spatium capital

SPATIUM SMALL COMPANIES FUND (SSCF)

spatiumcapital.com **OCTOBER 2026 FACTSHEET** **APIR CODE:** VIL2854AU **ISIN:** AU60VIL28541

INVESTMENT STRATEGY

Spatium Capital's investment strategy is a quantitative approach that uses end-of-day-adjusted data through the investment manager's proprietary filters to capitalise on the frequent short-term price disclocations in equity markets.

The Spatium Small Companies Fund[1] is an Australian ASX300 long-only, relative return fund that seeks to construct, on average, a portfolio of 25-to-40 positions on an equally weighted basis. This approach results in an average portfolio holding period of 30-to-45 days.

PERFORMANCE SUMMARY

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS p.a.	7 YEARS p.a.	INCEPTION
SSCF[1]	-6.5%	1.9%	-7.2%	3.6%	4.0%	46.6%
Benchmark[2]	-6.6%	-5.0%	-16.7%	7.1%	1.3%	10.1%
Value Added	**0.1%**	**6.9%**	**9.5%**	**-3.5%**	**2.7%**	**36.5%**

IN THE SPOTLIGHT: WHEN VALUATIONS FAIL

3-part series

Our last series argued that price discovery is eroding in public markets. This one asks a harder question: what happens where there is no market price at all, and what happens when a private price is finally made to meet a public one? Over three months we look at private credit, IPO's and the standards we rely on to tell us what things are worth.

The Price That Has to Clear: IPOs and the Private Mark

If private credit shows what happens when an asset is never priced, the initial public offering shows what happens when it finally is. An IPO is the moment a private valuation - set by founders, earlier investors and their advisers - has to be accepted by people who are not yet invested and do not have to be. Rarely has that test been run as publicly as it was in October.

In April, Australian AI infrastructure company Firmus raised capital at a valuation of $5.5 billion. In August, a $2 billion round backed by Nvidia, Coatue, Blackstone's funds and Jane Street lifted that to more than $10.5 billion. Days earlier, ASX-listed contractor Maas Group, investing alongside the round, had raised its own earnings guidance, which included a fair value uplift on its earlier Firmus investment[2]. A private mark had become a public profit before any public investor had been asked what the asset was worth.

By October, Firmus was seeking around $7 billion at $11 a share, implying an equity value of roughly A$44 billion - a multiple of the August round - in what would have been the second-largest IPO in Australian history. The book closed early and lower prices were reportedly tested. On 9 October the offer was withdrawn: the terms, the company said, would not appropriately reflect its long-term prospects, and it would pursue funding in the private markets[3]. Maas Group's shares had fallen 22.4% in a single session as the float faltered - the first time the market was given a vote on that mark[4].

The point is not that Firmus is a poor business, nor that A$44 billion was wrong. It is that the private marks were never tested, and still have not been. That is the asymmetry: a private valuation can rise on the strength of a funding round, but it does not have to fall on the strength of a failed float.

The wider listing market tells a quieter version of the same story. By early July, the first nine ASX debutants of 2026 were trading an average of 26% below their issue prices. Virgin Australia, floated by its private equity owner in June 2025 at $2.90, spent most of its first ten months below that price[5]. An IPO price is not a market price. It is a negotiated one, agreed between a vendor who wants the highest number, lead managers paid on the size of the raise, and institutions whose allocations depend on their relationships with both. Leaving something on the table for the first buyers - the so-called 'pop' - has long been treated as a courtesy of the process. This year, it is the first buyers who have mostly been leaving something on the table.

What protects the buyer? The prospectus regime requires that forecasts have reasonable grounds. It does not require that they be right. Nuix floated in December 2020 at $5.31, touched $11.86 within weeks, then delivered FY21 revenue of $176.1 million against a prospectus forecast of $193.5 million. In April 2026 the Federal Court dismissed ASIC's disclosure case, finding the forecasting process structured and well documented; ASIC has appealed[6]. Whatever the outcome, the law is testing the process behind the number, not the number. Investors who paid more than twice the issue price within weeks were not relying on the prospectus at all. They were relying on the crowd.

A bookbuild that refuses a price is the system working. The harder question is what happens to every valuation that never has to face one.

Next month: three ways to price an asset - and only one has someone on the other side

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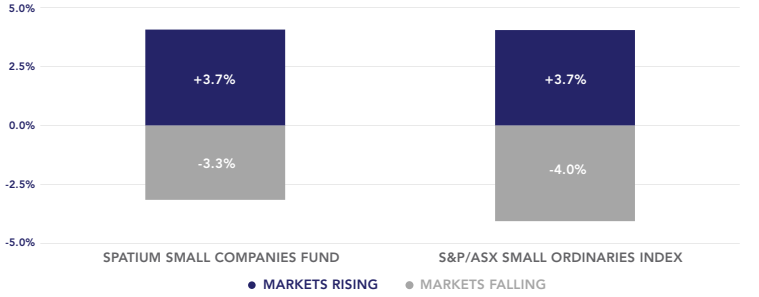
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KEY INSTITUTIONAL METRICS

	SSCF	MARKET
Average monthly return	0.5%	0.2%
Beta	0.91	1.00
Portfolio variance	5.7%	5.4%
Up-Market capture ratio	96.4%	100.0%
Down-Market capture ratio	81.5%	100.0%

