Group Contact: CapspaceBP@gmail.com

Capspace Pty Ltd

From Insight to a $1B Impact:

Scaling Investors, Brokers, and Efficiency through Digital Transformation utilizing AI

Date: 31st of October

Submitted to:
Peter Hartley, *Capspace Head of Distribution* (p.hartley@capspace.com.au, + 61 405 349 007)
Tina Vissem, *Corporate Relations Manager* (tina.vissem@sydney.edu.au, + 61 429 342 948)
Megan Davis, *Unit Coordinator* (megan.davis@sydney.edu.au)

Length: 5498 words (Excluding Appendix and References)

Submitted by:

Celia Zhang (SID: 520497553)

Gabriel Truscott (SID 550340892)

Qihang Huang (SID: 550283533)

Tammy Phan (SID: 550454269)

Tim Goerner (SID: 550838551)

Executive summary

Capspace engaged us to provide recommendations for them to reach $1 billion assets under management in the near future, using AI to achieve three major pillars; 1) to attract and engage more HNW investors, 2) expand high-quality loan distribution, and 3) drive operational efficiency, measurably and safely. Our scope focused on strategy and solution design, with a clear mandate to show how AI and automation can amplify (not replace) human judgment.

We combined structured interviews with founders and operating leaders, observing workflow. We reviewed internal artefacts, and conducted internal and external analysis. This uncovered barriers where; investor engagement is generic and retrospective; broker distribution is slowed by manual onboarding, fragmented updates, and weak decision support; and operations depend on dispersed document processes across tools and spreadsheets, limiting transparency, auditability, and scalability. Governance artefacts are strong but not yet "event-visible" across teams.

We recommend a five-year solution for Capspace to achieve its goals, using a technology enabled platform which preserves Capspace's speed with discipline, prudence with property-backed investments, and investor trust.

This recommendation creates value over three time frames:

0-12 Months: "the Switch on Stack", this connects all company operations into a central hub of data, improving investor/ broker relationships, and amplifying operational efficiency;

12-36 Months: "Transition Period", portfolio intelligence is implemented, meaning explainable recommendations, predictive broker assignment, proactive risk & compliance, serverless performance, and a united forecasting service, whilst the system and tools become standardised; and

36-60 Months: "Platform development and Scaling", this involves the final steps, where smart-contracts can self-execute for pre-signed-off products, advanced broker deal making makes deal creation quick and supported, and an end-to-end transparency platform exists for complete visibility across the business's operations.

Our cost analysis indicates that implementation will require a net investment of $2.3-2.5 million, delivering a cumulative NPV benefit of around $48 million at a 9% discount rate. This translates to a return on investment of roughly 21× and an estimated contribution of A$193.1 million toward Capspace's A$1B+ AUM goal. All underlying levers, sequencing, and execution details are outlined in the accompanying 'Operating Manual'. These estimates are based on the assumptions outlined in Appendix 11.7 and detailed calculations in Appendix 11.7.1 and 11.7.2. For a more comprehensive breakdown, please refer to the accompanying 'Cost / Benefit Analysis' Excel.

We have guided our strategy alongside Capspace's core of trust and speed. Implementing these recommendations results in standardising data/documents on a single source of truth (Azure + SharePoint). Every action (e.g. lead captured, broker onboarded) emits a signal, synchronising staff and systems automatically. Dashboards are generated for all stakeholders, with security, audit trails, escalation paths, drift monitoring, and data governance present throughout.

Abbreviations Table

Term	Definition
AI	Artificial Intelligence
API	Application Programming Interface
AUM	Assets Under Management
CRM	Customer Relationship Management
HNW	High Net Worth
KPI	Key Performance Indicator
KYC	Know Your Customer
ML	Machine Learning
NPV	Net Present Value
RAG	Retrieval-Augmented-Generation
RL	Reinforcement Learning
RM	Relationship Managers

Table of Contents

1.0 Introduction and Background

Capspace is an Australian private credit fund providing loans to Small to Medium Enterprises and investments to wholesale HNW and warehouse funds. Loans are property-backed and enhanced by directors' guarantees. Investor returns float monthly at the swap rate + 5%. The firm differentiates itself through faster execution without compromising stability, and a market-leading broker network. Its commitment to safe, reliable investments, ethical conduct, and investor trust set Capspace apart from competitors that prioritize profits over security.

This report focuses on strategic framing and solution design. Capspace provided three evenly weighted pillars for focus, to help them reach $1 billion AUM:

Attract and Engage a Broader HNW Investor Base**:** Expand the investor base through personalized, responsive engagement, creating a seamless experience that strengthens long-term relationships and supports scalable growth.

Expand Loan Distribution: Capspace aims to grow lending by expanding into new broker relationships, and to enhance its current relationships with existing brokers, who form the core of its investments. This pillar leverages scalable, technology-enabled processes to accelerate deal submissions and feedback, enhance transparency, and optimize the borrower-to-investor experience.

Drive Operational Efficiency at Scale: Increase efficiency through automation and AI with an emphasis on the broker deal submission, credit assessment, and approval process while maintaining speed, quality, and risk management, optimizing workflows for scaling without reducing staff.

We deliver via a three-phase plan: immediate, near-term, and five-year. The proposed technology enhancements allow Capspace to be more competitive than manual process-driven competitors, enabling staff to focus on value-adding activities at scale.

2.0 Research Methodology and Data Analysis

Our methodology was designed to identify the constraints and opportunities shaping Capspace's next phase of growth, and to translate these insights into disciplined, actionable recommendations. This approach integrated primary research with structured internal and external analyses, followed by synthesis, steered by Rumelt's kernel-diagnosis, guiding policy, and coherent actions, ensuring each analytical step directly informed the final strategy.

The study began with primary research, involving structured interviews with key members of the leadership and operations teams, including the Co-Founders, Heads of Distribution/Operations, etc (**see appendix 11.3)**. These interviews were guided by a consistent framework to ensure comparability and depth of insight, supported by direct workflow observations of lead triage and document-handling processes. This combination allowed the team to map real operational dependencies, identify sources of rework and latency, and validate pain points through first-hand evidence rather than perception.

Internal analysis applied a multi-framework approach to critically examine whether Capspace's current capabilities enable or constrain its strategic ambition to scale while maintaining risk discipline. Specifically, we used Porter's Value Chain to assess process-level efficiency and the VRIO framework to test which resources could provide sustained competitive advantage. This method ensured both structural and strategic insights, allowing us to move beyond surface observations into root-cause diagnosis.

Value Chain analysis showed that Capspace's primary operations, such as credit underwriting, risk structuring, and legal compliance, are heavily reliant on manual activity. For example, credit approval cycles range from 2 to 4 weeks, involving spreadsheets, PDFs, and human judgment at every stage. Broker-introduced leads are screened manually, with no systemised lead scoring or integration between sourcing, assessment, and approval. Investor reports are sent monthly via email, with no real-time visibility or digital servicing interface. These frictions increase operational latency and introduce error risk, especially when scaling.

VRIO (Figure 1) further clarified that Capspace's broker network and conservative risk model are valuable and rare but also hard to imitate, built on years of trust and rigorous underwriting reputation. However, these strengths are not fully organised for the exploitation we have been tasked to explore. For example, broker performance is tracked informally, without automated lead routing. Similarly, investor trust exists but is not leveraged via structured CRM campaigns or AI-led personalisation. These latent strengths remain underutilised because the firm lacks the technological infrastructure to translate operational intuition into scalable systems.

Resource/Capability	Valuable	Rare	Inimitable	Organized
Established Broker Network	✓	✓	✓	✓
Conservative Risk Approach	✓	✓	✓	✓
HNW Investor Relationships	✓	✓	✗	✗
Experienced Credit Team	✓	✗	✗	✓
Legacy Tech/Manual Limitations	✗	✗	✗	✗

Figure 1: VRIO Framework

In parallel, external analysis used PESTLE to assess macro forces and Porter's Five Forces to evaluate competitive intensity, both highly appropriate for understanding Capspace's strategic environment in the private credit market. The PESTLE analysis showed regulatory expectations tightening sharply: ASIC's 2025 discussion paper received over 90 submissions and flagged urgent gaps in data transparency and model explainability across private credit (ASIC, 2025). Meanwhile, technological change is accelerating competitive divergence. Fintech players like Prospa and Aquamore, with decision cycles as fast as 24 hours, are reshaping investor expectations around speed, personalisation, and digital access.

Porter's Five Forces (See figure 2) further highlighted high threat levels across all dimensions: new entrants, substitute products, and competitive rivalry are intensifying. Customers (particularly institutional investors) now demand platform-based transparency and real-time interaction, while broker loyalty is increasingly performance-driven, not relationship-driven. These shifts present a direct challenge to Capspace's manual, relationship-led model. Further, they underscore the opportunity: modernising toward event-driven infrastructure and explainable automation would not only close compliance gaps but also become a source of competitive differentiation.

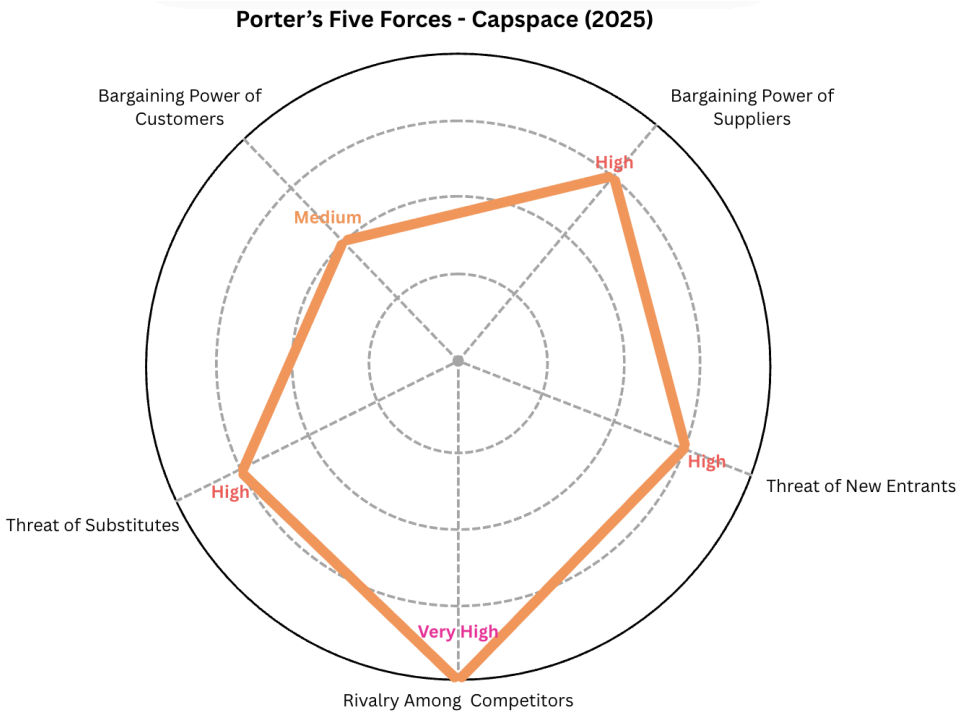


Figure 2: Five Forces Framework

Insights were consolidated using Rumelt's kernel to ensure strategic coherence. The diagnosis identified three barriers: limited AI-driven personalisation for high-net-worth investors, fragmented broker visibility and assignment, and manual, error-prone KYC/document workflows that extend approval cycles.

