

Lauren Hogan
Financial System Division
The Treasury
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Dear Ms Logan

I am a principal of Cunnington & Co Group see <https://www.linkedin.com/in/don-cunnington-77616412/> a private investment house operating since 1992. It is a family business owned with my wife Jennet Cunnington <https://www.linkedin.com/in/jennet-cunnington-6a50aab8/> . I have attached an Outline of our personnel all of whom have considerable experience in the space of SME Finance including Origination, Underwriting, and Servicing.

In the section below **FUTURE** – we have outlined the ways in which we wish to collaborate with the ABSF including

1. Providing our **Trusts technology for SME lenders wishing to provide assets** from which Debt Securities will be sold to ABSF structure in a familiar legal structure prepared by our lawyers Freehills
2. Utilizing the **Credit platform of SME Bank in a Box** to analyse and filter compliance with ABSF Rules (Credit Policy / Risk Appetite)
3. **Providing First Loss piece** for those SME Lenders whose assets pass through the above Credit platform

There are now 4 key parts of our operating Group as follows:

Left to Right

1. (Future) SME Bank Limited - **Applicant for a full banking licence from APRA** at advanced stage of negotiations. A committed shareholder is Nomura – the Asian Bank
2. **Funds Manager** – the initiatives taken see <https://altitude.fund> for a Private Sector Fund (in parallel with the present ABSF as a Public Sector Fund as suggested in the Ombudsman's Report)
3. **Servicer** (formerly with an S&P Servicer Rating for 8 years) – now moving to compliance with GS 007 supervised by BDO see https://www.auasb.gov.au/admin/file/content102/c3/GS_007_12-03-08.pdf
4. **Technology Developer** for 20 years and owner of the IP for our SMEBank in a Box technology platform, and our PayNow Card and Payment Gateway technology

