

CAPSPACE

Capital stewardship is not simply about the decisions made when a loan is originated. It is an ongoing discipline: understanding how borrowers are performing, how security positions are evolving and whether the assumptions underpinning each lending decision remain appropriate as market conditions change. Last month, we shared an overview of the credit philosophy and underwriting framework that guide how Capspace assesses and deploys investor capital. This month, we are taking a closer look at one component of that framework: how we monitor the property securing our loans and the role Cotality plays in informing that process.

COTALITY SPOTLIGHT: Strengthening security visibility and discipline throughout the cycle

Property security is central to Capspace's approach to capital preservation. Every loan in the portfolio is secured by property, with loan-to-value ratios calculated solely against the value of that security. An important distinction is that at origination, security is independently valued on an "as is" basis, reflecting its current market value rather than a projected "as if complete" value.

Capspace uses [Cotality](#), one of Australia's leading property data and analytics platforms, to strengthen ongoing oversight between formal valuation points. The platform gives our credit team access to current property information, recent comparable transactions, and local market movements. Based on prevailing conditions, security positions are being assessed monthly. Importantly, Cotality complements, rather than replaces, independent valuations and our credit team's judgement. Where market data indicates that a property or security position warrants further review, we can obtain a new independent valuation, reassess the loan-to-value position and determine whether further action is required.

For investors, this is capital stewardship in practice: maintaining visibility over the assets securing their capital, identifying emerging risks early and acting while the greatest range of options remains available to protect their investment.

Fund snapshot: September 2026

The Fund's performance continues to reflect this disciplined approach:

- Current monthly return (annualised): 9.18% p.a.
- Trailing three-month average: 9.18% p.a.
- Monthly distributions: 100% paid since inception
- Redemptions: 100% met within the applicable notice period

Since inception in 2020, the Fund has continued to deliver returns within its 8–10% p.a. target range, while maintaining its focus on credit quality and capital preservation.

[Click here](#) to view the full September 2026 Fund Report.

Event invitation: Capital Stewardship & Credit Philosophy Investor Insights lunch

Following the continually positive feedback and strong interest in our recent Investor Insights lunches, we're extending the Capital Stewardship & Credit Philosophy Investor Insights. Join Tim Keith, Director and Julian Deza, Head of Credit, for an exclusive behind-the-scenes discussion exploring the philosophy, decision-making and governance that underpin every lending decision and define Capspace's disciplined approach to capital preservation and achieving targeted risk-adjusted returns.

[Click here](#) to register.

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