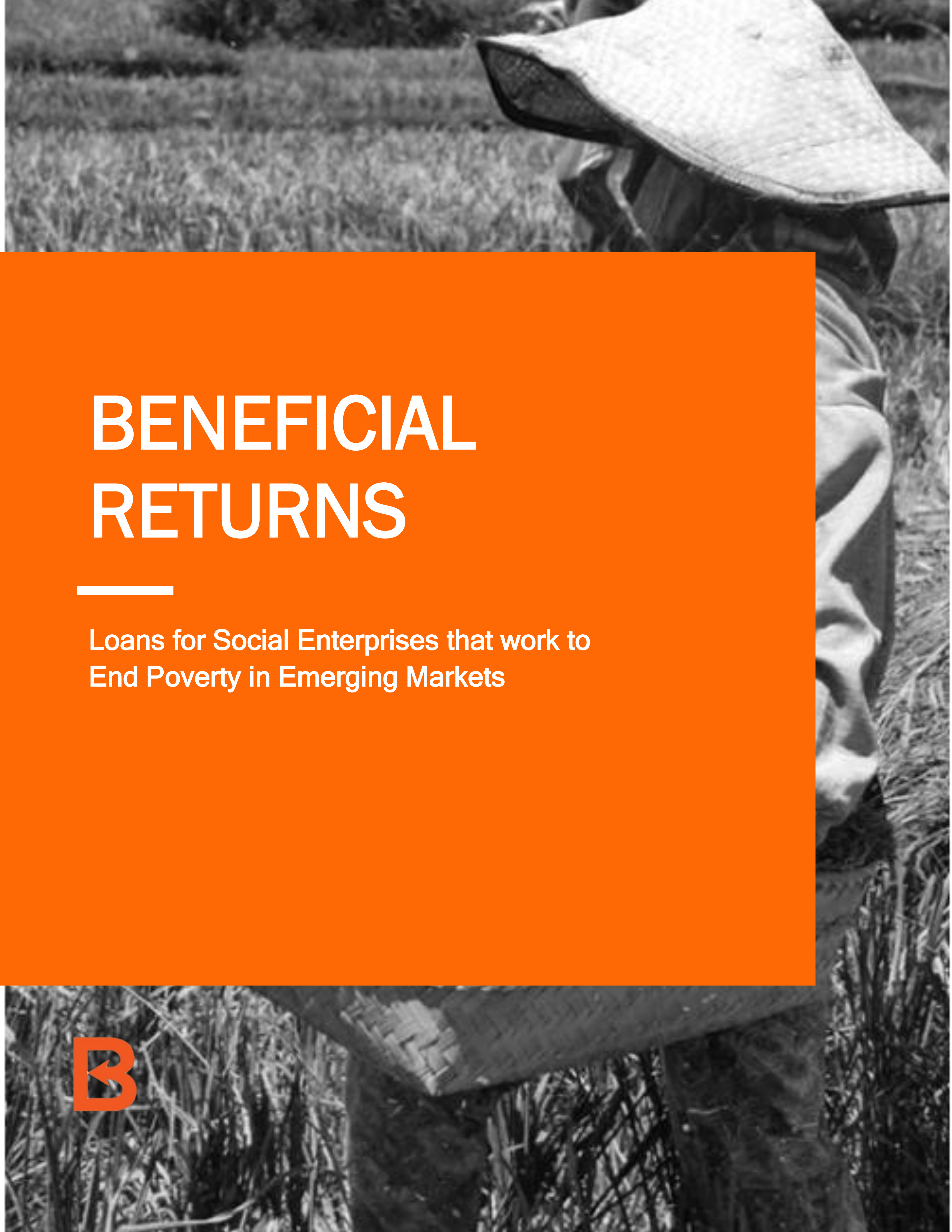


BENEFICIAL RETURNS

Loans for Social Enterprises that work to End Poverty in Emerging Markets

Impact and Immediate Investment Opportunities

IMPACT

Beneficial Returns is an impact investment fund that supports the growth of leading social enterprises that alleviate poverty and protect the natural environment in Latin America and Southeast Asia.

This is the impact our borrowers have achieved cumulatively through Dec 2022.

