

# 2025 *Annual Report*



the  
**NEO FUND**  
*sustainable community development  
for the poorest of the poor*

# Eighteen Years Ago a Question Changed Everything ...

In 2008 my friend Eric and I traveled to Nicaragua to see what the nonprofit Forward Edge International was doing in the infamous city dump called “La Chureca”. What we saw rattled us: smoke and filth and little kids without shoes, scavenging through the garbage. We saw vulnerable people at the bottom of the economic ladder, some of the least advantaged people on earth, living in plastic and cardboard shacks, a community rampant with dysfunction, disease, malnutrition and hopelessness.

Days before the trip, my sister had given me the book “Banker to the Poor”, about the new and innovative idea of micro-finance. The concept was changing the development landscape in Bangladesh and India, providing an alternative to handouts and long-term dependency.

As we stepped around piles of garbage and jumped over small rivers of sewage in La Chureca, Eric and I talked about micro-lending. What if small loans, made in the context of caring relationships, could lift the poor and start them on a new path toward dignity, hope and opportunity? We got fired up, and that day a vision was born.

When we got home Eric raised \$10,000 to “plant a seed” and NEO Fund micro-lending was launched. The NEO team made our first loans in La Chureca in 2009. It wasn't easy. Some loans failed. Some borrowers disappeared or died. We made mistakes and slogged through a long learning journey, a school of hard knocks. Eight years and 700 loans later, in 2017, we had about half the capital we started with. But we had learned a ton. And we had discovered dedicated professionals and partners along the way, practitioners in the US and Central America who knew how to make micro-lending work.

In 2016 we hired an outside auditor to review our program. We learned where our mistakes were made and had a plan to move forward. The auditor, impressed with our vision and mission, went on to become

our Director of Microfinance. Francisco Barquero was a Fulbright scholar, earning his PhD in economic development with a specialty in micro-lending. With Francisco's help NEO micro-lending was reorganized. We started with just \$4,700 remaining in our revolving fund. The new and improved program quickly started to grow. Four years later, in 2021, our portfolio reached \$100,000, and at the end of last year it had reached \$140,000.

Today NEO has extended 4,594 loans to the poor and vulnerable. The revolving fund, planted as a small seed in 2009, has continued to revolve and, since 2017 it has grown, extending \$1.2 million in loans in Nicaragua, India and Guatemala. We have 538 active loans at present and, with dedicated leadership in the US and 11 professional employees in the countries where we operate, we are ready to grow.

*What if small loans, made in the context of caring relationships, could lift the poor and start them on a new path toward dignity, hope and opportunity?*

This report is dedicated to YOU, as a partner and supporter who made these accomplishments possible. Thank you with all our hearts!

Did your investment make a difference in 2025? Please take a moment to read the stories of Joseling and Flora in this report, and **you will see the answer is a resounding yes!**

*Ron*





# Stories from the Field

## From Nicaragua: Joseling: A mom, a dreamer, and a small-business rockstar!

Joseling lives in the community of Ciudad Sandino. She started out selling snacks, juices, sweets, and athletic shoes — but borrowing from the local every-day-lenders ate up all of her profits and she actually began to lose money. She narrowed her inventory to just the shoes, but even that became unsustainable with the lenders' high rates and unreasonable loan terms.

Then came Neo Fund — *and everything changed.*

She found them through *Redes de Solidaridad*, thanks to a friend at her son's school. Her first loan? A game-changer: lower rates, easier payments. **And best of all — free, hands-on training that actually made sense.**

We didn't just lend her money. Our local Nica team taught her **how to manage it.** She learned



Left: Joseling with the footwear she sells. Right: With her last loan, Joseling expanded her offerings to fresh produce and market products.

to **track every sale and expense** (no more guessing!), **save 50 cordobas every single day** (yes — every day!), and even **how to market her business** — on social media and around the neighborhood. Now she sells clothes, shoes by order, and her



nighttime fritanga and fresh produce stand is back — and profitable!

She's paid off three loans, just renewed her fourth, and she's working toward opening sales spots in busy areas.

Her big dream? To buy a small piece of land for her kids — so they have a solid future. **"I'm so thankful to Neo Fund," she says with a smile. "They believed in me when no one else did. I tell every friend who asks — 'Go with Neo Fund. They have a great support system for women like us!'"**

## From Guatemala: Flora — Weaving dreams into reality.

Flora lives in Comalapa, with her husband and three kids (ages 17, 13, and 4). She's a talented craftswoman — making beautiful handmade pieces that tell stories through color and thread.

Before Neo Fund Guatemala, she could only finish one craft every two months — too slow to support her family. Then came her first loan: Q2,000. She used it to buy colorful yarns and hire two helpers. Suddenly, she was making more — and earning more. "I was so happy," she says. "I could finally see my work turn into real income."

Her second loan — Q3,000 — let her go even bigger. More materials. More help. She started selling huipiles (traditional woven blouses) to a buyer who takes them to Quiché — opening up new markets. Sales grew. Profits grew. And so did her home: she built a new sink, a small but meaningful step toward comfort for her family.