From this, a guiding policy emerged: to preserve Capspace's trust-and-speed DNA while standardising data and enforcing explainability and escalation for every automated decision.

Finally, a set of coherent actions was defined: integrating LinkedIn and Large Language Model-driven acquisition into HubSpot, implementing SharePoint-based document governance, embedding pre-decisioning and compliance logic into Nimo, and linking all actions to Power BI dashboards for real-time visibility. Each of these was mapped directly to the project's three objectives: investor engagement, loan distribution, and operational efficiency.

To ensure credibility and alignment, all recommendations were grounded in the review of Capspace's internal artefacts - including investor presentations, portfolio reports, and compliance documents - which established baseline KPIs, portfolio composition, and governance constraints. Cross-referencing these sources against observed workflows and market benchmarks ensured that the proposed roadmap addressed both the realities of current operations and the expectations of future regulatory and investor environments.

This methodology provided a robust base for Capspace's transformation strategy, producing insights that are diagnostic and operationally actionable - linking qualitative findings to quantifiable performance outcomes and enabling a phased roadmap grounded in feasibility, transparency, and governance integrity.

3.0 Current Barriers

3.1 Attract and Engage a Broader High Net Worth (HNW) Investor Base

Limited Digital Engagement and Insights (I)

Platforms lack personalization, providing generic updates rather than tailored, predictive insights. Dashboards are static and uncustomizable, preventing real-time portfolio views, scenario analysis, or performance comparisons. External data integration is inadequate, restricting access to market, regulatory, and competitor intelligence. Minimal self-service options leave investors unable to explore loan structures and implications, or scenario modeling independently.

Inefficient Relationship Management (II)

Manual CRM and communications cause inconsistencies, limiting scalability. Fragmented investor information exists across spreadsheets, emails, and systems, reducing transparency and engagement quality.

Complex and Slow Acquisition (III)

Investor onboarding requires multiple forms and manual checks, with post-submission verification extending 2-4 weeks. Lack of automation in lead generation, segmentation, and scoring further slows identification of high-potential investors.

3.2 Expand Loan Distribution

Fragmented and Manual Broker Engagement (I)

Onboarding, updates, and deal tracking lack visibility and scalability, causing delayed responses, extended approval cycles, and reduced broker satisfaction. Manual document and compliance processing increases costs, errors, and approval delays. High dependency on human brokers limits scalability and slows execution as Capspace targets growth from $180M to $1B AUM.

Limited Digital and Analytical Tools (II)

Minimal AI-driven tools reduce broker reach, engagement, and market penetration. Predictive broker assignment algorithms are absent, lowering conversion efficiency and deal success rates. Centralized tracking of deal frequencies and follow-ups, loan pipelines, repayment behavior, and compliance is lacking, creating operational blind spots. Integration with acquisition tools is insufficient, leaving no automated lead-to-broker pipeline. Predictive analytics to forecast top-performing brokers, anticipate trends, and optimize loan allocation are unavailable, and historical performance, activity levels, and conversion rates are not systematically tracked.

Slow and Disconnected Processes (III)

Loan approval takes 2-4 weeks from submission to funding, creating friction in the borrower-broker-credit flow. Communication silos exacerbate delays, as brokers lack integrated communication channels, leading to inconsistent updates.

3.3 Drive Operational Efficiency at Scale

Manual and Error-Prone Workflows (I)

Multi-step, human-driven credit assessments cause delays, inconsistencies, and increase risk of error. Heavy reliance on manual data entry heightens the likelihood of mistakes, fraud, and regulatory non-compliance. Document management is inefficient, as contracts, documents, and approvals are fragmented across systems, slowing retrieval, auditing, and compliance.

Underutilization of Automation and AI (II)

Back-office tasks such as document verification, workflow routing, and reporting are not fully automated, increasing costs and latency. Real-time monitoring is limited, lacking integrated anomaly detection or predictive risk assessment. AI-enabled insights are scarce, with no systematic use of ML or real-time analytics for portfolio optimization, predictive forecasting, or anomaly detection.

Scalability and Data Fragmentation Challenges (III)

Current processes and data handling cannot efficiently support growth from $180M to $1B AUM without adding staff or operational overhead. Investor, broker, loan, and market data reside in disconnected systems, limiting visibility and actionable insights. Manual file checks, lack of automated auditing, and fragmented data further increase compliance and regulatory risks, leading to non-compliance and delayed reporting.

Limited Analytics and Intelligence Integration (IV)

Static KPI dashboards disconnected from predictive and prescriptive analytics restrict decision-making agility. External intelligence, including market trends, interest rates, and regulatory or environmental factors, is not dynamically integrated, constraining strategic insights.

4.0 Recommendations Pinned to Objectives

Our recommendations are structured across three horizons: Switch-On-Stack, Transition, and Scale. Each stage unlocks new value by integrating systems, automating insights, and embedding efficiency into how Capspace operates.

4.1 (i) "Switch-On Stack": 0-12 Months

In the first 12 months we switch on and unify Capspace's tech suite: stand up a single source of truth for data and documents, make key journey moments live and visible, and give investors/brokers self-service views with fast human escalation.

Data Platform "Switch-On"; Azure as the Single Source of Truth (A)

Create one trusted hub for data and documents in Azure (Microsoft's cloud platform including an extensive set of data, AI, and security services for building, running, and managing apps across cloud, hybrid, and edge environments) to make analysis faster and cheaper. Enable plain-language search across files and records; teams can test ideas safely without affecting production, and keep maps, charts, reports, and spreadsheets consistent with auto-refresh, so every stakeholder sees the same truth driven by real-time events.

AI-Targeted HNW Acquisition Engine (B)

Find the right investors faster by focusing on profiles that match Capspace's offer. A simple intake qualifies interest and captures consent upfront, so teams spend time where it matters. Leads land in one place with clear owners and next steps; every prospect gets a personal follow-up booked within 24h. This drives targeted acquisition of HNW investors by launching AI-enabled LinkedIn, Search Engine Optimization/Marketing campaigns targeting qualified HNW prospects, using predictive lead scoring and RL to prioritise high-potential leads and sustain a high-conversion pipeline.

Investor Experience Layer (Self-Service + Human Escalation) (C)

A clear, read-only portal shows progress and what's next; common questions (income received, risk band, upcoming payments, and loan/fund implications) are answered instantly in plain language. When nuance is needed, the case escalates to a named person; fast, frictionless, personal, so confidence grows and status-check emails drop. This elevates the Investor experience by combining scalable chatbots, dashboards, and scenario views that explain fund structure, performance, and loan implications, with AI strictly assistive (non-persuasive). The interface emphasises transparency and control: investors run scenario simulations, seeing where their case sits, and knowing exactly who needs to respond when human judgement is required.

Predictive Retention & Relationship Playbooks (D)

We detect drift early and reach out before investors disengage. RMs get simple prompts for moments that matter; first distribution, anniversaries, rate changes, so the right touch lands at the right time. Messages are tailored to each investor's goals and risk comfort; leaders receive a weekly "save list" so nothing slips. Strengthening long-term investor relationships by turning the Hubspot into a learning system that analyzes behavior, predicts churn, and drives personalized emails, check-ins, portfolio updates, and re-engagement sequences. Over time, the loop becomes predictive and increasingly automated, with real-time analytics guiding when to intervene, what to say, and how to measure value and satisfaction.

Broker Operations Streamlining (Intake → Indicative → Credit) (E)

A single, secure broker workspace centralises applications, document uploads, and real-time status, with instant eligibility checks to generate indicative terms and a case timeline showing who did what and what's next. This

streamlines broker operations by layering predictive algorithms and automated pipelines to estimate processing times, forecast approvals/workloads, and reduce friction, shifting from manual handoffs to model-assisted flows while human judgment and legal sign-off remain in control. The result: clean packs reach legal sooner, 2-4 week journeys shorten, fragmented communications disappear, and slow handoffs to credit/legal are eliminated.

Back-Office Automation (KYC/Docs/Payments) (F)
Routine ID and document checks run quickly and consistently, cutting double entry and file hunting. Staff see plain-language pass/fail with exceptions auto-routed to the right owner, while statements and unit certificates generate on a reliable cadence with full audit trails. This assists in automating back-office tasks, using AI to streamline document verification, KYC, and payment scheduling, turning repetitive work into predictable, real-time flows with human oversight for extreme cases. The result is faster turnarounds, lower error rates, higher throughput, and clearer accountability, replacing manual checks, duplicate entry, and slow audit retrieval with consistent processing and searchable records.

Security, Privacy & Governance Baseline (G)
Access becomes locked down, data encrypted in transit and at rest, and auditable change logs are maintained so issues are traceable and fixable fast; anomalies are flagged in real time and addressed via escalation to the right person; and models/automations are approved pre-release, continuously monitored, and safely rolled back, avoiding rework and strengthening trust. This enhances Capspace's security and privacy through pairing state-of-the-art security and explainable AI for compliance/auditability: strong controls, AI-powered anomaly detection, and continuous-monitoring dashboards that keep risk clearly visible to leaders. The result: teams spend less time chasing logs and more resolving real risks; any regulators see a clear chain of custody and explainable decisions; and executives get one view of resilience, compliance, and model health aligned to uptime, anomaly-response, breach-prevention, and privacy objectives.

4.2 (ii) "Transition Stage": 12-36 Months

Across months 12-36 we professionalize intelligence and scale: learning layers personalize insights for each investor and broker; routine checks become proactive risk signals; and an event-driven, serverless stack cuts latency and cost.

Portfolio Insight Engine (Personalized, Real-Time) (A)
Investors get recommendations that reflect their actual behavior, with simple "what-if" scenarios to weigh trade-offs and clear explanations so suggestions can be accepted or dismissed. As users interact, the system learns preferences (income stability, liquidity, growth) and adapts. This brings real-time portfolio insights, turning preferences, history, and live performance into real-time, personalized, optimized and predictive recommendations; transparency and control are built in via explanations, captured overrides, and periodic outcome reports that refine the models.