13M+ DIRECT BENEFICIARIES]

10M+ TONS OF CO2 REDUCED

2,000+ PEOPLE EMPLOYED BY SOCIAL ENTERPRISES

142,000 HOUSEHOLDS ELECTRIFIED

875,000+ HECTARES OF SUSTAINABLY CULTIVATED AND MANAGED LAND

500,000+ CLIENTS WITH ACCESS TO CLEAN WATER

Fund	Type	Amount Needed	Minimum Investment	By When
Beneficial Returns	Investment	$ 500,000	$ 25,000	June 2024
	Loan Loss Guarantee Grant	$ 100,000	$ 25,000	December 2024
	Loan Participations	$1,000,000	$ 25,000	Ongoing
The Reciprocity Fund	Investment	$ 500,000		December 2024

The Need

One of the world's most urgent needs is to help the more than three billion humans living on less than $5/day to lift themselves out of poverty, without further damaging our fragile planet. The Sustainable Development Goal #1 is a clear mandate that captures the shared belief that it is possible to see an end to poverty in our lifetimes: No more poverty by 2030.

In the last quarter century, the world has made significant progress toward an end to poverty, reducing the number of people living in poverty by 60%. This remarkable accomplishment has brought dignity, hope and opportunity to 1.2B people. Now, because of the COVID-19 pandemic and its effects, for the first time in over 20 years, almost 90 million people were estimated to have regressed into extreme poverty, setting progress on poverty reduction back by about 3 years.[1] Whereas it took nearly twenty-five years to uplift the first billion, we have only eight years to end poverty for the next three billion.

Government and the nonprofit and philanthropic sectors have been working aggressively to achieve Sustainable Development Goal #1, but their efforts alone are insufficient to meet the scale and urgency of the need. Reaching this ambitious, yet achievable goal will require the full engagement of the business sector, joining forces with government, nonprofits and philanthropy.

"We can't ask social enterprises to have a big impact if they can't get the resources they need to grow bigger." Alan Hirzel

The rise of the social enterprise sector in the past quarter century has created a bridge between the business sector and public and private development efforts. Social enterprises are addressing some of the biggest contributors to poverty, including declining soil health and low crop yields, lack of access to markets, waste, and limited access to sustainable energy. However, social enterprises, particularly those operating in emerging markets, remain small and under-resourced. The IFC estimates that frontier and emerging market SMEs have an aggregate unmet funding need of over $1 trillion. A Dalberg survey states that over 40% of SMEs in frontier markets cite access to capital as the largest challenge that they face – compared to only 10% in developed countries. This prevents social enterprises from being able to grow their solutions to the scale of the problems they are addressing. As Alan Hirzel wrote in Harvard Business Review, "We can't ask social enterprises to have a big impact if they can't get the resources they need to grow bigger."

The Solution

The world's ability to end poverty by 2030 relies on three key strategies:

1) Scale the involvement of the business sector to complement efforts of public and private nonprofit sectors
2) Accelerate the rate of change by growing the capabilities of effective actors, especially social enterprises.
3) Adequately resource effective solutions with an appropriate mix of capital with relevant return expectations.

Social enterprises are effective solutions delivered by sustainable businesses, making them critically important actors in the mission to reduce poverty. Social enterprises engage people and communities as partners in effecting change, as opposed to passive recipients of aid, making it more likely that they will sustain and grow the gains achieved. Through innovation and a market-based focus on social impact, the social enterprise sector has been able to address gaps in the anti-poverty fight that were overlooked or not reachable by the traditional private sector or public and nonprofit sectors. Building the capabilities of social enterprises will accelerate the rate of change, enabling the next three billion to exit poverty in less time than it took for the first billion.

Achieving the SDGs relies on increasing the pace and sophistication by which we deploy capital and match the urgency and scale of the need for appropriate capital with the appropriate return expectations. Along with the rise of the social enterprise sector, the past 25 years has seen the rise of venture philanthropy, impact investing (equity and debt), and ESG investing. All of these approaches have helped to seed innovation, direct funding to entrepreneurial social enterprises (both for-profit and non-profit) and grow the pool of capital available to scale effective solutions. While the past decades were effectively the start-up phase for impact investing, the next decade must be the scale and acceleration phase to meet the financing needs of poverty-ending solutions.