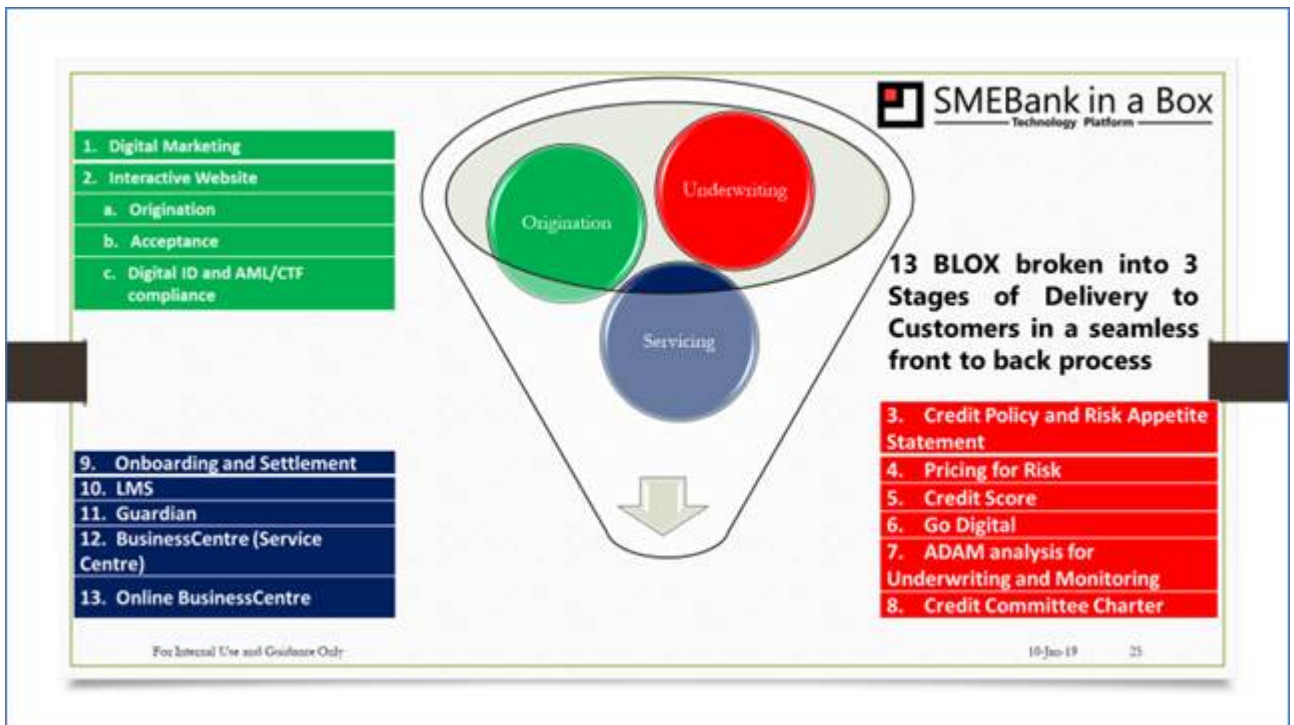
The 4 Businesses



History

The Cunnington & Co Group has

1. Provided several hundred million \$ of loans to SME's over the last 25 years
2. Built IT platforms for the complete front to back process of 13 Key steps as follows:



Present

1. Altitude Funds Management Limited (a new public corporate) has arranged the initial \$100m of funding for SME Assets in an A Note and B Note (That funding has commitments to increase – our target is \$20 billion build-up next 10 years and some 50,000 SME Borrowers)
2. The Trustee owns the Business name SME Fund
3. It is offering origination of SME Assets to some 20 originators and channels
4. Once Licenced – **SME Bank will complement SME Fund** differing (as to duration matching of Assets / Liabilities) as follows:

SME Bank

1. **Deposit Taking** – Aust Govt Guarantee <\$250k
2. Transaction **Clearance** – New Payments Platform
3. Current Assets / Current Liabilities (Short Term **Loans** / Short Term Deposits < 12 months)
4. No Origination of Long Term (Non-current) assets
5. **Technology Bank** – owns Licensing rights to **SMEBank in a Box** in Australia and NZ
6. **Investment Bank** – raises funds for Fund Manager for Fees
7. Does not loan or Invest monies with Funds Manager
8. **Wealth Management** distribution – includes Notes from Funds manager

Why SME Bank and SME Fund?

ALTITUDE Funds Management

1. No Deposit Taking – no borrowing from SMEBank
2. Payment Clearance and Current Accounts – uses SMEBank
3. Non-Current Assets / Non-Current Liabilities (Notes to 5 Years duration)
4. Origination of Long Term (Non-current) assets directly from Origination Channels
5. Adopts and uses **SMEBank in a Box** for all channel processing

1. Provides Digital Marketing and other Origination services
2. Underwriting
3. Servicing

Bank and Funds Manager

Total spectrum of Financial Services across all SME space

25 Jan 18

Future

We have reviewed the materials published to date and discussed with other industry participants and wish to provide our views and make some offers on how we can assist.

1. We have **little to add** to the papers on discussion
2. We endorse the process to **use Trusts** as a vehicle for aggregating SME loan assets and the issue of Debt Securities
3. We believe that whilst silent on the issues of
 - a. **Risk Profile**
 - b. **First Loss** funding
4. The ability to **provide senior funding** without recourse other than to the assets – is a huge leap for this SME space

5. **Not funding First Loss will mean SME Lenders will exhaust** their capacity to grow unless provided elsewhere (which we can provide)
6. The **devil will be in the detail** of the Rules.

Our offer of collaboration

What we can offer ABSF to make this vehicle even more successful than I am sure it can be:

1. The **Trust structure** into which SME Lenders will directly originate assets under a Distribution Agreement which can include Profit sharing
2. The **Credit Analysis** platform
 - a. **Credit Scoring** in real-time
 - b. **Pricing for Risk** based on the Credit Score
 - c. **Real-time analysis** of the Time Series created by connecting Financial Accounting packages from either Cloud or Desktop (we call **GO DIGITAL!!**)
 - d. Constant **Monitoring** in real-time
 - e. Servicing for **Collection and Recovery**
3. The **First Loss** piece to completely re-liquify the SME Lender's position for all those assets which pass across the Credit Analysis platform

Summary

We would welcome the opportunity to develop these ideas at your earliest convenience.