Enhanced Broker Journey & Allocation Optimization (B**)**
Supports broker deal conversions, with signals on sector fit, capacity, historical turnaround, and performance, then match attention and priority to the right opportunities. The model learns from outcomes within fairness guardrails, provides clear explanations, and always allows human overrides. This results in shorter cycles, higher conversion, and intentional allocation (not first-come, first-served). This advances the real-time portfolio insights further by improving allocation quality and compressing end-to-end timelines with fewer stalled cases, faster movement from intake to indicative terms, steadier throughput, while preserving human judgment where context matters most.

Proactive Risk & Compliance Ops (C)

Detect issues before they bite (missed repayments, unusual activity, or paperwork gaps) by auto-opening cases the moment a rule trips, with evidence attached, next steps/urgency shown, owners auto-assigned, and end-to-end tracking. This addresses risk management by shifting from reactive checks to proactive detection and guided resolution, with user feedback folded into every case. Regulatory change is summarized via Retrieval-Augmented-Generation over SharePoint/M365, feeding updates directly into controls and playbooks, while Power BI posture boards surface live risk metrics, case aging, and remediation throughput. Together, event-driven detection, auditable evidence, lifecycle monitoring, and explainable guidance create a closed loop that prevents issues sooner, fixes them faster, and documents compliance as part of the flow.

Sustainable, Serverless Scale (D)

Auto-scaling servers makes it so capacity expands on spikes and contracts when quiet (pay only for use) and accelerates the paths investors and brokers feel most. Edge validation trims rework before files hit the back office, while cost/efficiency trends stay visible to all for transparent trade-offs and continuous tuning, maximizing operational sustainability and cost efficiency by design. At the edges, TensorFlow Lite runs quick checks (document completeness, basic fraud checks) cutting round-trips; Power BI dashboards unify cloud billing, storage tiering, and function metrics to spotlight spend and efficiency levers. This results in a responsive, event-driven foundation that runs lean by default and scales smoothly as demand grows.

Unified Forecasting Service (E)

Give every team a single live view of expected rates, demand, and portfolio cashflows; showing ranges (mitigates false precision) with back-tests so uncertainty and accuracy are clear. Capture override reasons/timestamps to build a transparent record with speed, helping deliver real-time predictions and forecasts. The result is faster, more consistent, evidence-based planning. Security analytics on the event backbone flag data/behavior shifts that could skew forecasts, while Power BI posture boards surface model health, data freshness, and agreement status. Overrides, rationales, and downstream impacts are logged alongside forecast artifacts, closing the loop for continual model improvement and accountability.

Full-Stack Preparation (Design System, APIs, Schemas) → explicit runway (F)

This establishes the predictable delivery rhythm and stable core for AI-powered broker selection/acceleration of transactions with blockchain-based smart contracts, the automation of back-office tasks, creating an explicit runway into frontend and backend production. The result is a product workflow that feels coherent to end users and is reliable for the business.

4.3 (iii) “Platform Development and Scaling”: 36-60 Months

Broker deals are industrialized with a RL engine constrained by fairness guardrails; explanations are visible in the UI and staff can override with reasons, keeping decisions explainable, equitable, faster, and more consistent, improving conversion as scale grows. Well-templated products execute automatically after legal and credit approval (escrow, covenant checks, disbursements, and repayments run touch-free) while legal retains control of templates and changes; people are looped in only for exceptions when something truly needs attention, with auditable alerts and evidence.

End-to-End Transparency Platform (Investor, Broker, Ops) (A)

A single, live view from submission to final repayment reduces uncertainty and speeds decisions: broker activity is comprehensively captured, borrower credit views refresh quickly, and broker introductions become faster and better matched. This completely transforms the broker, investor and internal team user journey using ML and

advanced analytics to improve introductions, track broker activity at scale, and generate timely, accurate credit views from historical data, financials, behavioral signals, and external sources. Operationally, all interactions/metrics stream to Azure Data Lake and indexed by Azure Cognitive Search with OpenAI for consistent answers across search, portals, and reports. Events are set to live boards, measure activity coverage, and record an auditable trail for compliance and performance reviews.

AI-Powered Broker Deal Fitting (B)

Manage time and focus spent on brokers and their deals based on sector fit, response speed, and track record using predictive models continuously refined via RL within fairness guardrails. Recommendations are explainable and overridable with reasons, optimizing matches and portfolio allocation and advancing AI-powered broker selection. Assignments emit standard events to Nimo for execution, with role-based alerts via Power Automate to prevent handoff stalls, delivering faster, transparent allocation, higher conversion, and a feedback loop that improves with scale.

Smart-Contract Execution (C)

For well-templated products, once approvals are in, blockchain-backed contracts self-execute; releasing funds, scheduling covenant checks, and processing repayments, with alerts for exceptions. Errors drop and visibility rises, with legal retaining control of templates. This cuts delays, errors and fraud, and provides real-time, cross-party visibility. Operationally, every step writes an auditable trail; exceptions become sent to the right owner, with a bundle of relevant information. Legal remains the source of truth, with template updates safely promoted through staging to production. The result is a low-touch, high-trust execution layer with hands-off routine flows, contextual anomaly handling and end-to-end real-time visibility, while governance and security scale with volume.

Sustainable Scaling & Governance (Backbone v3 + Green-Ops) (D)

This allows for scaling without waste: data moves once with every movement traceable, the platform grows without surprise bills or performance regressions. Energy usages and costs are signals, letting teams spot hot workloads and tune them over time. Governance is built into the backbone so that audits, lineage, and controls keep pace as volumes rise. This strengthens sustainability and governance by making efficiency visible and enforceable, standardising how data is produced, transported, and retained. Data moving once prevents double counting and reconciliation churn; global traceability speeds diagnosis and fixes. FinOps/Green-Ops metrics guide workload placement, storage tiering, and release decisions. Power BI “green-compute” dashboards surface energy usage, cost, and efficiency by service and topic so owners can right-size jobs, tune retention windows, and prove improvements, while the governed backbone keeps data accurate, auditable, and ready for scale.

5.0 Tech Enablement & Operating Model

We recommend “Platform Development and Scaling” a pragmatic, business-first pipeline that quietly orchestrates signals while preserving Capspace’s human-judgment ethos. Each key action (new investor lead, broker onboarding, loan submission, document verification) emits a small, structured event to keep tools and teams aligned. Events land in Azure as the single source of truth for facts, files, and metrics, eliminating spreadsheet doubt. From here, we automate high-volume tasks, surface explainable insights to the right person at the right time, and keep decisive conversations with HNW investors, brokers, and legal in human hands, directly easing investor engagement, loan distribution, and operational-efficiency pain points while advancing objectives across 0-12, 12-36, and 36-60 months. Building on the same foundation, we turn early wins into a production-grade platform (frontend and backend) that users experience as fast, consistent, and trustworthy: Angular with Material and PowerApps for low-code intake deliver clear, role-based access with internationalization and accessibility woven in.

Intelligence and automation run parallel (assistive chat / summarization / predictive services) while Microsoft Copilot, Power Automate, and PowerApps drive approvals, workflows, and apps, with Blockchain/Smart Contracts handling execution and compliance for templated products. The application layer pairs a modern frontend with a contract-first backend that securely accesses Outlook, Teams, and SharePoint data, forming an enduring operating platform . Users stay in flow, teams remain in control, and value compounds on accountable truths.

The operating model rests on three ideas:

Data unity: all structured data in Azure Data Lake and documents in SharePoint with lineage, quality checks, and access controls to eliminate rework and enable safe reuse across reporting, broker analytics, risk, and compliance;

Workflow automation: low-code orchestration of KYC, document verification, status updates, reminders, and eligibility checks so teams focus on judgment; and

Guardrails: every automated decision is logged with inputs, explanation, and owner, model changes pass approval gates, bias/drift are monitored, and security is enforced from day one. The result is faster cycles without diluting legal sign-off, with human-in-the-loop governance and automatic audit trails (who/when/what dataset or document and model version), meeting investor transparency expectations and preparing for evolving regulation without after-the-fact compliance projects.

Vendor touchpoints remain purposeful and minimal: LinkedIn for targeted acquisition, HubSpot as the relationship backbone, Nimo as the loans/portfolio execution cockpit, SharePoint/Microsoft 365 for documents and approvals, and Power BI for real-time performance to investors and leaders.

Blockchain is phased in to avoid disruption: keeping current contracting/settlement while digitizing surrounding checks and notifications; as volume grows, introduce behind-the-scenes smart contracts for escrow, covenant checks, and repayments on well-defined products.

Operationally, the model is built for a lean team: Product & Strategy own objectives and ethics; a data team owns models, and measurement; Platform own reliability, latency, and cost; Risk / Compliance enforce guardrails and policy; Legal preserves intent and sign-off; Broker/Investor Success act on timely, explainable information.

The goal isn’t technology for its own sake, but institutionalizing Capspace’s strengths; speed and discipline combined with trust and transparency at a $1B scale.