We can accelerate an end to poverty by using diverse vehicles - equity, debt, and grants – more strategically, at the right times, and often simultaneously. Studies have shown that anti-poverty financing is most leveraged and catalytic when it seeks a return that is realistic, appropriate and aligned to the impact desired. For many impact investors the investment approach they feel aligns their values with the urgency to achieve the SDG goals is to realize a strong impact return through reduction in poverty and recover none or some of their capital, and/or earn a very modest financial return.

While growing the pool of funds for social impact investing is always desirable, the current financing needs of social enterprises can be met by existing capital designated for this purpose, including the one trillion dollars in Donor Advised Funds (DAFs) and family foundations in the US alone. Each year, despite increasing levels of giving, the total value of undeployed philanthropic capital grows. Presently, individuals with DAFs have few impact investing options at their disposal and most foundations have substantial obstacles to engaging in impact investing.

Beneficial Returns' Answer

Beneficial Returns gives social entrepreneurs the long-term debt they need to grow and offers philanthropists the opportunity to increase the social impact of their undeployed philanthropic dollars with the same ease with which they conduct their grantmaking.

Beneficial Returns is an impact investing firm that specializes in loans for social enterprises in Latin America and Southeast Asia that are addressing poverty. Beneficial Returns also manages loan funds for other impact investors who invest in social enterprises throughout the developing world. We offer long-term loans on attractive terms to leading social entrepreneurs so they can grow their businesses and their impact. Simultaneously, we make it easy for donor advisors, family foundations, and faith-based communities to become impact investors and to grow and diversify their impact portfolios.

Through Beneficial Returns (BR), impact investors are mobilizing their undeployed philanthropic capital to generate immediate social impact with confidence that a significant portion or all of their assets will be returned to be granted at a later date to their selected causes. In certain cases, investors can elect to earn a positive financial return.

How Beneficial Returns Works

Beneficial Returns is a six-year-old for-profit Oregon LLC. The Company is fiscally sponsored to accept grants and recoverable grants by Realize Impact. (EIN #46-3594732.) Investments in Beneficial Returns are considered charitable and can be made by any private foundation or donor-advised fund. Individuals investing in Beneficial Returns (via Realize Impact) qualify for a charitable contribution receipt.

Beneficial Returns is financially self-sufficient on an operating basis and uses grant capital for loan loss reserves and to develop and pilot new funds. Through its funds, BR generates Interest Income, Management Fees, and Loan Participation Revenue. It earns additional income by consulting on impact investing for select family offices and foundations.

	Beneficial Returns	The Reciprocity Fund by Beneficial Returns
Focus enterprises	Growing social enterprises	Enterprises promoting prosperity for indigenous communities
Geographies	Latin America and Southeast Asia	Latin America and Southeast Asia
Loans disbursed	40 loans $ 7.43 million	48 loans $2.67 million
Investor vehicle	7-year recoverable grant payable semi-annually	7-year recoverable grant
Loan losses	Absorbed by Beneficial Returns' Loan Loss Reserve	Shared pro-rata by investors

As of March 31, 2024

Borrower Profile: NAZAVA

Nazava produces and sells economical household water filters to both urban and rural families. With its filter, Navaza can provide the cheapest clean water solution in Indonesia saving households $35/year compared to boiling water and $62/ year compared to purchasing bottled water. Navaza has sold over 105,000 filters providing 520,000 people safe drinking water and household savings of over $10 million. Beneficial Returns lent Navaza $50,000 to assist with the company's expansion.

Beneficial Returns Fund

Beneficial Returns' flagship fund (BR Fund) makes loans of $30,000 - $ 500,000 to social enterprises that work towards ending poverty in Latin America and Southeast Asia. Kicked off in 2017, BR Fund makes long-term, fixed rate loans secured by collateral. BR Fund lends to established social enterprises with 3+ years of operating history and generally annual revenue of $1M+. The average borrower pays 8% per annum. All loans are denominated in USD, and borrowers pay monthly in USD. As of March 31, 2024, the average remaining loan tenor is 27 months.

