

As at: 31 May 2026	1 mth	3 mths	1 Year	2 Year (p.a.)	3 Year (p.a.)	5 Year (p.a.)	10 Year (p.a.)	Since Incep (p.a.)	Since Incept	Volatility
Cyan C3G Fund	6.2%	-6.6%	2.9%	11.6%	2.6%	-11.4%	-1.8%	3.2%	45.2%	19.0%
S&P/ASX All Ords Accum	1.2%	-4.0%	6.8%	9.6%	11.0%	7.9%	9.2%	8.2%	155.9%	16.5%
S&P/ASX Small Ind Accum	1.7%	-4.5%	-2.4%	2.8%	5.6%	0.2%	4.6%	5.6%	90.1%	16.9%
S&P/ASX Emerge Accum	1.0%	-7.8%	35.7%	19.4%	17.0%	8.9%	11.3%	10.5%	226.3%	18.2%

May 2026

The domestic market was volatile throughout May, initially gaining 2%, then diving 5% before recovering to see the S&P/ASX All Ords Accumulation Index posting a small rise of 1.2%. This paled in comparison to the galloping US tech sector which saw the NASDAQ rally 8.3% and the S&P500 climb 5.2% in May.

The Cyan C3G Fund has a solid month, rising 6.2%, well ahead of all the local indices.

One of the worst performers on the ASX was, the **ASX (ASX -24%)**, as an uplift in tech spending and regulatory issues plagued the market operator. What was once a highly prized regulated monopoly has now joined a lengthening list of fallen ASX tech stocks now trading at decade or longer lows.

ASX Limited (ASX.AX) ☆

46.72 -0.07 (-0.15%)

As of 10:44:30 am AEST. Market open.



Other high-profile names that tumbled included **Brambles (BXB -27%)**, **REA Group (REA -12%)** and, again!, **CSL (CSL -22%)** to be down more than 50% in the past year.

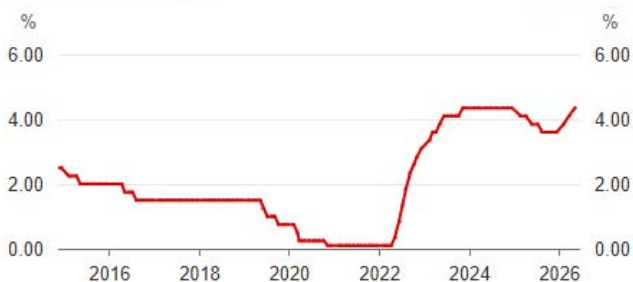
CSL Ltd



Large resources names that gained included: **Sandfire Resources (SFR +20%)**, **South32 (S32 +19%)**, **BHP Group (BHP +15%)** and **Mineral Resources. (MIN +14%)**

A key domestic market impact was the Reserve Bank of Australia's decision on 5 May to raise the cash rate by 25 basis points to 4.35%, marking the third consecutive hike in 2026. The move was aimed at containing inflation that has been running well above the 2-3% target. However, expectations of further interest rate rises have been tempered slightly with the release of soft 0.3% growth in GDP in the March 2026 quarter.

Cash Rate Target



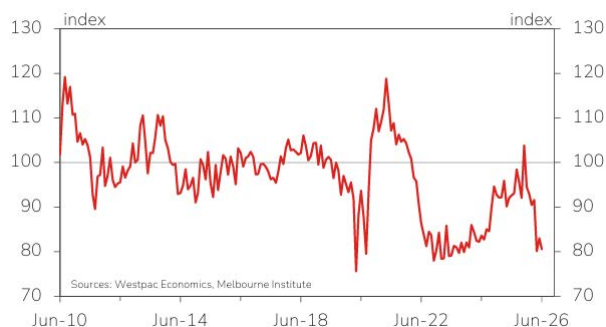
Source: RBA

Australia's GDP growth



Consumer confidence in Australia was dented further with the well-documented (and criticised) proposed changes to CGT and negative gearing which upset share and property investors. The Westpac index is now sitting near record lows.

Consumer Sentiment Index



Month in review

The Fund had a solid month with many holdings pushing significantly higher.

Oddly, one of the most material developments this month resulted in only a minor price uplift. **Alcidion (ALC +5%)** signed a [7yr, \\$35-\\$49m contract with University Hospitals Sussex](#). Whilst ALC had previously been named as a preferred supplier for this deal, the contract is a huge win for an Australian company valued at less than \$150m, particularly given the \$8.5m upfront payment (expected in FY26) and ongoing recurring revenue stream.