6.0 Phased Roadmap

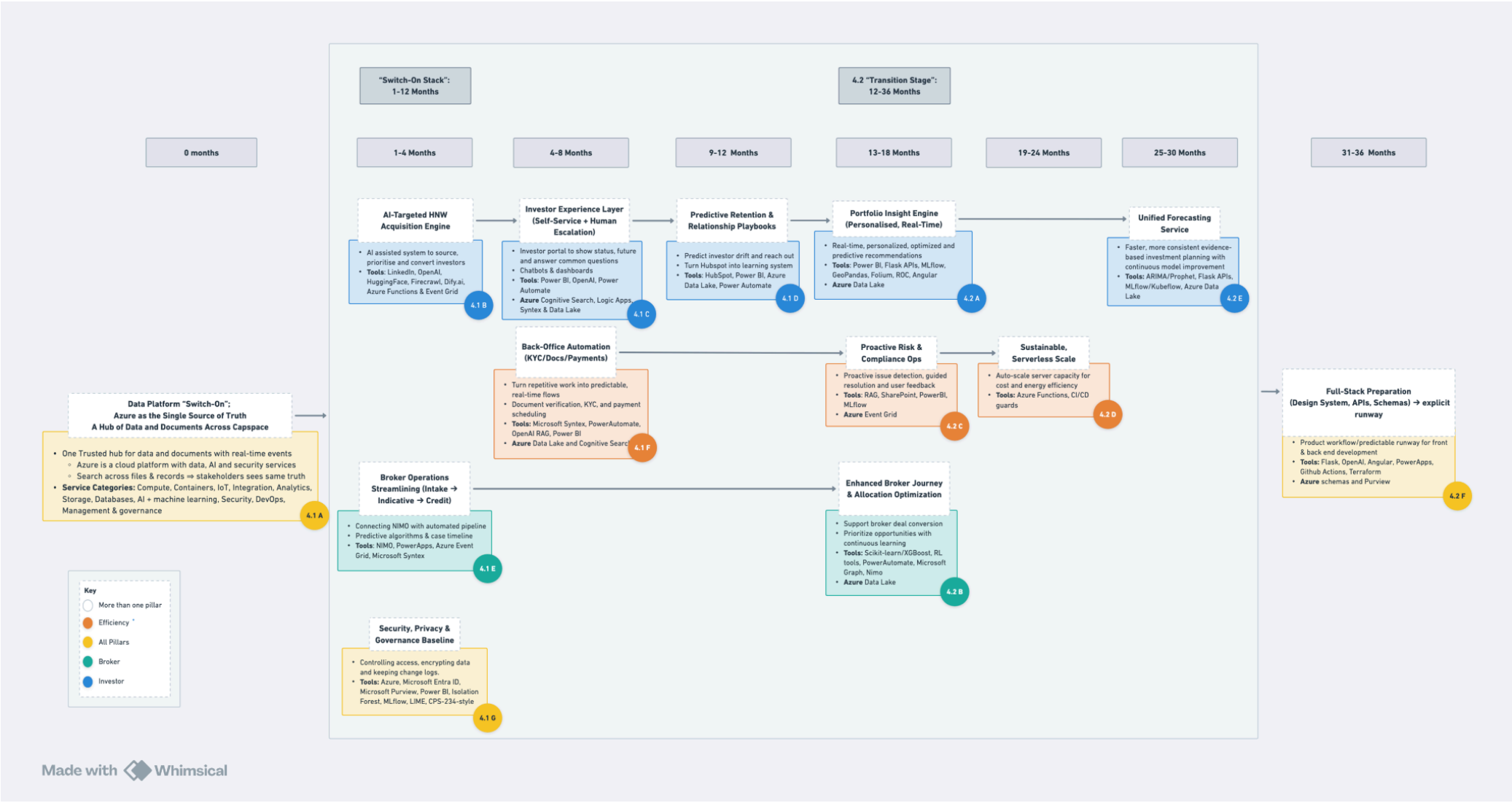


Figure 3: Roadmap of Recommendations P1

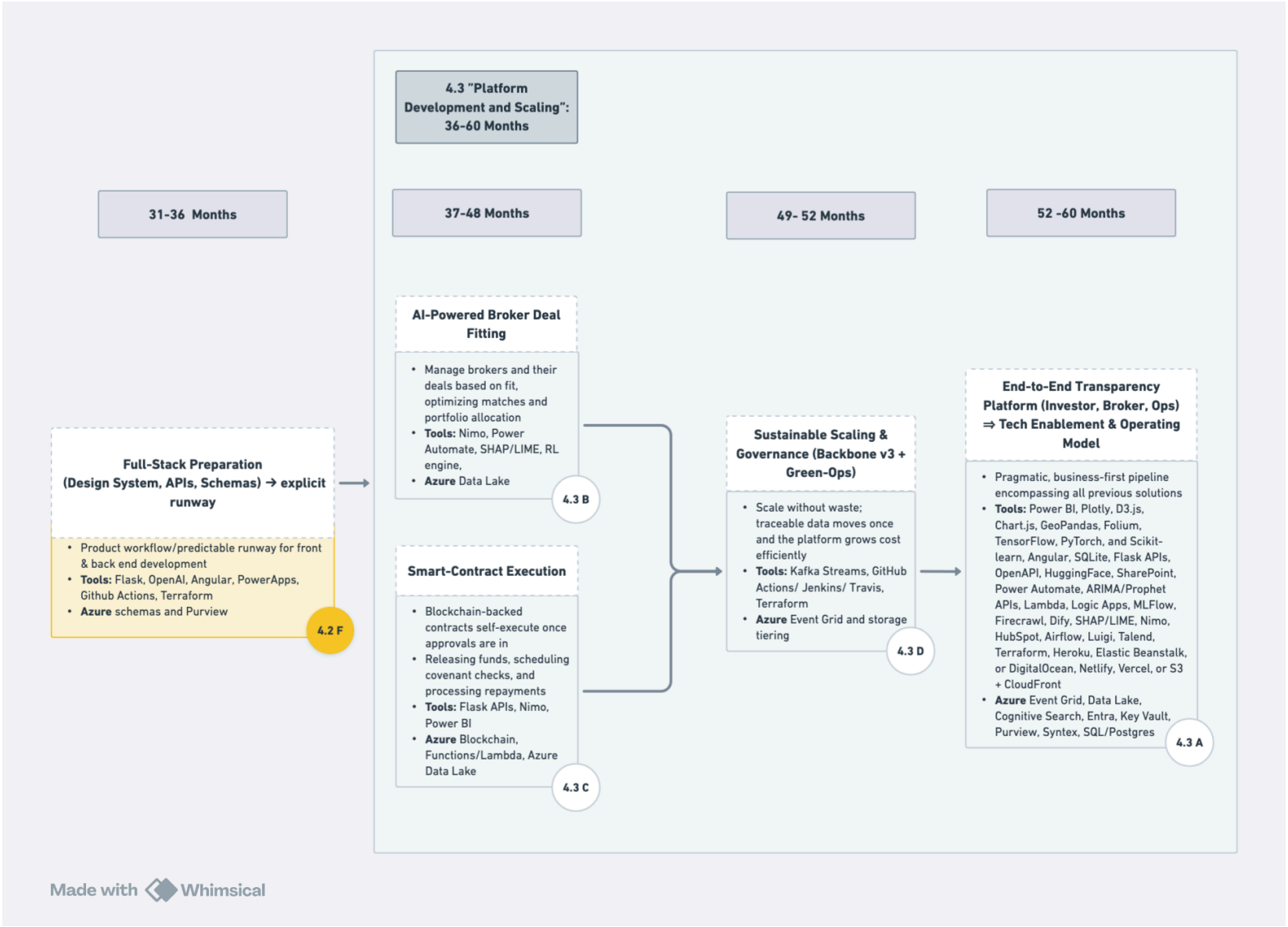


Figure 4: Roadmap of Recommendations P2

7.0 Constraints & Risks

Capspace's transformation is exposed to both internal and external constraints that may affect execution pace, compliance integrity, and investor trust. The following summarises the most material risks, their relative impact, and the corresponding governance response.

7.1 Internal Constraints and Risks

Maintenance and updates provides a major internal risk for Capspace, with requirements of code reviews, larger data usage, and large human capital expenditure on monitoring, with insufficiencies resulting in system downtime, inconsistencies or a negative investor/broker experience. Further, Capspace operates with a lean team of 20 employees and current technology infrastructure. Limited human and technical resources could constrain the pace of AI model development, platform enhancements, and integration of new tools across the full pipeline.

Operationally, AI and automation must improve credit approval efficiency without adding friction for legal or compliance teams. Over-automation or poorly designed workflows could slow lawyers' approvals, reduce deal throughput, or compromise compliance. Further AI is prohibited from "convincing" high-level investors (e.g., chatbots targeting HNW investors). AI misuse may damage investor trust and breach internal ethical standards. AI-driven scoring and recommendations raise explainability, fairness and governance issues; regulators are exploring expectations (use explainability methods and clear accountability). Further, the systems recommended strain Capspace's budgets, please refer to *Appendix 11.7* for our cost analysis.

For security and data controls, sensitive information must be handled securely: inputs validated and sanitized, error handling implemented to prevent data leaks, and dependencies regularly updated to patch vulnerabilities. Secure token management and storage mechanisms should be enforced. Even if Capspace is not APRA-regulated, CPS-234 provides a benchmark for defining roles, testing security controls, and incident readiness. Vendors and internal teams should adhere to these standards.

7.2 External Constraints and Risks

Legal frameworks apply primarily to wholesale investors; private credit itself is largely unregulated. Misalignment with investor-specific regulations could result in legal exposure or reputational damage. Scaling processes (e.g., credit approvals, document management) must remain compliant while maintaining efficiency without compromising smooth legal processes.

Further, since private credit is unregulated, increasing pressure exists to differentiate Capspace through quality, profitable loans, and operational efficiency. Competitors may offer faster processes, higher yields, or more appealing investor experiences, threatening Capspace's market position. Capspace must develop proprietary sourcing, underwriting, and broker engagement strategies to maintain a competitive edge.

By nature, private credit funds have low asset liquidity. When facing redemption pressures or market turbulence, the arrangement of funds may slow down. Fluctuating property values, interest rates, and broader economic conditions may impact loan security and repayment risk. Adverse market movements could reduce portfolio performance, impair loan recoveries, and constrain investor returns.

Finally, reliance on third-party platforms (LinkedIn, Firecrawl, Dify.ai, HubSpot, Azure, etc.) introduces dependencies and potential integration risks. Service outages, API changes, or vendor limitations could disrupt data flows, AI predictions, and workflow.

8.0 Conclusion & Next Steps

Capspace's pathway to achieving $1 billion in assets under management is best realised through a pragmatic, event-driven platform that converts every business action - whether investor onboarding, broker submission, or document verification - into structured, traceable data. This unified system consolidates information in Azure and documentation in SharePoint, forming a single source of truth across all teams. By layering human-in-the-loop governance, Capspace can accelerate decision cycles while preserving the risk discipline and transparency that underpins what makes investors trust Capspace. The transformation directly addresses the firm's three structural challenges: fragmented investor engagement, slow loan distribution, and inefficient operations over a five year horizon.

The short-term focus is on building the "Switch-On Stack": connecting lead-generation tools into HubSpot, centralising all documents in SharePoint, and activating an event backbone. This integration allows status changes to update in real time across Nimo and Power BI dashboards, eliminating manual tracking and fragmented updates. Simultaneously, Investor, Broker, and Operations dashboards that visualise live performance data are published, and formalise governance mechanisms which ensure each automated process remains explainable, owned, and reversible.

Within 90 days, success will be evidenced by metrics: live predictive lead scoring with higher engagement, at least 95% of investor inquiries resolved within 24 hours, reduced manual processing and turnaround times, and platform uptime exceeding 99.9%, with anomalies addressed within an hour. Please refer to the 'Operating Manual' for more detailed KPIs.

Three assumptions underpin this roadmap. First, Capspace's constraint is information flow, not market demand, so improving latency and transparency compounds trust. Second, explainable automation, rather than vague AI, is the best solution for the firm's "speed-with-discipline" ethos. The third assumption is that an event-driven backbone reduces integration fragility and accelerates value delivery.

Over five years, this architecture scales toward smart-contract execution, near-total workflow visibility, and minimal errors. In essence, it builds a resilient operating system that grows HNW engagement, expands broker distribution, and drives operational efficiency, measurably, safely, and ready to activate tomorrow.