The Beneficial Returns team assesses loans on their impact and credit merits, and for transactions over $150,000 the assessment is in partnership with a five-member credit committee. Serving *pro bono,* credit committee members are based in the regions where we lend and contribute extensive experience in social entrepreneurship, structured finance, philanthropy, and impact investing.

Beneficial Returns awards borrowers an innovative "Impact Bonus" that captures our ethos of valuing impact ahead of financial gain. The BR Fund's two most important KPIs are borrower repayment rates and growing borrower impact. To that end, the BR Fund waives the final loan payment when a borrower has made all of their loan payments on time and exceeds a pre-determined impact target.

Our Borrowers

BR Fund sources its borrowers through networks that identify and support the most promising social enterprises and social entrepreneurs. BR Fund also relies on support from top international law firms that document and secure its foreign transactions on a pro bono or "low bono" basis. Both of these strategies generate a high quality of lending, while keeping our sourcing and origination costs low.

Ilumexico	WholeForest
Sistema Bio	Ananas Anam
Ecofiltro	Kiwa
Guayaki	Chacha
Nazava	EOS International
Fundacion Paraguaya	ATEC*
Altitud	Aliet Green
Lionheart Farms	Ricinomex
Grupo Murlota	Echale tu Casa
Urmatt	Kawanasi
Du Anyam	Someone Somewhere

Our Investors

A majority of BR Fund's $3 million committed capital comes from legacy investors who hold promissory notes from BR and earn a 2% per annum return. These investors, whose commitments range from $25,000 to $500,000, are paid principal and interest semi-annually over a seven-year period. Beginning in late 2020, in response to investor demand to take more risk and equalize power with borrowers, BR Fund switched to a recoverable grant model. Investors now participate via a recoverable grant and choose not to earn financial returns. Depending upon their preference, investors are repaid 1/7th of their investment every year over a seven-year period or in a single payment at the end of seven years. To date, Beneficial Returns has returned $1.4 million to its investors.

The BR Fund is an evergreen fund; the BR team is constantly securing new investors and new borrowers. As of this writing, BR Fund's capital comes from 23 investors who are private foundations, donor-advised funds, or faith-based communities.

Investors are protected by collateral that secures the loans, as well as loan loss reserves, composed of cash on Beneficial Returns' balance sheet earmarked for this purpose, plus community guarantees from private foundations. Loan loss reserves and guarantees are integral to the Fund's success. As these reserves grow, BR is able to expand its lending to social enterprises, including those led by local leaders who have not traditionally been able to qualify for financing. A more robust reserve fund also allows BR to attract investors who are new to impact investing and may be more risk-averse. As of March 31, 2024, BR Fund has loan loss reserves of $469,000, representing 55% of its principal loan balance outstanding.

Since its inception, Beneficial Returns has met all of its obligations to investors and has returned $1.4 million as of March 31, 2024.

Loan Participations

Beneficial Returns is focused on driving more capital toward social enterprises. A key strategy is to expand the number and type of investors using debt to reduce poverty and help current investors significantly expand their impact portfolios. BR has developed a streamlined approach to loan participation that enables foundations, donor advisors, faith-based communities, individuals, and non-profits with endowments to join the impact investing movement. A participant legally buys a portion of a BR loan and is entitled to that percentage of the future cash flows.

Although participants do not get the advantage of portfolio diversification or the benefits of BR Fund’s loan loss reserve, they do obtain a direct impact investment without the effort or expense of finding a borrower, structuring a loan, underwriting, and documenting the loan, billing and collecting on the loan and monitoring and reporting on the borrowers’ activities. These services are all provided by Beneficial Returns. Participants receive regular financial and impact reports and earn a 4.5% yield, assuming the borrower makes all their payments. To demonstrate “skin in the game,” BR Fund maintains a minimum of 20% ownership in each loan.

Loan participations are an important feature for the sustainability and growth of BR Fund’s model. Participations reduce BR’s exposure to any one borrower, as well as recycle investor capital to be deployed to subsequent loans. Lastly, participations provide immediate income for BR Fund in the form of a gain on sale, enabling us to grow our team, infrastructure, and capacity to make more loans and to sell more participations, bringing more investors into the fight against poverty through social enterprise.

