

guatemala

nicaragua



the
NEO fund

*sustainable community development
for the poorest of the poor*

india

2023
Annual Report

Together, We're Turning the corner!

The NEO family has two branches. There are the people we serve in Guatemala, India, and Nicaragua – hundreds of poor women borrowers representing their kids and parents and families – thousands of the poor, the hungry, the needy, the vulnerable – some of the least advantaged people imaginable. Every day our field teams help lift them from extreme poverty through small loans, mentoring, coaching and caring. This effective development model has been proven over and over, in more than 3,500 life-changing loans so far.

But there is another branch of the NEO family, and YOU are part of it. You make the NEO Fund mission possible. How? In 2023, 50 individuals and groups gave financially, enabling our investments for the poor. **Our work is possible because of you, and it continues because of you.** Beyond the 50, several hundred of you supported by your caring, your interest, your goodwill, and encouragement.

The purpose of this report is to thank you, to tell you what we accomplished together this year and to explain why it matters so much.

2023 was the year **we turned the corner.** When NEO started, we imagined a thoughtful and targeted use of micro-finance as a powerful tool to impact the poorest of the poor with opportunity, hope and real change.

Over 8 years or so, from 2009 to 2017 we experimented. We proved it could work and tweaked our model, demonstrating our small loans (made wisely in the context of caring relationships) not only lift the poor, but also – eventually – generate enough return to pay for the program too.

Energized by that vision and early indicators of success, we professionalized and focused our work starting in 2017. For the next four years we experienced exciting growth and impact. The sky was the limit. Then, unexpectedly and painfully, we sailed into rough waters, buffeted by a frightening onslaught of tsunami, typhoon, hurricane and the like!

First, political unrest: Riots in the streets. Bloodshed. Violence. Then, COVID. Then sweeping changes in the nonprofit and financial services sectors. We kept working but faced brutal headwinds in government licensing, banking, customer, and staff morale. For 15 months, starting in June 2022 we were not able to make any substantial investment in our field programs. We had to



The NEO Fund Nicaragua Staff, left to right: Rosario (accounting), Byron, (senior credit officer), Ramón (office administrator), Jasson (credit officer), and Ivania (coach and trainer)

tap our in-country revolving funds to pay staff and stay alive. We were sinking. During that trying time we found several wise advisors who helped us restructure.

But there is another branch of the NEO Family, and YOU are part of it. YOU make the NEO Fund mission possible!

And while they helped save us, you also stood with us, providing the support and encouragement that literally kept us afloat.

Finally, in 2023 we turned the corner. In May we finally cut through our legal and regulatory red tape. In September our in-country bank accounts were finally restored. We immediately invested almost every cent we had; and began to rebuild our local teams and key partnerships.

The ship righted and we've started to grow again, even more rapidly than before. At year end we realized that the main limit to our potential impact was our capacity to invest in growth. And the NEO family

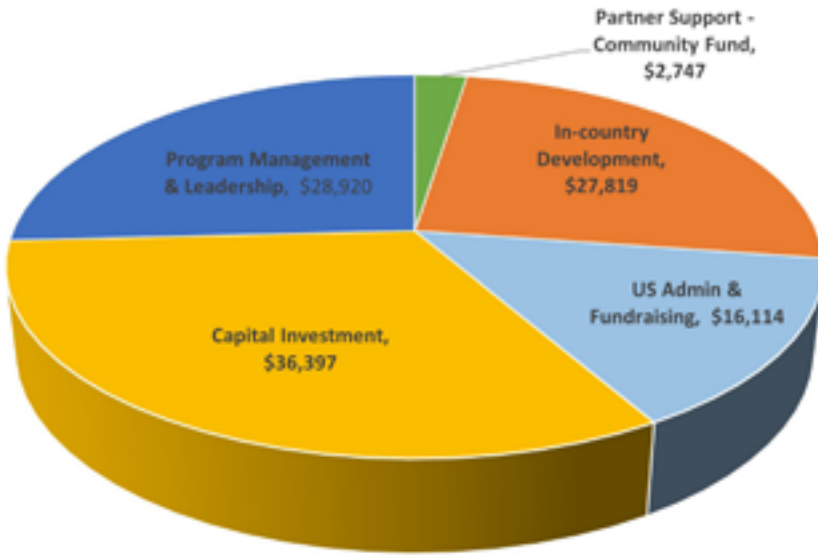
stepped up. There were generous, strategic, and encouraging gifts throughout the year. Then a successful year-end matching campaign and timely investments from entrepreneurially minded friends and partners gave us a year-end to celebrate. **Because of you, we have been able to invest more in the program in the first few weeks of 2024 than in all last year.**

Now we are growing again. We are having measurable impact. We have a business plan to triple the size of our Nicaragua outreach this year, to hold steady in India, and to extend our first long-awaited loans in Guatemala in February 2024.