9.0 References

ASIC. (2025, February 26). Advancing Australia's regulatory roadmap for public and private capital markets [Media release]. Australian Securities and Investments Commission. https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-021mr-advancing-australia-s-regulatory-roadmap-for-public-and-private-capital-markets/

ASIC. (2025, August 21). REP 812: ASIC enforcement and regulatory update [Report]. https://download.asic.gov.au/media/zfohbbla/rep-812-asic-enforcement-and-regulatory-update-published-21-august-2025-accessible-version.pdf

Australian Prudential Regulation Authority. (2024). Climate risk self-assessment survey 2024. https://www.apra.gov.au/climate-risk-self-assessment-survey-2024

Chambers and Partners. (2025). Private Credit 2025 - Australia: Trends and Developments. https://practiceguides.chambers.com/practice-guides/private-credit-2025/australia/trends-and-developments/O20147

Climate Council. (2025). Escalating climate risks for Aussies' homes. https://www.climatecouncil.org.au/resources/escalating-climate-risks-for-aussies-homes/

Foresight Analytics. (2024, August). Australian Private Debt Report: SME lending landscape and non-bank growth. https://rogermontgomery.com/wp-content/uploads/2024/08/Foresight-SME-Australian-Private-Debt-Report.pdf

HSF Kramer. (2025, April). A pulse on private credit investment in Australia 2025. https://www.hsfkramer.com/insights/2025-04/a-pulse-on-private-credit-investment-in-australia-2025

InvestorDaily. (2025, July). Metrics pushes back as Count advisers told to exit funds. https://www.investordaily.com.au/markets/56825-metrics-pushes-back-as-count-advisers-told-to-exit-funds

OpenAI. (2025). ChatGPT (Oct 21, 2025 version) [Large language model]. https://chat.openai.com/ We used ChatGPT to improve grammar and flow. We reviewed and edited all output and took responsibility for the final text.

Professional Planner. (2025, June). ASIC accelerating private credit oversight. https://www.professionalplanner.com.au/2025/06/asic-accelerating-private-credit-oversight/

Reserve Bank of Australia. (2025, August 12). Statement by Philip Lowe, Governor: Monetary policy decision - August 2025 [Media release]. https://www.rba.gov.au/media-releases/2025/mr-25-22.html

The New Daily. (2025, June 19). Insurance crisis looms as climate risks mount. https://www.thenewdaily.com.au/finance/2025/06/19/insurance-crisis-climate

Wellington Management. (2025). 2025 Private Credit Outlook: 5 Key Trends. https://www.wellington.com/en-au/institutional/insights/2025-private-credit-outlook-5-key-trends

10.0 Operating Manual References

Dify. (2025). Dify Cloud app — Develop view. Retrieved 2025, from https://cloud.dify.ai/app/d89c6749-09c3-4764-b75f-d7927e1f87c0/develop

Dify. (2025). Dify.AI x Firecrawl: A top-notch solution for web data knowledge base. Dify Blog. Retrieved 2025, from https://dify.ai/blog/dify-ai-blog-integrated-with-firecrawl

Dify. (2025). Model. Dify Docs. Retrieved 2025, from https://docs.dify.ai/en/guides/model-configuration/readme

Firecrawl. (2025). App usage. Retrieved 2025, from https://www.firecrawl.dev/app/usage

Firecrawl. (2025). Quickstart. Firecrawl Docs. Retrieved 2025, from https://docs.firecrawl.dev/introduction?

Firecrawl. (2025). Scrape. Firecrawl Docs. Retrieved 2025, from https://docs.firecrawl.dev/api-reference/endpoint/scrape

Hugging Face. (2025). chat-ui: Open source codebase powering the HuggingChat app [Source code]. GitHub. Retrieved 2025, from https://github.com/huggingface/chat-ui

Microsoft. (2025). Adopt, extend and build Copilot experiences across the Microsoft Cloud. Microsoft Learn. Retrieved 2025, from https://learn.microsoft.com/en-us/microsoft-cloud/dev/copilot/overview?wt.mc_id=developermscom

Microsoft. (2025). Azure portal home. Microsoft Azure. Retrieved 2025, from https://portal.azure.com/#home

Microsoft. (2025). Azure pricing calculator – Event Grid. Microsoft Azure. Retrieved 2025, from https://azure.microsoft.com/en-us/pricing/calculator/?service=event-grid

Microsoft. (2025). Graph Explorer. Microsoft Graph. Retrieved 2025, from https://developer.microsoft.com/en-us/graph/graph-explorer

Microsoft. (2025). Power Apps maker portal — Apps in Default environment. Power Apps. Retrieved 2025, from https://make.powerapps.com/environments/Default-7d8d6b74-9a30-4510-b654-2aa1c012423c/apps?utm_source=PAMarketing&utm_medium=header&utm_campaign=signin

Microsoft. (2025). Power BI apps. Power BI Service. Retrieved 2025, from https://app.powerbi.com/groups/me/apps?experience=power-bi

Microsoft. (2025). What is a Power BI business user? Microsoft Learn. Retrieved 2025, from https://learn.microsoft.com/en-us/power-bi/consumer/end-user-consumer

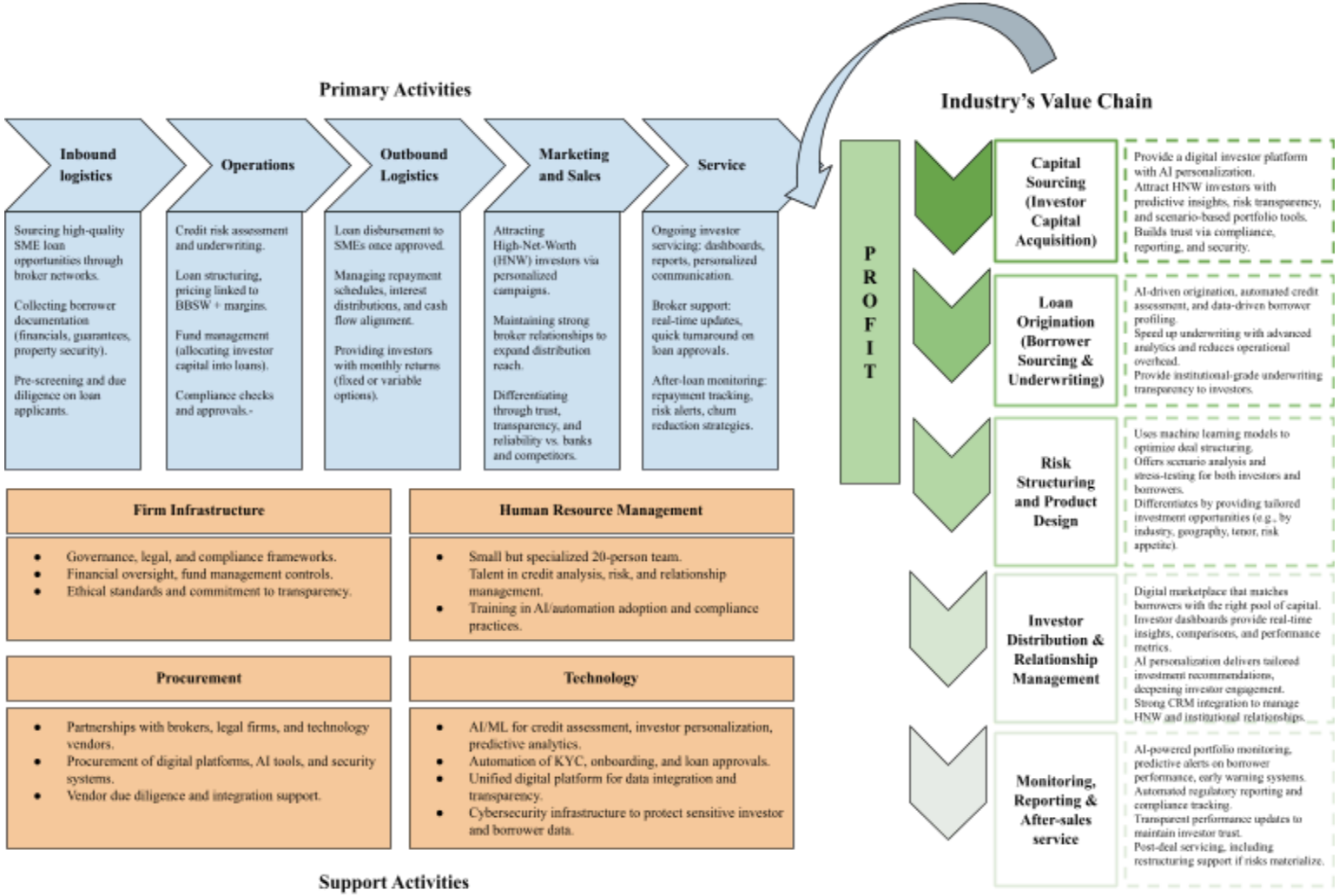
Restack. (2025). Introduction. Restack Docs. Retrieved 2025, from https://docs.restack.io/introduction

Microsoft. (2025). Registered apps – Call an API blade (Azure portal). Microsoft Azure. Retrieved 2025, from https://portal.azure.com/#view/Microsoft_AAD_RegisteredApps/ApplicationMenuBlade/~/CallAnAPI/appId/6d48b106-c92f-4343-9e68-dda8592ac7f3/isMSAApp~/false

11.0 Appendix

11.1 Internal Analysis

11.1.1 Michael Porter's Value Chain Framework



11.1.2 VRIO

Resource/Capability	Valuable	Rare	Inimitable	Organized	Competitive Implication	Current Reality
Established Broker Network	✓	✓	✓	✓	Sustained Competitive Advantage	Strong relationships but managed manually
Conservative Risk Approach	✓	✓	✓	✓	Sustained Competitive Advantage	Reputation for safety in aggressive market
HNW Investor Relationships	✓	✓	✗	✗	Unused Competitive Advantage	Trust exists but no systematic CRM
Experienced Credit Team	✓	✗	✗	✓	Competitive Parity	Good but not scalable without automation
Legacy Tech/Manual Limitations	✗	✗	✗	✗	Competitive Disadvantage	Manual workflows, fragmented systems, lack of digital integration

Sustained Competitive Advantages

1. Broker Network: Deep, trust-based relationships that are hard to replicate.
2. Conservative Risk Culture: Strong reputation for safety valued by HNW investors.

Unused Competitive Advantages

3. HNW Investor Trust: High trust, but no structured CRM or data-driven engagement.

Competitive Disadvantages

4. Slow, Manual Processes: 2-4 week turnaround vs. fintechs' days.
5. Minimal Automation: No predictive analytics or intelligent workflows in place.

Strategic Implications Based on Current State

Preserve:

- Broker relationships (core differentiator)
- Long-standing investor trust

Critical Gaps to Address:

- Tech infrastructure gaps
- Manual process bottlenecks
- Disconnected data systems (Nimo may help?)