Beneficial Returns takes balance sheet risk with the BR Fund because it is obliged to repay its investors regardless of portfolio performance. Nevertheless, this risk is increasingly minimized as Beneficial Returns secures loan loss reserve donations, and foundation guarantees. Beneficial Returns also annually contributes three percent of its net principal loan balance outstanding for its Loan Loss Reserve. The Loan Participation feature reduces this risk further as Beneficial Returns sells up to 80% of the loans disbursed from the BR Fund. Figure 1 below shows that BR sold 55% of the gross loans outstanding, leaving approximately 45% to BR’s exposure. BR’s loan loss reserve covers half (25% of gross loans outstanding) of this risk from both actual cash contributions ($287k) and guarantees from its guarantor community ($189k.) As mentioned, this works out to a 55% coverage of BR’s next exposure. Our target is to maintain loan loss reserves coverage at 30%+ as the Fund grows.

BR is seeking loan loss guarantees of up $200,000 by December, 2024.

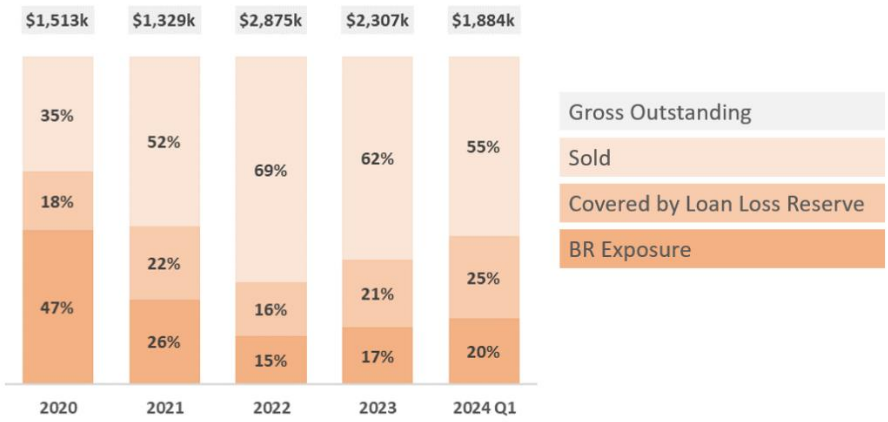


Figure 1 Risk on BR Fund Loans Outstanding, figures calculated as percent of gross outstanding

THE RECIPROCITY FUND

Beneficial Returns' mission is to support the growth of social enterprises serving marginalized communities, especially those enterprises that preserve or restore the environment. Although they only make up 5% of the world's population, indigenous peoples protect 80% of the planet's biodiversity. Despite their leadership in protecting the planet, indigenous peoples are some of the most disenfranchised communities in the world - consistently subjected to economic isolation and exploitation. The Reciprocity Fund (TRF) makes loans exclusively to social enterprises serving indigenous communities in Latin America and Southeast Asia. TRF makes unsecured loans of up to $100,000. These loans are typically used to acquire equipment, to purchase or improve real estate, or to support working capital needs. All borrowers pay 8% annual interest.

TRF Borrowers

TRF Institutional Investors

The Reciprocity Fund is supported by fifteen investors who participate via recoverable grants. These investors share pro rata among themselves in any realized loan losses. Beneficial Returns does not assume any risk of default with this Fund. Like the BR Fund, TRF is an evergreen fund. In 2023, The Reciprocity Fund made 19 new loans totaling $1.034 million. We are actively recruiting new investors to TRF so that we can continue to meet the needs of indigenous social enterprises that rarely have access to other capital. As new investors commit to TRF they join the existing pool of investors in sharing in any future loan losses.

Since its formation in 2019, TRF has made 43 loans totaling $2.34 million, with two loans being written off. 31 of the 34 borrowers are current with all their contracted payments.

In Q2 2022, The Reciprocity Fund launched a Credit Committee composed entirely of indigenous leaders who have ultimate authority over all loan approvals.

In 2024, Marta Julia Ixtuc Cuc, an indigenous woman of the Maya-Kaqchikel ethnic group, joined Beneficial Returns as an associated dedicated exclusively to The Reciprocity Fund.

TRF must secure $500,000 in additional capital by December, 2024 so it can meet its targets for new loan disbursements.