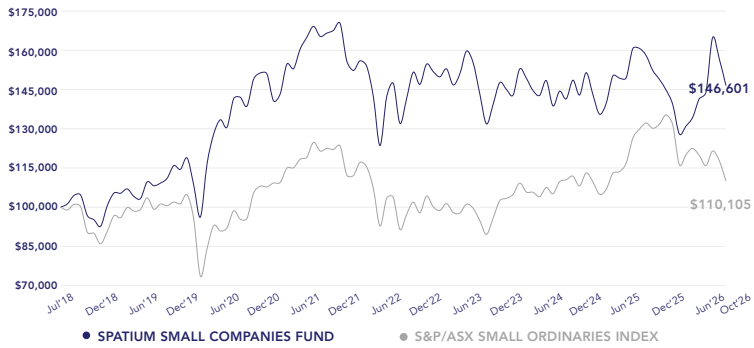
AVERAGE PERFORMANCE IN UP & DOWN MONTHS



FUND DETAILS

UNIT PRICE (AT 31 OCTOBER 2026)	$0.99
RETURN TARGET[7]	5% above the benchmark
SUBSCRIPTIONS/REDEMPTIONS	Monthly
SUGGESTED TIMEFRAME	5 to 7+ years
FEES	1.25% Management Fee 15% Performance Fee[8]
MINIMUM SUBSCRIPTION	AUD $100,000
HARDCAP FUM	AUD $369,500,000

PERFORMANCE



PERFORMANCE HISTORY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
2018/19	1.3%	3.2%	0.2%	-7.5%	-1.7%	-2.6%	8.5%	4.8%	-0.1%	1.6%	-2.7%	-0.8%	**3.3%**
2019/20	6.1%	-1.3%	0.9%	1.7%	4.4%	-1.2%	3.8%	-8.8%	-11.2%	21.1%	9.8%	4.3%	**29.1%**
2020/21	-2.1%	8.3%	0.4%	-2.4%	7.5%	1.6%	-0.2%	-6.8%	1.9%	7.9%	-1.1%	4.9%	**20.3%**
2021/22	2.8%	2.5%	-2.3%	0.7%	0.6%	1.6%	-8.4%	-2.4%	2.4%	-1.3%	-7.5%	-13.2%	**-23.0%**
2022/23	15.1%	3.7%	-10.4%	7.2%	7.1%	-3.1%	5.3%	-1.9%	-1.3%	2.0%	-4.0%	2.9%	**22.2%**
2023/24	5.8%	-2.8%	-7.6%	-8.0%	5.6%	6.0%	-1.8%	-1.5%	7.0%	-2.3%	-3.2%	-1.3%	**-5.4%**
2024/25	4.0%	-6.5%	4.1%	-2.0%	5.1%	-3.8%	6.0%	-5.5%	-5.3%	3.0%	7.5%	-0.6%	**4.6%**
2025/26	0.1%	7.5%	0.1%	-1.7%	-3.6%	-2.2%	-2.7%	-3.8%	-8.1%	2.3%	2.5%	5.3%	**-5.3%**
2026/27	1.7%	14.5%	-4.9%	-6.5%	-	-	-	-	-	-	-	-	**3.6%**

[1]Inception was 1 July 2018. Total returns are calculated using the sell (exit) price, net of fees, gross of tax, and assume reinvestment of distributions. Figures showing a period of less than one year have not been adjusted to show an annual total return. Figures for periods of greater than one year are shown on a per annum compound basis. Past performance is not a reliable indicator of future performance.

[2]Firmus $2bn raise at a valuation above $10.5bn; Maas Group guidance upgrade. Reuters, 7 August 2026. https://finance.yahoo.com/technology/ai/articles/firmus-nearly-doubles-valuation-over-022927084.html.

[3]Firmus IPO terms (~A$44bn) and withdrawal. ABC News, 9 October 2026. https://www.abc.net.au/news/2026-10-09/firmus-float-gets-pulled-following-lacklustre-investor-demand/107246230.

[4]Maas Group shares down 22.4% on 8 October 2026. Investing.com, 9 October 2026. https://www.investing.com/news/stock-market-news/australias-maas-group-extends-slide-after-firmus-scraps-5-bln-ipo-4940228.

[5]2026 ASX IPOs average 26% below issue price; Virgin Australia's $2.90 float. The Motley Fool Australia, July 2026. https://www.fool.com.au/2026/07/06/the-first-nine-asx-ipos-of-2026-are-all-trading-in-the-red-here-is-what-that-tells-investors/.

[6]Nuix FY21 result against prospectus forecast; ASIC case dismissed and appealed. ASIC media release 26-103MR, May 2026. https://asic.gov.au/about-asic/news-centre/find-a-media-release/2026-releases/26-103mr-asic-appeals-federal-court-decision-dismissing-case-against-nuix/.

[7]Target returns of 5% p.a. above the Benchmark is a target only and not a forecast. Target returns are not guaranteed to occur. Past performance is not necessarily indicative of future performance.

[8]The performance fee only becomes payable where the Fund has exceeded the benchmark return, the Fund has achieved a positive result and the Fund has met the high water mark.

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