While Capspace has strong foundational relationships and reputation, it lacks the operational and technological capabilities necessary for its ambitious growth targets in an increasingly digital competitive landscape. Capspace has strong relationships, but relationships alone won't scale.

11.1.3 BMC

<table>
<tr>
<td rowspan="2">Key Partners

100+ trusted brokers forming the core distribution network

Technology providers: LinkedIn, Firecrawl, Dify.ai, HubSpot, Azure, AWS

Legal and compliance partners</td>
<td>Key Activities
Sourcing and onboarding HNW investors

Loan origination and execution via brokers and direct channels

Credit risk assessment and compliance checks

Portfolio and performance reporting to investors

Broker relationship management and support</td>
<td rowspan="2">Value Proposition

Faster, safer, high-quality lending compared to banks

Fast, flexible funding for SMEs

Attractive, reliable returns for investors</td>
<td>Customer Relationships

Direct broker and investor engagement via calls/emails

Monthly reporting

In-person meetings</td>
<td rowspan="2">Customer Segments

HNW wholesale investors

SMEs needing property-secured loans</td>
</tr>
<tr>
<td>Key Resources

Broker network (100+ trusted brokers)

Investor base

Credit risk expertise

HubSpot CRM

Nimo loan execution platform</td>
<td>Channels

Broker network

Direct outreach (LinkedIn, referrals)</td>
</tr>
<tr>
<td colspan="2">Cost Structure

Broker commissions
Operational costs (staff, systems)
Compliance and legal fees</td>
<td colspan="3">Revenue Streams

Loan interest and fees
Management fees from investors</td>
</tr>
</table>

11.1.4 Mckinsey's 7

Core

Capspace's shared values form the anchor of its organisational identity; Safety and transparency in lending practices, Trust and discipline as the foundation of relationships, Technology-led scalability without compromising ethics

Structure

Capspace operates as a lean, technology-enabled private credit firm built around a broker-centric distribution model and centralised governance layer. This structure supports rapid decision-making through delegated authorities, a six-question credit approval test, and a rigorous credit committee process.
Its flat and scalable design ensures operational agility, aligning with McKinsey's emphasis that structure should evolve to enable, not restrict, strategic execution (Waterman, Peters, & Phillips, 1980).

Strategy

Capspace's strategy prioritises sustainable, risk-aware growth by providing secured private credit loans between $500,000 and $10 million to SMEs, funded by wholesale high-net-worth (HNW) investors. The firm excludes land and construction loans to maintain liquidity and asset stability. This approach aligns with the 7S principle that strategy should express clear differentiation while maintaining coherence with structure and systems (Peters & Waterman, 1982). Capspace's roadmap seeks to scale from $180M to $1B AUM by leveraging AI-driven credit analysis, workflow automation, and digital investor platforms, ensuring efficiency without sacrificing its "speed with discipline" DNA.

Systems

The company's core systems integrate property-secured loan processing, monthly investor payouts (variable to RBA rate), and AI-enhanced compliance workflows (e.g., automated KYC, document management via SharePoint, predictive broker analytics via Nimo and Power BI).
Capspace's system maturity remains a critical success factor; its digital backbone (Azure + event-driven architecture) embodies McKinsey's view of systems as the "nervous system" that sustains organisational performance (McKinsey & Company, n.d.).

Skills

Key organisational skills include credit risk assessment, fund management, investor servicing, and compliance design.
Employees possess deep expertise in SME lending and property-backed credit, supported by growing capabilities in AI, data analytics, and workflow automation.
This skills base enables Capspace to bridge traditional finance discipline with technological innovation, reinforcing the 7S idea that competencies must adapt to sustain strategic fit (Waterman et al., 1980).

Staff

Capspace's workforce consists of experienced brokers, underwriters, and financial operations staff, supported by a leadership team with deep private credit experience.
The culture promotes trust, accountability, and investor-first service, embodying its market reputation for conservative risk and reliable performance.
Strong governance artefacts (credit committee, delegated approvals, audit trails) indicate a disciplined and professional staff environment.

Style

Capspace's management style is risk-aware, execution-focused, and data-informed. Leadership fosters speed with prudence, ensuring every strategic decision balances innovation with governance.
This pragmatic style preserves investor trust while pursuing growth through controlled automation and human-in-the-loop decision-making.
Such alignment between leadership behaviour and organisational culture is central to McKinsey's model (Peters & Waterman, 1982.

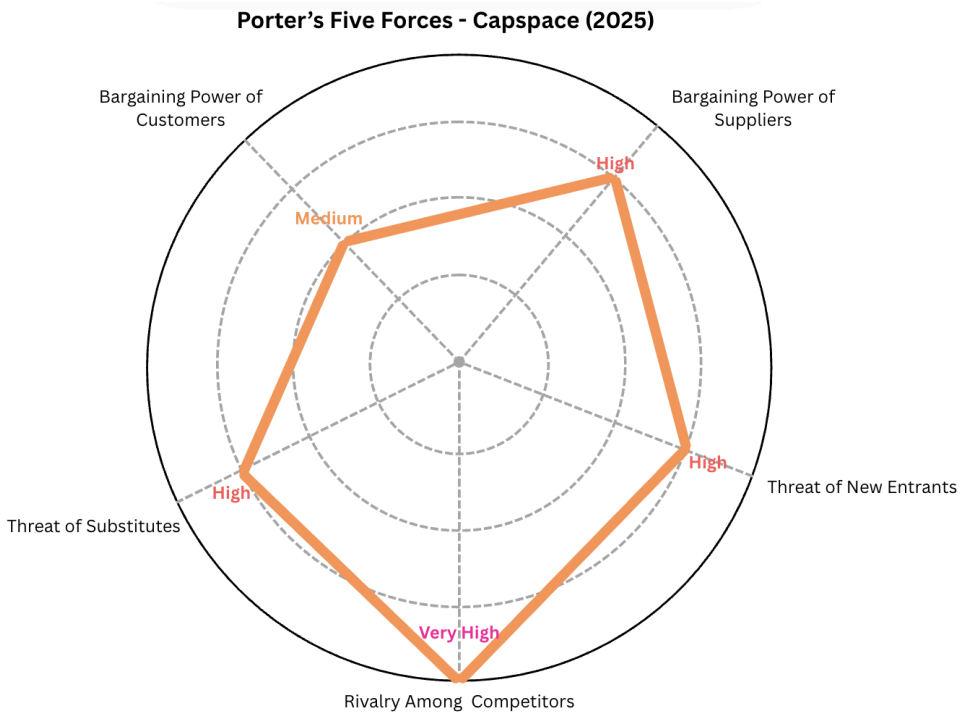
11.2 External Analysis

11.2.1 PESTLE

P POLITICAL	E ECONOMIC	S SOCIAL	T TECHNOLOGICAL	E ENVIRONMENTAL	L LEGAL
Impact: Medium • Limited involvement in shaping private credit policy (ASIC, 2025a) • Light regulatory touch enables agile product development (Chambers & Partners, 2025) • Opportunity for SME program partnerships (ASIC, 2025b) • Policy changes could abruptly alter rules (ASIC, 2025a)	*Impact: Medium–High* • 20-person team limits scaling capacity (Capspace Project Report, 2025) • Over-reliance on property-backed loans (RBA, 2025) • Investor appetite strong: A$188B private credit AUM (HSF Kramer, 2025) • 90% SMEs open to non-bank lending (Foresight Analytics, 2024) • Downturns may trigger defaults (RBA, 2025)	*Impact: High* • Weak personalization in HNW digital channels (Capspace Project Report, 2025) • Public lacks awareness of private credit (ASIC, 2025b) • HNW & super funds increasing allocations (Chambers & Partners, 2025) • Negative media coverage/AI misuse risks trust (Professional Planner, 2025)	*Impact: High* • Dependence on external platforms (Capspace Project Report, 2025) • Legacy systems hinder AI rollout • AI/ML adoption improves credit analytics (Wellington, 2025) • Cybersecurity breaches = severe risk (Wellington, 2025)	*Impact: Medium* • No ESG-linked loan structures (APRA, 2024) • Climate risk reduces collateral reliability (The New Daily, 2025) • ESG integration can attract investors (Climate Council, 2025)	*Impact: Medium* • Rising ASIC oversight on disclosure & leverage (ASIC, 2025b) • Small teams may struggle with compliance lift • Early adaptation may secure advantage (Professional Planner, 2025) • ASIC targeting major funds like Metrics (InvestorDaily, 2025)

11.2.2 Porter's Five Forces

Force	Analysis	Threat Level
Threat of New Entrants	• Low regulatory barriers make market attractive for fintechs and private funds (ASIC, 2025a) • Rapid growth: private credit market A$188B AUM, growing faster than traditional business debt (HSF Kramer, 2025) • Tech platforms and AI adoption lower cost to enter • Capspace lacks scale advantages to block new players	High
Bargaining Power of Suppliers (Capital + Brokers)	• Brokers are key distribution channels, highly contested by all lenders (IFM Investors, 2025) • Tech expectations rising: brokers favor faster, automated lending platforms • Platform integration costs increase switching friction • Alternative channels (peer-to-peer, direct lending) give brokers more power	High
Bargaining Power of Customers (Investors)	• Institutional investors demanding stronger governance, real-time reporting, and transparency (Professional Planner, 2025) • Falling interest rates offer investors more options, reducing stickiness • HNWIs increasingly compare with liquid alternatives like REITs and bonds • Speed and digital experience now influence investor preference	Medium
Threat of Substitutes	• Listed credit funds, corporate bonds, REITs offer higher liquidity and pricing transparency • SMEs also have access to invoice financing, trade credit, merchant cash advances • Peer-to-peer platforms gaining institutional funding, bypassing brokers and offering unsecured or low-collateral loans (Foresight Analytics, 2024)	High
Rivalry Among Existing Competitors	• Market crowding: Semper, Aquamore, Thinktank, La Trobe, Metrics, and Pallas competing head-to-head • Speed-to-market is now critical, delayed approvals lose deals • AI-driven underwriting and broker platforms are competitive weapons • Price pressure rising due to similar products and investor overlap (Wellington, 2025)	Very High



11.2.3 Operating Environment: Considerations Important to Capspace

Your Market:

- New Markets
    - Financing space shifting, overseas investors are accepting lower returns. Might mean investor growth for Capspace, but also competitive rates of competitors.
    - More appetite for flexible private credit in the global space means possible international growth (difficult)
- Market Size
    - Growing appetite of HNW seeking alternatives to traditional banks
    - High demand = new entracts, thus higher competition in the space
- Growing or declining
    - The market is growing, with an expectation of 750% Market share growth 3-4 years.
- Current Markets
    - Current markets are slow, with higher trust and risk controls
    - If traditional banks shift into faster products, may evolve into a strong competitor

Your Industry:

- Power of buyers
    - Investors: HNW investors have many options, Capspace thus must make good investment decisions, and take limited marginn to remain competitive.
    - Brokers: Broker loyalty is a major asset, however must maintain relationships to ensure consistent and continuous customer pipeline.
- Competitive Rivalry
    - New competitors: Unregulated private credit sector means lower barriers to entry, quicker entry to leverage digital platforms.
    - Current Competitors: Other PC funds and banks can encroach on safe / fast loans.
- Power of Suppliers / Vendors
    - Williness to invest completely controls Capspace's model, giving significant power
    - Brokers as distributors: With many brokers and dealers in the market, Capspace provides loyalty, needs to ensure speed and efficiency to remain connected.