OTHER FUNDS AND CONSULTING SERVICES

Beneficial Returns manages pools of capital for the Miller Center for Social Entrepreneurship at Santa Clara University and the Cartier Women's Initiative (CWI), a philanthropic program of the Cartier Foundation. These vehicles invest exclusively in Miller Center accelerator graduates and female entrepreneurs selected as CWI fellows, respectively. Beneficial Returns earns management fees and interest income from these contracts, which extend through 2029 and 2032. Beneficial Returns assumes no credit risk with these activities.

In 2024, Beneficial Returns will earn aggregate management fees of $236,241 from Miller Center and Cartier Foundation. We also anticipate generating $138,635 of interest income from these two endeavors for the year.

Additionally, Beneficial Returns seeks consulting engagements that help launch new funds or provide complementary capital to BR's existing three funds. Through these engagements, the BR team can bring more investors and capital into financing social enterprises to help the next three billion lift themselves out of poverty. On a part-time, retainer basis, Beneficial Returns has advised, structured, and underwritten impact investments for family offices, foundations, and individuals who do not have a dedicated team of finance professionals.

THE TEAM

Ted Levinson, Founder / CEO
Ted has over a decade of leadership experience in impact investing and social finance. Prior to starting Beneficial Returns, Ted was the Senior Director for Social Enterprise Lending at RSF Social Finance.

Alex Tee, Managing Director
Alex has rotated through various fields in finance, from audit and financial analysis with one of the major global accounting firms to later on pursuing a successful trading career in global fixed income. Alex has passed all three levels of the CFA exam. In his last employment, he was Managing Director and CEO of Bank of America Singapore.

Koko de Vera, Credit Manager
Koko brings extensive experience on strategic planning and operational finance to Beneficial Returns. Prior to her career in impact investing, Koko was the Head of Financial Planning and Analysis of a global Filipino manufacturer.

Maria Luisa Chavez Aspiri, Latin America Manager
Maria Luisa is based in Mexico where she has been an active player in the impact investing and social enterprise acceleration. Before joining Beneficial Returns, Maria Luisa co-founded El Buen Socio, a for-profit social venture providing affordable and flexible loans to entrepreneurs in rural Mexico.

Debbie Dizon, Credit Analyst
Debbie is a Philippine CPA specializing in risk management and loan structuring. Prior to joining Beneficial Returns, she gained extensive experience working as a senior credit analyst in some of the biggest local and global banks.

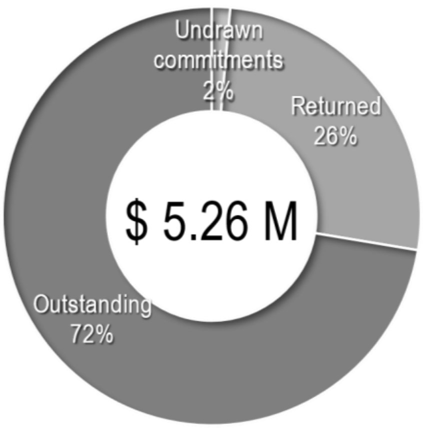
David Barragan, Credit Associate
David is based in Bogota, Colombia, and has over eight years of experience working with Social Businesses, cooperatives, and associations that work to reduce poverty and improve the environment. David is an economist and business administrator passionate about sustainability and the importance of finance to achieve it.

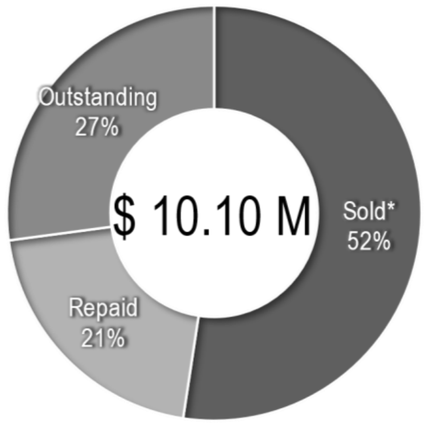
Elena Villanueva, Development and Communications Lead
Elena has five years of experience working with changemaking nonprofits and social enterprises on strategic fundraising for a range of donor audiences across the fundraising cycle, including grant writing, donor management, and donor engagement. Through Smarter Good, she has supported over 30 organizations in the US, Asia, Latin America, and Africa across issues such as education, poverty alleviation, economic empowerment, climate adaptation and mitigation, and community-led development.