Locate Technologies (NZX:LOC +52%) was previously listed on the ASX before decamping to the New Zealand exchange. LOC provides route optimisation and driver tracking logistics software [Locate2U](#) along with a marketplace for same-day couriers [Zoom2U](#). LOC's spike was sparked by a [3yr agreement to provide Locate's software to FedEx Express Australia](#). Whilst the financial outcomes were not detailed, signing an agreement with a subsidiary of a A\$100bn international logistics firm is a significant milestone for the business and will prove to be a valuable reference client for ongoing software sales.



The IPO of **KTEK Aerosystems (KTK +43%)**, a structural drone parts manufacturer that is seeing booming demand from the military sector, was a good win for the Fund in the month. Despite the rise post listing, the company still has a market cap a fraction of other listed players and could be expected to rise even higher as the company wins further commercial contracts.

ASX-LISTED DEFENCE & AEROSPACE				
CODE	COMPANY	FOCUS	MKT CAP	REVENUE
KTK	KTEK Aerosystems	UAV airframe components / defence supply chain	~A\$28M	\$4M
ELS	Elsight	Drone connectivity (Halo platform)	~A\$1.25B	\$35M
ASB	Austal	Defence shipbuilding (naval vessels)	~A\$1.5B	\$1.82B
EOS	Electro Optic Systems	Remote weapon systems, high-energy lasers, space	~A\$1.6B	\$128M
DRO	DroneShield	Counter-drone / electronic warfare	~A\$3.5B	\$215M

Source: company filings. Market caps approximate.

Last month we wrote about **Bioxyne (BXN +40%)** lamenting its 8% fall in April saying: *"We fully expect this to be a temporary slump given the confluence of tailwinds the company is experiencing both in Australia and overseas."*

This month the company secured a [\\$50 million exclusive German supply agreement](#) along with [expanding its footprint into LATAM with a supply agreement for medicinal cannabis flower to Costa Rica](#). We have just returned from a site visit to the company's operations in Brisbane and remain optimistic about the company's future as a GMP manufacturer of alternative medicines.

The Fund has a holding in **ION Video (IOV +38%)** - a video technology company aiming to commercial software that turns large video files into searchable data streams that can be personalised and reused without storing and processing multiple copies. Whilst the business is early-stage, it has recently attracted [three international industry leaders to its advisory board](#) and is gaining some market interest given how topical [video processing and personalisation is, particularly on the social media platforms](#).

Swift TV (STV +11%) provides personalised TV engagement platforms to sectors such as mining, camps, aged care and hospitality. It has been a bit of a sleeper in the Fund of late but has been gaining good traction with deals in the [aged-care](#) and [energy sectors](#), along with product certification from both [Google](#) and [Netflix](#). The company has just raised further capital on the back of these new contracts to accelerate its deployment of their proprietary entertainment system.



The Fund did experience some pullbacks in stocks such as **Acusensus (ACE -12%)**, **Verbrec (VBC -17%)** and **Beforepay (-12%)** although these moves were unrelated to any negative company news.

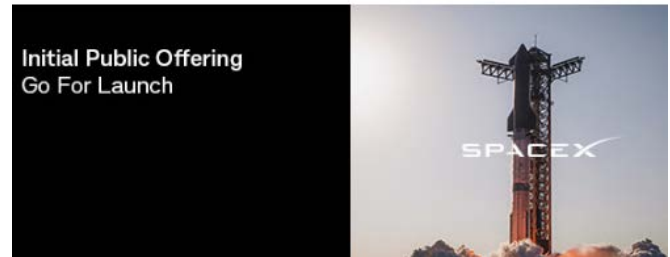
Media

There were a number of media pieces done during the month as listed on our [website](#) and on [LinkedIn](#).

Outlook

Month-to-month moves in both the market and the Fund are almost impossible to predict. We certainly did not anticipate that given the significant rise in the Fund over May, the holding that produced the most positive news, **Alcidion (ALC)**, hardly rose at all.

The interest in **SpaceX** (and companies such as **Anthropic** and **OpenAI**) that are coming to the US market via IPO is unparalleled for both the hype and promotion that we're seeing locally. We are surprised that a handful of prominent domestic brokers are promoting shares so vigorously in these large but arguably volatile and speculative overseas offerings.



The outlook for the market is mixed. Negative factors such as the conflict in Iran, and a weak domestic economy are being balanced by a market that is now starting to positively factor in lower interest rates along with bullish (some might say speculative) investor sentiment in some sectors. That said, markets are also focussed on inflation data out of the US and how it will impact central bank decision making. And, at the time of writing, the US-Iran conflict appears far from over.

The holdings in our Fund continue to track nicely in their underlying progress and growth. We expect this to continue given their broadly defensive and counter-cyclical business models in industries such as healthcare, government spending, education and financial services and we look forward to more positive developments in the coming months.

Please stay in touch with our intra-month commentary via [LinkedIn](#) or feel free to contact us at any time.

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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.