Regards

Don Cunningham, Managing Director **M:** (+61) 412103082

Cunnington & Co Group

<https://cunnington.com/>



SMECASH
BUSINESS FINANCE HERO



SMEBank in a Box
technology platform



<https://altitude.fund><https://smecash.com.au/> www.smebank.technology <http://www.paynow.asia/>

Postal GPO Box 3259, Sydney, NSW, 2001, Australia

BusinessCentre Level 13 / 28 O'Connell St, Sydney, 2000

INTRODUCTION TO KEY EXECUTIVE PERSONNEL

Information for Investors and Lenders

CUNNINGTON & CO

Structured Asset Finance



GPO BOX 3259, Sydney, NSW 2001

Phone: 02 9321 3100 / 1300 819 457

<https://cunnington.com>





All information contained herein is considered true and correct at the date of printing. The information may change and any potential buyers should make their own enquiries

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Board

 Jennet Cunningham	 Don Cunningham	 Mark Sydes	 Saud Mukhtar
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SME CreditLine Limited

 Mark Sydes
 Michael Hade
 Alfred Sayas





Altitude Funds Management Limited

 Alex Brydges
 Ejaaz Charania

C&Co Corporate Services Pty Limited

 Saud Mukhtar
 Wendy Lee
 Greg Trappett
 Sandra Andry
 Elizabeth Aracye

UlyssesIT Pty Limited

 Serge Prikhodko
 Rahul Chauhan
 James Xie
 Seema Kapetkar

Who is Cunnington & Co?

LinkedIn Company Page: <https://www.linkedin.com/company/cunnington-&-co/>

CUNNINGTON & C^o

Structured Asset Finance

Cunnington & Co Group has lent several hundreds of millions \$ to more than 2,000 SME borrowers over the last 25 years. It built a strong reputation for quality and trust among its customers who knew it under the then current brands that included AgriPay, Momentum, Affiniti. After 2016, Cunnington & Co moved rapidly, keeping pace with technology changes to launch brands of UlyssesIT, C&Co Corporate Services, SME Cash, SMEBank in a Box, Altitude Funds Management and SME CreditLine. These entities form the structure for the modern finance world.

Board Members:



Jennet Cunnington

Executive Director at Cunnington & Co Group Services

<https://www.linkedin.com/in/jennet-cunnington-6a50aab8/>



Don Cunnington

Principal at SMEBank in a Box

<https://www.linkedin.com/in/don-cunnington-77616412/>



Mark Sydes

Board Adviser Banking Relations and Compliance at SMEBank in a Box

<https://www.linkedin.com/in/mark-sydes-81866565/>



Saud Mukhtar

General Manager Trust Services at Altitude Funds Management | Company Secretary

<https://www.linkedin.com/in/saud-mukhtar-ba741158/>

SME CreditLine



Who is SME CreditLine Limited?

Full service financier targeting SME lending for short term assets funded from short-term (up to 12 months) deposits

What does it do?

SME CreditLine provides short-term asset funding to SME's via its digital platform – 'SMEBank in a Box'. This platform will also be available for the use of other banks and finco's wishing to originate in the SME space.

Associated brands:

SME Bank Limited/SME Bank – Australia/New Zealand

SME CreditLine will ultimately develop into SME Bank, as such head to be the best trade bank for the SME sector. It will focus on its original concept of a full-service bank targeting SME lending for short term assets funded from short-term deposits.

Team members



Mark Sydes

Board Adviser Banking Relations and Compliance
at SMEBank in a Box

<https://www.linkedin.com/in/mark-sydes-81866565/>



Michael Hade

Board Adviser | Business Development at SMEBank
in a Box

<https://www.linkedin.com/in/michael-hade-11346b53/>



Alfred Sayas

Manager at SME BusinessCentre | Chief Information
Technology Integration Officer

<https://www.linkedin.com/in/alfred-sayas-920a8a113/>

Altitude Funds Management Limited

LinkedIn Company Page: <https://www.linkedin.com/company/altitude-funds-management/>



Who is Altitude Funds Management Limited?