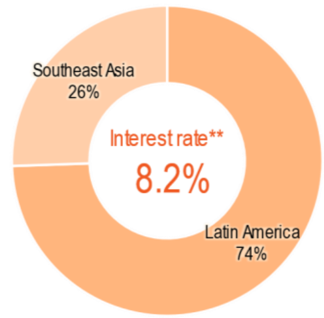
Marta Julia Ixtuc Cuc, Latin America Associate
Marta Julia is an indigenous woman of the Maya Kaqchikel ethnic group. Prior to joining Beneficial Returns, she spent 16 years at Friendship Bridge where she worked on women's empowerment programs including microfinance, education, and preventive health services.

Fund Performance (BR + The Reciprocity Fund)

35 INVESTORS | 56 BORROWERS | 45 LATIN AMERICA | 11 SOUTHEAST ASIA







As of March 2024, between the Beneficial Returns Fund and The Reciprocity Fund, Beneficial Returns has closed 88 transactions and lent a total of $10.1 million to 58 enterprises. Since inception, all but three borrowers have met their contractual obligations.

In 2020 a BR Fund borrower ceased business operations, and Beneficial Returns wrote off $171,000. This amount was absorbed by BR's loan loss reserves and its philanthropic guaranty community.

In 2023, a borrower from The Reciprocity Fund experienced adverse market conditions within its industry. Beneficial Returns wrote off $ 41,790 to alleviate pressure on the borrower and enable the small organization to focus on other productive activities. In 2024, an additional $22,676 was written-off from The Reciprocity Fund to reflect the outstanding balance from a borrower that experienced sales slowdown in 2022. The Fund was counting on a distributor buyout to recover the payments, but negotiations have stagnated, thus the write-off of the loan. Both losses will be shared pro rata by The Reciprocity Fund investors.

As of March 2024, Beneficial Returns displays outstanding portfolio performance.

- The BR Fund has no delinquent borrowers.
- The Reciprocity Fund has three borrowers with late payments. The total outstanding balance from these three borrowers is $151,824, or 9% of the Total Loans Outstanding for The Reciprocity Fund. Beneficial Returns is in constant communication with these borrowers to address repayment issues.

Balance Sheet in USD 000	2021	2022	2023	2024 Q1
Assets				
Cash and cash equivalents	1,223	2,479	3,012	3,954
Other current assets	145	277	433	288
Total current assets	**1,368**	**2,756**	**3,445**	**4,242**
Loans receivable	2,210	3,199	5,158	5,552
Loan loss reserve	(134)	(280)	(280)	(287)
Other non-current assets	95	98	68	74
Total non-current assets	**2,172**	**3,017**	**4,947**	**5,340**
Total assets	**3,539**	**5,773**	**8,391**	**9,581**
Liabilities and shareholders' equity				
Loans payable	3,475	5,520	6,926	7,975
Other Liabilities	41	184	1,028	1,164
Total liabilities	**3,516**	**5,705**	**7,954**	**9,138**
Total equity	**24**	**69**	**437**	**443**
Total liabilities and equity	**3,539**	**5,773**	**8,391**	**9,582**
Loan to Deposit Ratio	*64%*	*58%*	*74%*	*70%*

Income Statement in USD 000	2021	2022	2023	2024 Q1
Interest Income	132	184	294	91
Loan Participation Revenue	22	74	1	-
Consulting Revenue	39	43	40	3
Management Fees	30	127	222	60
Other Revenue	19	45	95	20
Total Revenues	**242**	**472**	**652**	**174**
Interest Expense	(29)	(21)	(15)	(3)
Total Gross Profit	**213**	**452**	**637**	**172**
Operating Expenses	(145)	(320)	(585)	(154)
Operating Income	**68**	**131**	**52**	**18**
Total Other Income/ (Expense)	12	6	274	49
Net Income (Loss)	**81**	**138**	**326**	**67**
Operating Income %	*28%*	*38%*	*50%*	*28%*
Excluding Consulting Revenue	*18%*	*21%*	*43%*	*21%*

Figure 2 Summarized Financial Statements, Beneficial Returns LLC

As Beneficial Returns matures, its sources of revenue become more predictable. Interest income is projected to grow 45% in 2024 over the previous year. Loan participation revenue is on an upward trajectory.

