourne VIC 3000  
03 9111 5631  
info@cyanim.com.au  
www.cyanim.com.au

## Custodian:

Sandhurst Trustees Limited  
Level 5, 120 Harbour Esplanade, Docklands Vic, 3008

## Fund Administrator:

Apex Fund Services (Australia) Pty Ltd  
Level 13, 459 Little Collins Street, Melbourne, VIC 3000

## Legal:

Steinepreis Paganin  
Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000

## Fund:

GIIN: 5STP5R.99999.SL.036