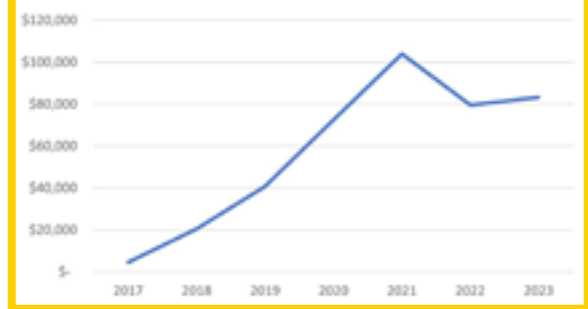
We've turned the corner. We're stronger, better prepared, and more determined than ever. We're poised for growth. **We did it, thanks to you, our NEO family. Thank you! We are so excited about the new year!**

2023 Financials

NEO Fund Expense 2023

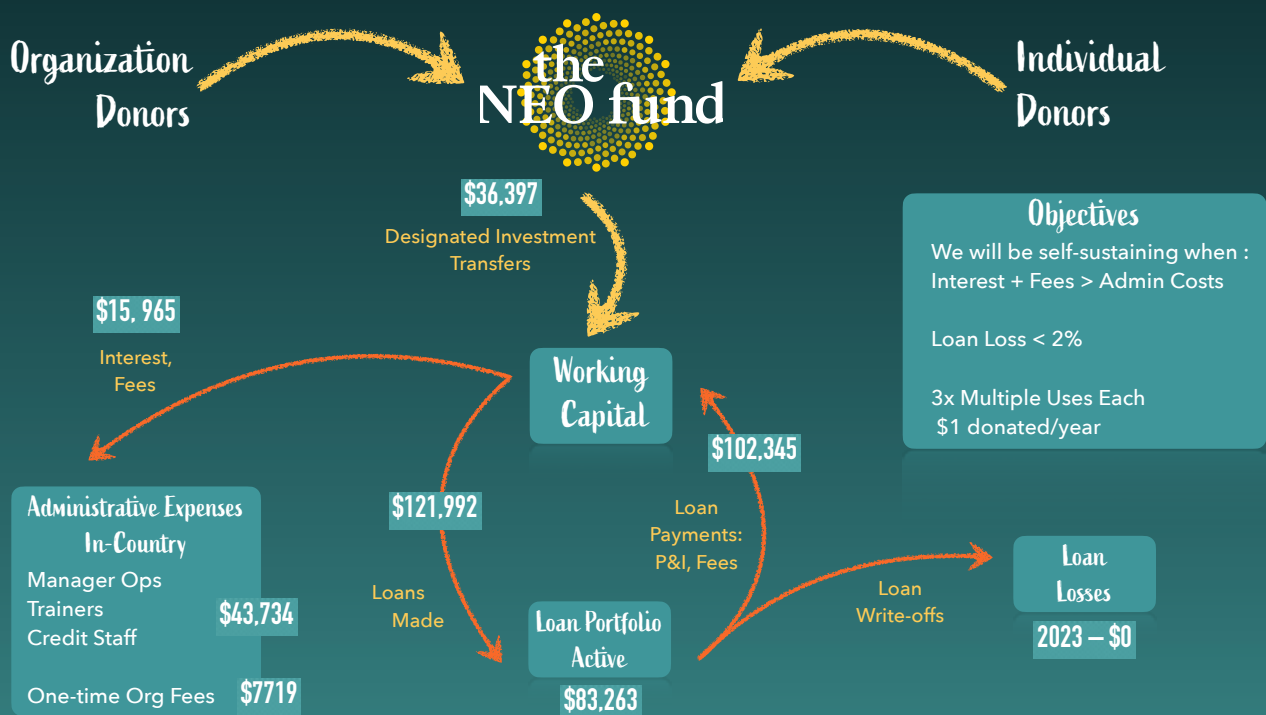


NEO Fund Portfolio Growth 2017-2023



Cash at YE 2022	\$69,327
Cash at YE 2023	\$44,576
2023 Income	\$87,463
2023 Spending	\$111,992

How Your Dollar Grew in 2023



Program Spotlight: GUATEMALA

Our new program in Guatemala aims to empower women and foster economic development in local Mayan communities. We met with our partner organization, ALDEA, in January to discuss how to best leverage our partnership to achieve goals for both organization.