The guaranteed minimum management fee income totals $1.3 million over the next six years.

Because Beneficial Returns is structured as an LLC, member compensation is not listed as an expense - it is taken out of net income as a draw.

Beneficial Returns demonstrates healthy operating margins; it is simply constrained by its topline activities to generate considerable bottom line numbers. After some slowdown during the pandemic, BR is currently funding two to four transactions per month across its funds.

Beneficial Returns will need to secure more lending capital, participation commitments, and more grants to loan loss reserves/philanthropic guarantees to continue its growth trajectory.

COVID19 and its impact on Beneficial Returns and its borrowers

Recognizing the difficulties brought about by the COVID-19 pandemic, Beneficial Returns granted a three-month loan holiday for all borrowers, deferring all collections from March to May 2020. All its investors also responded to this postponement by deferring collections from Beneficial Returns during the same period. These events reduced 2020 net interest income by approximately $20,000 which was replaced by a comparably sized PPP loan (forgiven in 2021). Since regular loan payments resumed, all borrowers of BR Fund are current except for one loan (addressed above) written off at the end of 2020.

In response to this credit loss and in recognition of the ongoing risks associated with COVID-19, Beneficial Returns tightened its lending policies in 2020. Beneficial Returns limited its total exposure to no more than $250,000 per borrower (down from $500,000) and reduced the maximum loan tenor from 84 to 60 months.

Major risks and mitigating factors

Risk	*Risk Factor*	*Probability*	*Risk Mitigating Factor*
Beneficial Returns is unable to deploy its loan capital.	BR fails to generate a strong pipeline of borrower social enterprises	Moderate	- BR has a dedicated Latin America manager based in Mexico City who identifies and communicates with prospective LatAm borrowers. BR is also planning to add full-time dedicated members for business development in Latin America and Southeast Asia. - Primary pipeline referral sources (Ashoka, B Corp, World Economic Foundation, Miller Center, etc.) continue to "graduate" several hundred social enterprises annually.
	BR is unable to differentiate its product as an attractive source of capital	Low	- Fewer than 10% of Term Sheets issued are rejected by prospective borrowers. - Beneficial Returns focuses its lending efforts in countries where access to affordable commercial capital is extremely limited. Its professional connections to philanthropists, impact investors, fellowship programs, pro bono consulting and prospective customers gives it a competitive advantage over conventional lenders.
Selected social enterprises are not able to make the committed payments and financial return to the investors.	Beneficial Returns is unable to collect from its borrowers.	Low	- BR Fund has maintained modest exposure to each borrower. Largest estimated exposure by Dec. 31, 2022 is with EcoFiltro totaling, Ecofiltro, has $238k followed by ATEC* at $123k. As of writing, these have been reduced to $145k and $112k respectively. - BR Fund lends no more than 10% of a borrower's annual revenues which ensures that their monthly loan payment will be low compared to the business turnover.

			- Credit policies such as single borrower's limit, loan loss reserves, and the sale of loan participation significantly de-risk the BR fund. - BR Fund requires monthly repayment of principal and interest from its borrowers which ensures robust monitoring and steady reduction in principal outstanding. - Beneficial Returns maintains an open line of communication with its borrowers for subsequent requirements as well as for operational and financial updates.
	Regulations and general market environment changes in the country or region of the borrowers.	Moderate	- In the last year and a half, Beneficial Returns has significantly diversified the geographies that it operates in.
Selected organizations do not meet the impact objectives of the fund.		Low	- The Credit Committee includes experienced social entrepreneurs and impact investors that keep BR and its team focused on the impact objectives of the fund. - Organizations typically selected have already demonstrated impact and business viability for at least 3 years. - Beneficial Returns requires all borrowers to submit impact metrics on a semi-annual basis.
Key man risk			- Beneficial Returns maintains a $300,000 life insurance policy on Ted Levinson which is sufficient to wind up Company operations and repay investors or hire a replacement CEO.