

# SME Mortgage Financing Trust

New Commercial Mortgage Trust

The SILC Group is pleased to announce the launch of the **SME Mortgage Financing Trust (Trust)**.

SME Mortgage Managers Pty Ltd (SME) is the Investment Manager and The SILC Group is the Trustee and Administrator for the Trust. The Investment Manager is a Corporate Authorised Representative of The SILC Group.

The Trust seeks to provide wholesale professional and sophisticated investors with the ability to invest into three separate classes of units:



## Senior Pooled Loan Units

Investment in a portfolio  
of senior secured loans



## Junior Pooled Loan Units

Investment in a portfolio  
of junior/mezzanine  
loans



## Discrete Loan Units

Investment in specific  
(typically larger) loans

Each class of units provides for differing risk-adjusted target returns via interest distributions by providing loans for commercial purposes which have varying loan to value ratios, security interests, loan terms and loan repayment options. All loans will be assessed in accordance with a Credit Policy and approved by the Credit Committee. The Trustee will provide oversight into the activities of the Investment Manager with respect to the investment assets and diversification of the Trust.



## About SME Mortgage Managers

SME Mortgage Managers is a specialist financing company that has a highly experienced management team with a proven track-record in the mortgage lending industry. SME is owned and operated by the key persons or their nominees who have extensive experience in identifying and acquiring, then exiting mortgage opportunities through strong referrer channels, demonstrated experience in credit management and contract management.

SME's stated commitment to quality and best practice requires it to maintain a team of experienced specialists with a focus on delivering performance to the wholesale investor. SME is an active manager, employing a disciplined approach to managing investments and mortgage opportunities through continual risk and performance assessment at every level. Most notably its leadership have strong connections and deep expertise in the industry.

Michael Pratt the Managing Director of SME noted that "The well published Royal Commission findings has delivered a number of unique opportunities to the non-bank lending sector, with the SME Mortgage Financing Trust being in an outstanding position to take full advantage of this window of change to assist our clients, as well as many other customers who operate their own businesses and do not fit within the banking lending criteria for one reason or another.

Our business has been built on assisting the small to medium business sector with a turnover of between \$50k to \$250m, this portion of the market being the engine room of the Australian economy and contributes 57% to the Australian GDP and employs nearly 7 million people.

Directors, partners, contractors and self-employed rely on funding for their survival. Having been in this industry for over 35 years, the current banking climate and the changes which are occurring after the Royal Commission, will create long term changes as to how business operators borrow in the future.

The changes which have occurred will only enhance the opportunity for the non-bank lending segment. The SME Mortgage Financing Trust will be a beneficiary of this new way of lending to business.

Our directors and advisors have many years' of experience in business and lending, presenting a significant opportunity to our customers and investors by delivering the essential fundamentals of lending to business and recognising the importance of cash flow and funding. Our directors and staff have the necessary skills, developed over a long period, to deal with and recognise the importance of providing immediate attention to applicants. Investors should take considerable comfort from these qualities and enjoy the rewards that a well-managed lending operation will deliver."

Koby Jones the Managing Director of The SILC Group also noted that "SME is well positioned in the mortgage and financing sector as an established business with an enviable network. The evolution of their business into establishing a Trust that allows investors to participate in their strong deal-flow is a testament to their progressive, agile and innovative approach to the challenging and evolving market and changing regulatory conditions.

In the post Royal Commission landscape, it is incumbent on market participants in the financing and mortgage sector to transition their businesses to develop a stronger and enhanced client offering that is within a complying environment. The SME Mortgage Financing Trust represents an excellent opportunity for wholesale investors to participate in the rapidly growing non-bank financing sector, as well as providing borrowers with attractive private debt.

As the structural shift away from the traditional funding channels in Australia continues, together with the lowering of domestic interest rates and expectations of the official cash rate remaining at historical lows for some time, the SME Mortgage Financing Trust provides access to an alternative investment asset class for investors while supporting diversification and potentially enhancing returns in investors' portfolios.

The SILC Group is pleased to be able to work with SME in establishing the Trust and to provide the Trust with ongoing governance and administration services."

The SME Mortgage Financing Trust is now open for investments to wholesale investors. For more information on SME Mortgage Managers, please visit their website at [www.smefg.com.au](http://www.smefg.com.au)

To obtain a copy of the Information Memorandum or for a confidential discussion about investing in the SME Mortgage Financing Trust, please contact The SILC Group on +61 3 9600 2828 or via email at [investors@silcgroup.com.au](mailto:investors@silcgroup.com.au).



## About The SILC Group

The SILC Group (AFSL No 407100) is a multi-faceted financial solutions provider focussed on the unique needs of discerning wholesale and sophisticated clients. Our experienced team of specialists can provide you with greater access to traditional and alternative investment opportunities.



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SME Finance Group

## About SME Finance Group

SME Finance Group (SME) helps individuals and Australian small and medium size businesses succeed by facilitating their investment in motor vehicles, business equipment, property, cash flow, insurance and much more. We offer a suite of products designed to support the diverse needs of our SME customers.



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