Your Operating Environment:

- Global Forces
    - Global unstable conditions
    - Regulations shifting with bad actors in the PC space
    - Technology dependence
- Economic indicators
    - Volatile markets in an industry which is inherently illiquid is a major concern
    - With the small businesses industry growing, flexible loans are a competitive option to provide, which also denotes rising competition
- Technology trends
    - Automation and AI in the global market, investors and partners may come to expect AI
    - Blockchain smart contracts are becoming commonplace.
    - Risk of AI and data must be addressed parallel with adoption and implementation

11.2.4 Market Gap and Scenario Analysis

1. Market Gaps Across the Private Credit Value Chain

(i) Capital Sourcing

Gap: Institutional investors (HNWIs) want exposure to private credit but face fragmented access, lack of standardized deal flow, and opaque risk-return profiles

Capspace Edge: Provides a centralized digital platform that aggregates opportunities, increasing transparency and lowering search costs.

(ii) Loan Origination

Gap: Borrowers, especially mid-market corporates, lack efficient channels to access flexible credit compared to large corporates that banks prioritize. Current origination is manual, relationship-driven, and geographically fragmented.

Capspace Edge: Digital origination capabilities + AI-driven borrower screening improve efficiency and lower barriers for mid-market borrowers.

(iii) Risk Structuring

Gap: Risk modeling is inconsistent across lenders. Many investors lack tools to understand credit risks in granular, scenario-based ways.

Capspace Edge: Proprietary risk analytics, scenario analysis, and AI-driven credit scoring provide investors confidence and enable dynamic structuring.

(iv) Investor Distribution

Gap: Limited secondary liquidity and constrained access to syndicated private credit deals mean most investors are "locked in."

Capspace Edge: Technology-enabled deal syndication and fractionalization allow broader investor participation and exit options.

(v) Monitoring & After-Sale:

Gap: Manual monitoring of borrower performance, covenant tracking, and portfolio performance reporting leads to lags in investor communication.

Capspace Edge: Real-time monitoring dashboards, automated reporting, and predictive alerts provide ongoing transparency.

2. Scenario Analysis for Private Credit & Capspace

Scenario A - "Institutional Dominance" (Baseline / Incremental Growth)

- Private credit continues to grow but remains concentrated among mega-funds (Blackstone, Apollo, KKR).
- Market barriers remain high for smaller investors.
- Implication: Capspace thrives by positioning as an "access enabler", providing deal flow transparency and syndication to investors unable to play in the mega-fund arena.

Scenario B - "Democratized Access" (Disruptive Growth)

- Regulators loosen rules for private credit participation (e.g., HNW & semi-pro investors gaining wider access).
- Technology platforms scale, enabling global cross-border investments.
- Implication: Capspace captures this wave by offering fractionalized private credit investments, becoming the "Wealthfront of private credit." Network effects accelerate growth.

Scenario C - "Risk Shock & Consolidation" (Downside Risk)

- A credit downturn (defaults in private debt, higher interest rate stress) causes losses and investor pullback.
- Regulators impose stricter transparency, monitoring, and capital adequacy requirements.
- Implication: Capspace must pivot into risk infrastructure, offering analytics and monitoring tools as compliance solutions. Survivors will rely on Capspace's technology layer, even if direct deal-making slows

3. Strategic Takeaways

- Gap Advantage: Capspace's edge lies in digitizing a highly manual, relationship-driven market across the entire value chain.
- Scenario Readiness:
    - Scenario A → Distribution/Access Enabler.
    - Scenario B → Democratization & Platform Scale.
    - Scenario C → RegTech & Monitoring Backbone.
- Resilience: By embedding itself in risk structuring + monitoring, Capspace hedges against downturns while still capturing upside in democratization scenarios.

11.2.5 Benchmarking

Value Chain Activity	Traditional Private Credit Funds	Alternative Lending Platforms	Institutional Asset Managers	Capspace
Capital Sourcing	Depend on large institutional LPs (pensions, sovereign wealth funds). High concentration risk.	Crowd-sourced from retail + HNW investors via digital channels. Smaller ticket sizes.	Access to bank deposits, corporate mandates, and global LP bases.	Hybrid approach: targets HNW + family offices underserved by traditional funds, with potential for institutional partnerships.
Loan Origination	Relationship-driven, manual, often slow. Deep networks in mid-market and PE-backed firms.	Digital-first onboarding, faster origination, but weaker underwriting depth.	Originate through corporate + syndicate banking relationships.	Uses tech-enabled origination with scenario modeling, but keeps a curated, relationship-driven approach to maintain quality.
Risk Structuring	Strong structuring, covenants, downside protection. Resource-heavy.	Often standardized risk buckets, less sophisticated protections.	Advanced structuring capabilities, but rigid regulatory compliance.	Positioned to provide customized risk structuring for HNW needs, balancing sophistication with agility.
Investor Distribution	Focus on large LP allocations (>$50m tickets). Not accessible to HNW investors.	Platforms market smaller ticket deals broadly. Accessibility is strength.	Structured fund distribution through institutional channels.	Unique advantage: digital-first distribution for HNW investors, with dashboards and AI-driven matching of risk/return preferences.
Monitoring & Reporting	Heavy manual monitoring; quarterly or semi-annual reporting.	Some real-time dashboards, but less transparency in private markets.	Strong reporting but standardized, limited personalization.	Differentiates with real-time monitoring + scenario analysis, tailored investor dashboards, predictive analytics.

- **Traditional Private Credit Funds** (e.g., Blackstone Credit, Apollo, KKR Credit)
- **Alternative Lending Platforms** (e.g., Direct Lending fintechs, marketplace lenders like Percent or Yieldstreet)
- **Institutional Asset Managers / Banks** (large institutions offering structured credit solutions)

3. Key Insights from Benchmarking

- **Gap vs Traditional Funds**: Capspace is more **accessible** and **digitally enabled**, while funds are slower and institution-heavy.
- **Gap vs Alternative Platforms**: Capspace offers **greater sophistication in structuring and monitoring**, avoiding the "commoditized risk" trap of retail lending platforms.
- **Gap vs Asset Managers**: Capspace is more **agile** and can personalize reporting and origination, while asset managers are constrained by scale and regulation.

4. Competitive Edge for Capspace

- **Digital differentiation**: Real-time dashboards, AI-driven insights, predictive analytics.
- **Investor niche**: Targeting **HNW and family offices** with curated, high-quality private credit opportunities.
- **Agility**: Faster origination and structuring than funds and banks, but not sacrificing depth.
- **Trust-building**: Transparent monitoring → builds credibility in a market where reporting lags are the norm.

11.3 Meeting / Interview Questions

Mentor Meeting: 11 August with Peter Hartley

1. Project Description, Background, and Research
Q: Where does this project fit into the big picture?
Q: Implementation vs. recommending big picture?
Q: What would be the key phases, resources, and timelines if these strategies were implemented? Which systems or platforms are currently essential, and how well do they integrate?

2. Internal Constraints
Q: Are there any internal constraints we should be aware of? (e.g., budget, technology, compliance, legal)

3. Goals and Direction
Q: What are the short and long-term growth goals?
Q: What is the investment direction?
Q: What is the attitude toward scale and ambition?
Q: Workforce size?
Q: Risk tolerance?

4. Director's Responses to Initial Ideas
Q: How did the directors respond to five initial suggestions?

5. Unique Selling Proposition (USP)
Q: What differentiates Capspace?

6. Investor Offerings
Q: What products are currently offered to investors?

7. Pillar Prioritisation
Q: Which pillar is the top priority?

8. Investor Acquisition & Feedback
Q: Through which channels do you currently acquire HNW investors?
Q: What feedback do clients most often give?

9. Broker Distribution
Q: What pain points do brokers face?

10. AI, Automation, and Integration
Q: What role do you see for AI and automation?
Q: What AI capabilities are desired in the long term?

11. Competitor Positioning
Q: How do you compare with competitors?

Partner Meeting: 18 August with Tim Keith and Daniel Dusevic

1. Project Description, Background, and Research
Q: What is the hierarchy of values you attribute to growth, ESG, and risk?
Q: Are there any external constraints we should be aware of?
Q: Are there any internal constraints we should be aware of?

2. Strategic Positioning and Competitive Landscape
Q: Is there a firm that currently offers what you have in mind? How do you differentiate yourself?
Q: What performance metrics matter most when benchmarking?

3. Core Project Purpose and Goals
Q: Apart from investors and clients, who are key stakeholders?
Q: Is investor retention part of the scope?
Q: Should operational cost reduction through automation be considered?
Q: What risks do banks overestimate or underestimate that Capspace could leverage?

4. Pillar 1: Attract and Engage a Broader HNW Investor Base

Q: Why is there a focus on HNW investors?

5. Pillar 2: Expand Loan Distribution

Q: Are you planning to expand into new product categories?
Q: How do you define a "quality loan"?

Partner Meeting: 25 August with Nadia Renaud

1. Project Description, Background, and Research

Q: Is there a firm that currently offers what you have in mind? How does Capspace compare to other lenders (banks, fintechs, etc.)?
Q: What type of investors does Capspace typically work with?
Q: Do you feel Capspace balances borrower and investor needs effectively?

2. Pillar 1: Attract and Engage a Broader HNW Investor Base

Q: In your past Investor Relations experiences, what aspects felt insufficiently personalized or inefficient?
Q: What aspects do investors value most in their interactions?
Q: Would investors consider using AI tools?
Q: What are the most common reasons potential investors do not proceed?
Q: How does Capspace currently gather feedback from HNW investors?

3. Pillar 3: Drive Operational Efficiency at Scale

Q: Which manual processes are the most frustrating or time-consuming?
Q: What real-time visibility metrics would support better operational decision-making?
Q: Which controls should remain human-in-the-loop and which can be automated?

Mentor Meeting: 1 September with Peter Hartley

Purpose: Weekly check-in focused on KPIs, data access, website/content, deliverable priorities, and process guidance.

1. Project KPIs & Measurement

Q: How should we define KPIs and metrics?

2. Data Access

Q: Can we access HubSpot data for analysis?