ABPD, represented by Norma and Joanna, highlighted their successful women's leadership program and the

community's desire to initiate economic empowerment projects. The NEO Fund's proven lending program provides a vital avenue for sustaining these initiatives. Dr. Barquero emphasized the importance of meticulous administration, credit history assessment, and accountability for loan repayments.

Glenda, our first loan officer and administrator for NEO Guatemala, shared insights

into the communities' needs and the significance of building relationships through field visits. The program prioritizes quality over quantity, focusing on tailored training sessions and personalized business plans to ensure the success of borrowers.

During a community visit to Cojo Juyul, various women expressed interest in the program, showcasing diverse income sources and loan purposes, such as artisanal weaving, textile sales, and food vending. None had previous borrowing experience, indicating the

program's potential to reach underserved demographics.

Overall, the NEO Fund's program in Guatemala, in partnership with ALDEA, holds promise for empowering Mayan women by fostering economic growth. Through strategic planning, tailored support, and effective collaboration, the program aims to make a tangible difference in the lives of these women, their families, and communities.



Our first borrowers in Guatemala. They will be investing in ways to increase their weaving production.



Weaving is the main economic activity for Mayan women in rural Guatemala.

the NEO fund

"Empowering indigenous people to transform their own communities is the most effective weapon against global poverty." — Jen Hatmaker

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Inquiries may be directed to Ron Hockley at Ron@theneofund.org
Find us on Facebook at The NEO Fund.

Our Partner Updates

In the past, we've visited places where three or four organizations were all competing to offer the same services in an economically-challenged neighborhood. Those experiences helped us rethink our mission, and the best way to fulfill it. **We asked ourselves: How can we complement the services already offered? What's missing in this location to truly give a hand up? The answer for us was micro-lending.**

But rather than work in a vacuum, we rely on our partners in development work to positively impact the neighborhoods where we serve, and be smart about investing donor funds as well. By working with organizations already established, less money is tied up in administrative fees meaning more money is at work on the ground where it's needed most.

2023 was a difficult time for the NEO Fund, but even more difficult for some of our partners who lost their presence in Nicaragua. We continue to

nurture strong partnerships with other organizations which complement our mission of helping the poorest of the poor.



Forward Edge International.

We continue to invest funds from FEI through a network of their partner churches near Managua, extending 32,200 in 73 loans.



OrphanNetwork. We are entering our fourth year of partnership with ONet in Ciudad Sandino, serving the parents of children in their child feeding and welfare programs there. ONet serves more than 20,000 Nicaraguan children, 450 of those are in Ciudad Sandino. In their years of service, ONet has seen a 50% reduction in chronic child malnutrition in the neighborhoods where they work.



The NEO Fund and ALDEA meet to kick off our partnership in Cojo Juyul, a Mayan Village in Central Guatemala. Left to right: Joanna field ofcr., ALDEA, Lucia, translator, Cheryl, creative director NEO US, Glenda, loan officer, NEO Guatemala, Francisco, director of microfinance NEO US, and Norma, exec. dir., ALDEA



Pure Heart Children's Fund.

Support from our Community Fund helped provide nearly 50,000 meals to children in many of the poor neighborhoods where we work. Their pre-school provides free education to those who wouldn't otherwise have access. They also serve the poor with clothing, funerals, doctor visits, emergency hospital visits, life-saving medicines, house repairs and community water access.



Kiranmayi Socio Educational Society (KISES)

Our partnership with the nonprofit KISES in eastern India has created a thriving micro-finance startup that has helped lift nearly 500 women so far. They work among the Dalits, and other vulnerable populations. In addition to microfinance, they provide health clinics, pop-up schools and services for at-risk elderly, and emergency disaster relief.



In India, our borrowers use their funds to buy livestock, improve their homes, and to purchase raw materials for crafts (like the sleeping mats this woman is weaving) that are sold in the local markets.



ALDEA is now our official partner in Guatemala! They're a firmly established non-profit dedicated to improving the health and economic conditions in rural villages. They team with Mayan communities to secure rights to health and well-being. They will be our partners in training women in sound financial practices.



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Looking Ahead: Goals for 2024

What's on the agenda for the coming year?

1. **Grow.** Invest \$100,000 in Nicaragua capital and \$60,000 in the Guatemala pilot program.
2. **Restructure.** Change India legal structure in preparation for major growth there in 2025.
3. **Partner.** Continue to leverage our partnerships in all three countries. Explore expansion in Nicaragua with increased ONet partnership.

Will you help us build and grow this year?

Thank you for being part of the NEO Fund family!

