



NexusB4T Loan Funds

NexusB4T's primary purpose is to promote the gospel of Jesus Christ by mobilizing people to establish and support businesses for transformation (B4T) among the unreached. This includes the biblical principles of caring for people throughout the world, alleviating poverty, and eliminating prejudice and discrimination and to providing hope and dignity for all peoples. Specifically, NexusB4T uses its funds and business expertise to assist Christian B4T Entrepreneurs in starting and/or operating enterprises that provide jobs and alleviate poverty in spiritually and economically disadvantaged communities or in areas where social and religious tensions must be confronted to eliminate prejudice and discrimination.

To accomplish its purposes, NexusB4T facilitates business for transformation relationships between Christian business people in the United States and B4T Entrepreneurs operating within unreached areas. By starting small- and medium-sized businesses within the spiritually and economically disadvantaged areas, B4T Entrepreneurs not only create jobs that significantly improve the lives of the impoverished, but also create natural opportunities to share the gospel of Jesus Christ and influence spiritual transformations of the individuals and communities impacted by the business.

Requirements of Loan Recipients

To help manage the risk associated with starting and investing in a B4T company, NexusB4T partners with the OPEN network to provide resources to prospective entrepreneurs including mentoring, coaching and internships. We only invest in companies that are actively working with an OPEN coach who has worked with them to develop an appropriate business and transformation plan. Such a plan will clearly demonstrate the following:

- Clear business structure, solid market research, and a viable of business plan that demonstrate awareness of the risks, a team able to execute the plan developed, and passion to succeed and overcome inevitable obstacles
- A ministry transformation plan
- Agreement to comply with local laws and pay required taxes
- Commitment to the Foundation Stones of B4T: previous work experience, real accountability, plan to equip people well, plan for business to bless the community, investment of personal money, provide daily access to the people, create opportunity to model faith to new believers, create 5+ jobs for locals, be reputable, be financially sustainable within 18-24 months

The NexusB4T Investment Advisory Committee (IAC) will investigate each applicant and determine suitability for an investment. Transparency, accountability and metrics are each very important during IAC review as well as after an investment has been made.

Capitalizing the Funds

NexusB4T is a 501c(3) non-profit and is funded through donations as well as returns on capital loaned. Donations may be made to the NexusB4T general fund or to one of the authorized loan funds (see below). Directed donations to specific companies are not allowed under our 501c(3) authorization. In addition to drawing from general funds, NexusB4T will also fund the management of loans by drawing from the loan fund an annual management fee of up to 3% of the dollars loaned from that fund.



Loan Fund Description

NexusB4T seeks to be a sustainable investor that deploys capital in places too risky for traditional capital by offsetting the geopolitical risk with spiritual capital. We partner with our loan recipients to help them succeed, combining decades of combined business and faith experience—concerted support by saints intent on seeing business used to bring God’s light of reconciliation to dark places. Nevertheless, these loans are not the gambles of a hedge fund or speculator. Part of the spiritual capital NexusB4T deploys is discernment. We come to agreements with our loan partners that, under anticipated circumstances, the loan should facilitate business success and be paid back without hurting the business.

NexusB4T projects a low loss rate because loans are typically personally guaranteed by the recipients and, with some funds, secured against the assets of the company (we do allow the loan to easily be subordinated to other commercial debt). The entrepreneur expects to succeed and recognizes the difference between an investment, which is totally at risk, and loans which expect repayment. We work hard to maintain a flexible posture regarding terms for repayment, and entrepreneurs find our terms to be agreeable. Failed ventures should not in and of themselves require the entrepreneur to return home to work off debt. Upon refinancing the loan, assuming everything is in good standing, the entrepreneur may choose a long amortization or even, by mutual agreement, convert the loan to equity.

NexusB4T maintains a set of loan funds which deploy capital across a spectrum of risk / reward profiles.

The 10/40 Growth Fund deploys capital aggressively with respect to geopolitical concerns, but in a fiscally conservative manner that projects a relatively low loss rate and moderate long-term profit growth. Small (\$10,000–\$50,000), moderate interest loans (3–10%) are made to promising entrepreneurs. Loans are amortized usually over 3 to 5 years with flexible repayment terms.

The 10/40 Seed Fund targets earlier stage, riskier ventures than the growth fund but balances the risk by providing smaller loans (allowing for a more diversified loan portfolio relative to capital deployed) and slightly higher interest rates. The loss rate on this fund is higher than the growth fund and the long-term profit growth target is lower. Loan sizes are generally smaller (\$10,000–\$20,000) and interest rates range from 7–12%. Loans are amortized over 3–5 years with a simple annual payment schedule.

10/40 Explorer Grants are made to promising entrepreneurs willing and able to start a business in the 10/40 window but who are still developing their business plan and/or completing their language studies. Grants of \$2,000–\$5,000 are provided with a possible one-time renewal after one year of successful exploration.

Making a Difference

If you are interested in making a donation to the NexusB4T loan fund you may do so via our website or contact us at loan-fund@nexusb4t.com.