3. Internal Survey

Q: Is it okay to run an internal needs survey?

4. Broker Liaison

Q: Any update on broker liaison?

5. Website & Marketing

Q: Feedback on the current Capspace website?

6. Low-Hanging Fruit

Q: What short-term wins should we prioritise?

7. Presentation vs Report

Q: How should we split emphasis between the deck and the report?

8. Mentor Guidance

Q: Any process advice?

Mentor Meeting 15 September with Peter Hartley

1. General Notes

Q: What is the balance between specificity of KPIs and broader descriptions?
Q: How should we approach short-term vs long-term planning?
Q: Any guidance on overall project direction?

2. Tasks and Resources

Q: Who else should we speak to for primary research beyond the planned survey?
Q: What data can we use to support our work?

3. Broker Strategy

Q: What are the goals for broker acquisition and strategic relationships?
Q: Are there any key policies and risks to note?
Q: Any ethical concerns in scaling broker and investor growth?

4. Investor Engagement

Q: Any specific instructions for investor-related data?

5. Marketing Data and Profiling

Q: What is the current state of marketing data and segmentation?

6. Broker Workflow and Technology

Q: What is the current broker workflow?
Q: What tools are used for broker management?
Q: What are the growth KPIs?

7. Security and Compliance

Q: Who should we talk to for security and compliance?

8. Technology and Tools

Q: Are blockchain or AI agents currently in use?
Q: Any closing guidance?

Partner Meeting: 22 September with Yvonne Kola

1. Pillar 2: Expand Loan Distribution

Q: What do you expect Nimo to be able to do, and what will it still be missing when fully implemented?
Q: Can you explain the broker workflow from deal submission to approval?
Q: Which part of the workflow do brokers care about most?
Q: How can digital tools improve broker onboarding and communication?

2. Pillar 3: Drive Operational Efficiency at Scale

Q: What are the current automation friction points and opportunities?
Q: Where do you see the greatest operational risks today?

3. Project Description, Background, and Research

Q: What are the current security and compliance policies?
Q: How does Capspace decide between building technology in-house vs. third-party integration?

4. Pillar 1: Attract and Engage a Broader High Net Worth (HNW) Investor Base

Q: What is the current investor demographic?
Q: What do HNW investors value most?
Q: Can you outline the investor onboarding workflow

11.4 Calculations

11.4.1 Assumptions

Category	Typical Annual Growth (%)	Min	Med	Max	Rationale
Microsoft Azure Infrastructure	20-25%	20.00%	22.50%	25.00%	Reflects rising data volumes (Event Hubs, Synapse, Sentinel GB/day), API calls, and retention expansion. Can flatten to 15 % YoY after optimization or reserved-instance commitments.
3rd Party API Services	10-15%	10.00%	12.50%	15.00%	Growth from higher model/API usage (OpenAI, Hugging Face, Dify, Firecrawl) as workflows expand, but slower than raw infrastructure.
Security & Governance	5-8%	5.00%	6.50%	8.00%	Driven by Tenable/Cobalt renewals, additional asset coverage, and compliance tooling (e.g., CPS-234). Cost per asset is fairly steady, but scope widens modestly.
Professional Services	4-6%	4.00%	5.00%	6.00%	Mainly salary inflation for FTEs (+4 %) + occasional training or specialist support. Assume stable headcount with CPI-linked increases.
Operational & Miscellaneous	8-10%	8.00%	9.00%	10.00%	Licenses and productivity tools (Power BI Pro, M365 Copilot, GitHub Actions) scaling with user count; moderate expansion of internal analytics seats.
Blockchain & Smart Contract Layer	15-20%	15.00%	17.50%	20.00%	Costs rise mainly from increased transaction volume, on-chain data writes, and validator/node throughput. Even if gas prices fluctuate, usage expansion and tokenized workflows usually add 10–15 % real growth plus 3–5 % inflation.

11.4.2 Cost Analysis

Year 1	Cost (Monthly)	Cost (Annual)
Microsoft Azure Infrastructure	$7,284.48	$87,413.73
3rd Party API Services	$415.03	$4,980.36
Security & Governance	$1,663.09	$19,957.04
Professional Services	$22,500.00	$270,000.00
Operational & Miscellaneous	$508.20	$6,098.40
Total 1st Year Costs	**$32,370.79**	**$388,449.53**

Year 2	Min Cost (Annual)	Med Cost (Annual)	Max Cost (Annual)
Microsoft Azure Infrastructure	$104,896.47	$107,081.81	$109,267.16
3rd Party API Services	$5,478.40	$5,602.91	$5,727.41
Security & Governance	$20,954.90	$21,254.25	$21,553.61
Professional Services	$280,800.00	$283,500.00	$286,200.00
Operational & Miscellaneous	$6,586.27	$6,647.26	$6,708.24
Total 2nd Year Costs	**$418,716.04**	**$424,086.23**	**$429,456.42**

Year 3	Min Cost (Annual)	Med Cost (Annual)	Max Cost (Annual)
Microsoft Azure Infrastructure	$125,875.77	$131,175.22	$136,583.95
3rd Party API Services	$6,026.24	$6,303.27	$6,586.53
Security & Governance	$22,002.64	$22,635.78	$23,277.90
Professional Services	$292,032.00	$297,675.00	$303,372.00
Operational & Miscellaneous	$7,113.17	$7,245.51	$7,379.06
Blockchain & Smart Contract Layer	$11,952.75	$11,952.75	$11,952.75
Total 3nd Year Cost	**$465,002.57**	**$476,987.53**	**$489,152.19**

Year 4	Min Cost (Annual)	Med Cost (Annual)	Max Cost (Annual)
Microsoft Azure Infrastructure	$151,050.92	$160,689.65	$170,729.93
3rd Party API Services	$6,628.86	$7,091.18	$7,574.51
Security & Governance	$23,102.77	$24,107.10	$25,140.13
Professional Services	$303,713.28	$312,558.75	$321,574.32
Operational & Miscellaneous	$7,682.23	$7,897.60	$8,116.97
Blockchain & Smart Contract Layer	$13,745.67	$14,044.48	$14,343.30
Total 4th Year Cost	**$505,923.73**	**$526,388.77**	**$547,479.16**

Year 5	Min Cost (Annual)	Med Cost (Annual)	Max Cost (Annual)
Microsoft Azure Infrastructure	$181,261.10	$196,844.82	$213,412.42
3rd Party API Services	$7,291.75	$7,977.57	$8,710.68
Security & Governance	$24,257.91	$25,674.07	$27,151.34
Professional Services	$315,861.81	$328,186.69	$340,868.78
Operational & Miscellaneous	$8,296.81	$8,608.39	$8,928.67
Blockchain & Smart Contract Layer	$15,807.52	$16,502.27	$17,211.96
Total 5th Year Cost	**$552,776.89**	**$583,793.81**	**$616,283.85**

Total Costs Across 5 Years

Min Cost	**$2,330,868.76**
Med Cost	**$2,399,705.87**
Max Cost	**$2,470,821.15**

11.4.3 Benefit Analysis

Cumulative NPV Benefit (A$) at 9% Discount Rate

Horizon	Nominal Benefit in Horizon (A$)	NPV @ Discount Rate (A$)	Commentary
Year 1	$42,528,000	$39,016,514	Acquisition, Experience Layer, Retention, Broker Ops, KYC/Payments, Sec/Gov, Data Platform
Year 3	$5,916,500	$4,568,624	Portfolio Insight, Broker Assignment, Proactive Risk, Serverless Scale, Forecasting, Full-Stack Prep
Year 5	$7,150,000	$4,647,009	AI Broker Matching, Smart-Contracts, End-to-End Transparency, Governance Backbone v3, Production SRE & Serverless
Cumulative (Nominal & NPV)	**$55,594,500**	**$48,232,147**	**NPV across Switch-On, Transition, Scaling**

ROI Summary

Metric	Value	Interpretation
Net Benefit (NPV - Cost)	$45,932,147	Value created after total cost
ROI Multiple (NPV / Cost)	21.0	Return per $1 invested
Payback Period (yrs)	0.06	Time to recover cost from Switch-On phase NPV

Relation to $1B+ AUM Trajectory

Driver	Link to Goal	$AUM Quantified Contribution
Investor Growth & Retention	More qualified HNW investors, faster follow-up, lower churn, always-on transparency for trust and reinvestment	$157,626,000
Broker Productivity & Distribution Efficiency	Higher-quality matches, SLA-aware routing, compressed submission→indicative→credit timelines	$33,345,000
Execution Efficiency & Automated Settlement	Smart-contract settlement, automated KYC/payments, live ops visibility with explainable exceptions	$1,368,000
Scalable Cost Base / Infrastructure Economics	Serverless cost curve, P95 latency <300ms, 99.9% uptime and SRE-style discipline protecting margin at scale	$736,000
Total Strategic Contribution to A$1B+ AUM (4years)		**$193,075,000**

12.0 Team Contributions

Executive summary **(Gabriel and Tim)**
1.0 Introduction and Background **(Qihang)**
2.0 Research Methodology and Data Analysis **(Celia)**
3.0 Current State & Pain Points
- 3.1 Attract and Engage a Broader High Net Worth (HNW) Investor Base **(Qihang & Tim)**
- 3.2 Expand Loan Distribution **(Tammy, & Tim)**
- 3.3 Drive Operational Efficiency at Scale **(Celia, & Tim)**

4.0 Recommendations Pinned to Objectives
- 4.1 (i) “Switch-On Stack”: 0-12 Months **(Tim & Gabriel)**
- 4.2 (ii) “Transition Stage”: 12-36 Months (Preparation for Full-Stack Development) **(Tim & Gabriel)**
- 4.3 (iii) “Platform Development and Scaling”: 36-60 Months **(Tim & Gabriel)**

5.0 Tech Enablement & Operating Model **(Tim & Gabriel)**
6.0 Phased Roadmap **(Tim & Gabriel)**
7.0 Constraints & Risks
- 7.1 Internal Constraints and Risks **(Tammy & Celia)**
- 7.2 External Constraints and Risks **(Qihang)**

8.0 Conclusion & Next Steps **(Tammy)**
9.0 References **(Celia, Tim, Gabriel, Tammy, Qihang)**
9.1 Technology References **(Celia, Tim, Gabriel, Tammy, Qihang)**
11.0 Appendices
- 11.1 Internal Analysis **(Celia Zhang)**
- 11.2 External Analysis **(Celia Zhang)**
- 11.3 Meeting / Interview Questions **(Celia, Tim, Gabriel, Tammy, Qihang)**

11.4 Calculations
- 11.4.1 Assumptions **(Tim)**
- 11.4.2 Cost Analysis **(Tim)**
- 11.4.3 Benefit Analysis **(Tim)**

12.0 Team Contribution