spatium capital

# SPATIUM SMALL COMPANIES FUND (SSCF)

spatiumcapital.com

**AUGUST 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] | 14.5% | 22.7% | 2.6% | 2.0% | 6.2% | 64.8% |
| Benchmark[2] | 4.8% | -0.8% | -3.8% | 6.9% | 2.9% | 21.5% |
| **Value Added** | **9.7%** | **23.5%** | **6.4%** | **-4.8%** | **3.3%** | **43.3%** |

## WHEN THE CROWD LOOKS AWAY

The Fund returned +14.5% in August against +4.8% for the Small Ordinaries, an outperformance of 9.7 percentage points and **the third-largest monthly return in the Fund's history**. Over the four months to 31 August the Fund has returned +25.8% against +1.1% for the benchmark. The unit price closed the month at $1.1153, having entered May at just under 89 cents. Calendar year to date the Fund is +10.7% while the benchmark is -7.8%.

We will make the obvious point first, because it is the one most likely to be skipped. Four months is not a track record, it does not annualise, and it should not be read in isolation. A quantitative, high-turnover strategy with an average holding period of 30-to-45 days will always produce clusters - good and bad - and the honest treatment of a very good cluster is the same as the honest treatment of a very bad one: describe it, explain it, and do not build a thesis on it.

What makes this particular run worth a paragraph is not its size. It is its shape. The benchmark has gone essentially nowhere over the same four months, up 1.1%. Almost the entire result is dispersion rather than direction - the gap between what worked and what did not inside the small-cap index, rather than the index itself moving. That is a meaningfully different market to the one we have been describing in these pages for the past year, and it is the condition our process is built for.

As many of you would be familiar, the Fund's approach is to equally-weight (on a best efforts basis) positions in the portfolio to minimise risk and avoid favourtism. True to form, August's positive result came from a group of positions as a whole, and the detractors were modest by comparison - this was not a month of large gains offsetting large losses. What the leaders had in common is more instructive than what they were. Not one of them was a story stock. Not one required a view on the next decade to justify its price. They were ordinary businesses that had been available for some time at prices set by a thin and distracted bid, and in August that bid finally had to compete.

So what do we make of that distraction? For the better part of twelve months, the market's attention - and, more importantly, its investment dollar - has been captured by a single theme. Capital and attention are not separate quantities; they are the same quantity observed at different points. When an entire investing cohort is looking in one direction, everything outside the frame is priced by whoever happens to be left in the room. In Australian small caps, that has meant a segment of the market being valued not on what the businesses are worth, but on how the few remaining people left were still bothering to ask.

There are now early signs that the frame is widening. We make no claim to know whether the AI capital cycle has peaked, and we would distrust anyone who says they do. What we observe is narrower and more useful: the assumptions underneath that trade are beginning to be tested rather than assumed. Where a theme's returns depend on continuous, unquestioned capital inflow, the first tremor is never a collapse in price - it is a change in the questions being asked. Once the market starts asking what something is actually worth, the money that leaves has to go somewhere. Small caps, having been ignored for long enough to become cheap, are a natural destination.

We would not call four months a rotation, rather a glimmer of what might materialise should the AI trade continue to unwind. If it does, the Fund would not need to change what it does to benefit from it. If it does not, the four months already recorded do not become less real — they simply return to being what they always were: four months.

We closed our series on the erosion of price discovery last month with the argument that a market which has stopped asking what things are worth is a gift to the investor who has not. August does not vindicate that view; a single month never could. But it is the first month in some time where the market paid for the answer rather than the narrative. We will keep asking the unfashionable question - what is this actually worth? - in the months where it is rewarded and, more importantly, in the months where it is not.

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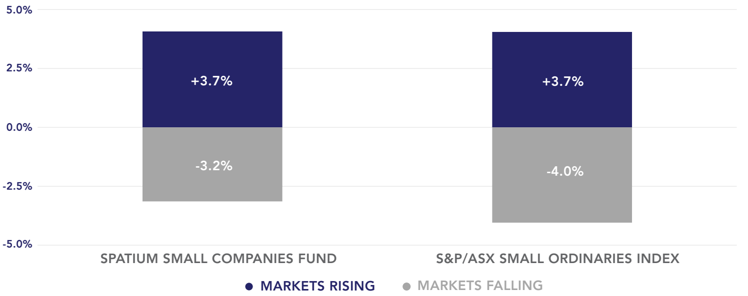
WINNER 2024 | YOUNG WINNER! | FINALIST 2023 | FINALIST 2024 | FINALIST 2025

## KEY INSTITUTIONAL METRICS

| | SSCF | MARKET |
|---|---|---|
| Average monthly return | 0.7% | 0.3% |
| Beta | 0.90 | 1.00 |
| Portfolio variance | 5.7% | 5.4% |
| Up-Market capture ratio | 96.4% | 100.0% |
| Down-Market capture ratio | 79.5% | 100.0% |

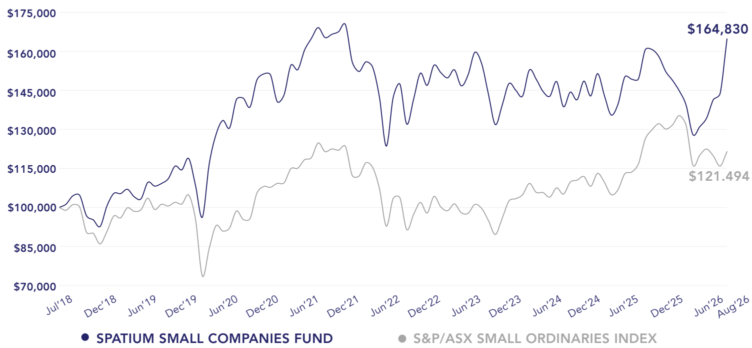
## AVERAGE PERFORMANCE IN UP & DOWN MONTHS




## FUND DETAILS

| | |
|---|---|
| **UNIT PRICE** (AT 31 AUGUST 2026) | $1.12 |
| **RETURN TARGET**[2] | 5% above the benchmark |
| **SUBSCRIPTIONS/REDEMPTIONS** | Monthly |
| **SUGGESTED TIMEFRAME** | 5 to 7+ years |
| **FEES** | 1.25% Management Fee<br>15% Performance Fee[3] |
| **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% | - | - | - | - | - | - | - | - | - | - | **16.5%** |

[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] *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.*

[3] *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.*