A fixed interest funds manager targeting SME lending, generated via internal and external channels.

What does it do?

Altitude provides multiple medium term (Up to 60 months) SME funding solutions for Autos and Plant & Equipment, Invoice Finance & Export Finance for cashflow and working capital, Insurance PremiumPay, Finance for Import and Inventory, Business Loans for unexpected expenses

Associated brands:

Altitude Partners



Altitude Partners establishes the processes that enable Finance Brokers, Partners, Aggregators and Finance Companies to access Altitude funding for SME finance via the 'SMEBank in a Box' platform.

Altitude Digital Marketing



Altitude Digital Marketing focuses on increasing ROI through low-cost origination, high-volume leads and an *end-to-end* digital customer experience, using digital marketing, producing speedy outcomes.

Team Members



Alex Brydges

Manager | Altitude Partners at Altitude Funds Management

<https://www.linkedin.com/in/alex-brydges-79311935/>



Eijaaz Charania

Digital Marketing Manager | Altitude Digital Marketing at Altitude Funds Management

<https://www.linkedin.com/in/eijaaz-charania/>

C&Co Corporate Services Pty Limited

Who is C&Co Corporate Services Pty Limited?

C&Co Corporate Services Pty Limited "CCCS" is an Asset Backed Servicer and Trust Manager of the Altitude Trusts

What does it do?

C&Co's principal activity is servicing debtor / invoice financing and loan instalments to accredited clients across seven products using SMEBank in a Box. Operating in an automated environment with reliable technology such as Guardian/Gatekeeper (automated system for efficient asset management), Control Account Tracking (linked to client's accounting systems) and Loan Management System (manage loans and collection of arrears).

Associated Brands:

SME BusinessCentre

LinkedIn Company Page: <https://www.linkedin.com/company/sme-businesscentre/>



The BusinessCentre is the "Customer focused" area of the Business, encompassing all the steps that are taken in the 'end to end' lending cycle.

Team Members



Wendy Lee

Manager Finance & Admin at C&Co Corporate Services Pty Limited



Greg Trappett

Team Leader | Customer Service and Credit at SME BusinessCentre

<https://www.linkedin.com/in/gregtrappett/>



Sandra Andry

BusinessCentre Specialist at SME BusinessCentre



Elizabeth Araoye

Credit Analyst at C&Co Corporate Services Pty Limited

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LinkedIn Company Page: <https://www.linkedin.com/company/ulyssesit-pty-limited/>

Who is UlyssesIT Pty Limited?

UlyssesIT started life in 2000 purposefully to develop systems to avoid the slow processes and onerous paperwork connected with borrowing money for the SME. Three core philosophies drive UlyssesIT: Digital Transformation of all businesses to internet service delivery; Customer Centricity allows the empowerment of the end user; Productivity Increase for all users of UlyssesIT technology in their businesses.

What does it do?

UlyssesIT is primarily focused on enhancing “SMEBank in a Box” technology platform. The company also continues to develop Global Platforms to assist with loan origination, management and collection, broker origination CRM.

Associated Brands:



PayNow is a value-added service to clients which includes a payment gateway and card technology enabling SMEs to make business purchases based off long-term loans.

SMEBank in a Box

“SMEBank in a Box” technology platform is a full *end to end* lending platform providing its Partners every service a Bank or Finance company needs to originate, assess, manage and collect financial assets.

Team Members



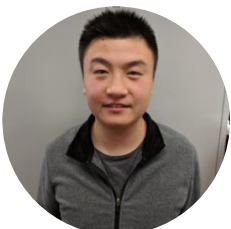
Serge Prikhodko
Senior IT Developer | Head of IT Department

<https://www.linkedin.com/in/serge-prihodko-05038770/>



Rahul Chauhan
Team Leader | .NET Developer at UlyssesIT

<https://www.linkedin.com/in/rahul-chauhan-17b42350/>



James Xie
.NET Developer



Seema Kapetkar
.NET Developer
<https://www.linkedin.com/in/seema-kapetkar-6a04b615/>