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Pepper Group invests in innovation

Pepper Group Limited (Pepper), (ASX:PEP) has committed US\$1.25m in equity funding to US based, global innovation network, 1776. Pepper was the lead investor in a US\$7.2m round of funding.

Founded in February 2013, and based in Washington DC, 1776 looks to foster start-ups seeking to disrupt regulated fields such as education, energy and sustainability, healthcare, transportation and city planning. Through its incubator program and venture fund 1776 aims to connect participating start-ups with the right insights, mentors, influencers, industry partners, and investors.

The funds will be used to broaden 1776's reach, beyond its existing geographic borders and industry verticals, with a financial vertical to be added in 2016.

This investment is in addition to Pepper's existing innovation efforts. In 2015, Pepper established an in-house innovation team that focuses on improving the customer experience across Pepper's suite of customer finance and lending products. Pepper's innovation team will have access to the business opportunities generated by 1776's start-up companies as well as the mentoring services provided by 1776 encompassed in a 5 year partnership agreement.

Commenting on this investment, Pepper's Co Group CEO, Mike Culhane said "Through our investment in 1776, we are looking to support start-up businesses, and in turn, gain access to new and innovative ideas from a range of industries, not just financial services. The idea that the next 'big thing' in financial services will come only from another financial services player deserves to be challenged."

Pepper's Co-Group CEO, Patrick Tuttle added "At Pepper, we embrace innovation and digital technologies. Our business was founded on the idea of satisfying an unmet need through innovation. In 2001, we realised mortgages did not have to come from banks or other traditional lenders. Pepper secured wholesale funding from Australian banks, applied our own proprietary credit assessment skills and offered home loans to a broad range of customers underserved by traditional lenders."

In return for committing funding, Pepper's Co-Group CEO, Mike Culhane will join the board of 1776.

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“As 1776 is the vanguard of entrepreneurship in the indispensable sectors that affect every aspect of our lives like health, energy, food, money, transportation and security, we’re thrilled to partner with Pepper Group to extend our global reach, said Evan Burfield, 1776 Co-founder and Co-CEO. “We’re also excited to welcome Mike Culhane to our board, and our members will benefit tremendously from his expertise in investing in innovation.”

Pepper is 1776’s first Australian financial investor.

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About Pepper Group Limited

Pepper Group Limited (Pepper) is a specialist residential mortgage and consumer lender and loan servicer, operating in targeted market segments in Australia and internationally, many of which are underserved by traditional bank and other prime lenders. Pepper was established in 2000 and commenced lending as a specialist residential mortgage lender in the Australian market in March 2001. Pepper offers a broad range of lending products including residential mortgages, auto and equipment finance, point-of-sale finance and personal loans. Pepper also provides loan servicing for its own products as well as for third parties across residential mortgages, consumer unsecured and secured loans and commercial real estate (CRE) backed loans. Pepper has become a specialist lending and loan servicing group through a combination of organic growth and targeted acquisitions across Australia, New Zealand, Ireland, the United Kingdom, Spain, South Korea, and Hong Kong and China through its 12% equity interest in PrimeCredit.

At 31 December 2015, Pepper had \$45.5 billion of assets under management (AUM).

About 1776

1776 is the global innovation network that uncovers promising highly scalable startups focused on solving the world’s most fundamental challenges and helps engineer their success. From its headquarters in Washington, D.C., it is sparking a global movement of high-growth startups driving meaningful innovation through its [Challenge Cup](#) and [Startup Federation](#), the premiere network of incubators throughout the world. For information, please visit www.1776.vc or follow us on Twitter @1776.