Now, she's paid off her second loan — and she's ready for the next step: making girdles. She wants to expand her craft, but she can't do it alone anymore. She'll need materials — and help again. That's why she's applying for another loan.

Flora loves how Neo Fund works:

- **No mountains of paperwork**
- **Low, fair interest rates**
- **Payments she can actually manage — without stress**

"I'm so grateful," she says. "Every loan has helped me grow — not just my business, but my family's future."

She's not just making crafts. She's weaving hope — one stitch at a time. They are very happy with the program's low interest rates and flexible payment plan. She has been making all of her payments on time. ■ ■ ■



Left: Flora works on a huipile (traditional blouse) outside her home. Right: A details of Flora's work.

# A Different Path Forward

## People, relationships, & sustainability head 2026 Initiatives

*We are excited about our three visions for 2026...*

### Serving More People.

We believe in our program and its potential to transform lives and families. So, we intend to increase the number of active loans and to serve more people. We can imagine >1000 active loans in the next year or two.

### Creating a New Model.

We are not just doing good work; *we are also about creating a new model.* In the years since we started, micro-finance has become an established multi-billion-dollar industry.

*Why is our tiny institution needed?* It is needed because most micro-loan providers gravitate toward middle-class borrowers who are more stable and require larger loans. Those borrowers are less hassle, easier to serve, and they represent much lower risk. Additionally, it is almost irresistibly tempting for providers to raise interest rates and increase the profitability of their endeavor. *But not us! We are very intentional about our unique model. We continue to...*

A. be the **lowest cost** provider of microloans for the poor.

B. offer our loans in the context of **caring relationships and in partnership** with other neighborhood organizations.

C. provide coaching, training and mentoring with each loan.

D. recognize our loans are not just "financial inclusion," but as **transformational impact** for the people we serve.

### Increase Sustainability.

At the end of 2025 our low interest rates were generating **38% of our own administrative cost** in the countries where we work. As our portfolio grows, that will increase. We imagine a day when our distinctive model serves thousands of the poorest of the poor, does unimaginable good in the world, and pays for almost all its own administrative costs as well.

### Will you help us accomplish these three visions?

Together we have built a system that works and created a compelling vision for the future.

### But it needs to be funded.

*Your one-time gift or ongoing pledge will make these visions possible and help to change the world in big and small ways every day.* ■ ■ ■

# The NEO Fund Earns a Four-Star Rating From Charity Navigator



We are proud to announce that our strong financial health and ongoing effectiveness and reliability have helped us earn a Four-Star Rating from Charity Navigator. This rating designates The NEO Fund as an official "Give with Confidence" charity, indicating that our organization is using its donations

effectively based on Charity Navigator's comprehensive criteria that go beyond financials to reflect the work charities do.

Charity Navigator is the nation's largest charity evaluator, providing donors with thorough and credible ratings of more than 230,000 organizations. Since 2001, the organization has been an unbiased and trusted source of information for more than 11 million donors annually. ■ ■ ■

## the NEO fund

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

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Donations (which may be tax-deductible) may be made to The NEO Fund, a 501(c)3 non-profit, ONLINE at [theNEOfund.org/give](http://theNEOfund.org/give) or by MAIL to: The NEO Fund • 811 SW 6th Ave, Suite 1000 • Portland, OR 97204.

Inquiries may be directed to Ron Hockley at [Ron@theneofund.org](mailto:Ron@theneofund.org)  
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## Check out our NEW Website!

Same web address — new features!

Borrower stories  
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[TheNEOFund.org](http://TheNEOFund.org)



# 2025 Financial Year in Review

Because of your continued support, 2025 was a year of significant impact and growth for the NEO Fund. **We are proud to share that our total portfolio reached a new milestone, climbing to \$139,099 by year-end**—a testament to the resilience of our programs and the generosity of our community.

## Growing Our Impact

Our portfolio has seen a remarkable upward trajectory since 2017. Despite a brief market correction in 2021-2022, we have bounced back stronger than ever. In the last year alone, our portfolio grew from approximately \$120,000 to nearly \$140,000, allowing

us to deepen our commitment to the communities we serve.

## Global Reach

At the close of 2025, we managed 538 active loans across three key regions. While Nicaragua represents our largest financial commitment, our work in India and Guatemala remains vital to our mission.

## Income & Stewardship

Our total income for the year reached \$130,610. We are incredibly grateful for our Individual Donors, who contributed 63% (\$81,992) of our total funding. The remainder of our support came from Foundation Grants (23%), Corporate Donations (8%), and

Nonprofit Partner Support (6%).

## The Bottom Line

For every dollar spent, the vast majority goes directly into the hands of entrepreneurs through our lending programs, ensuring your gift has the maximum possible impact on the ground.

Behind every data point in this report is a story of an entrepreneur building a better life for their family. None of this growth—from our expanding portfolio to the 538 active loans currently in the field—would be possible without you.

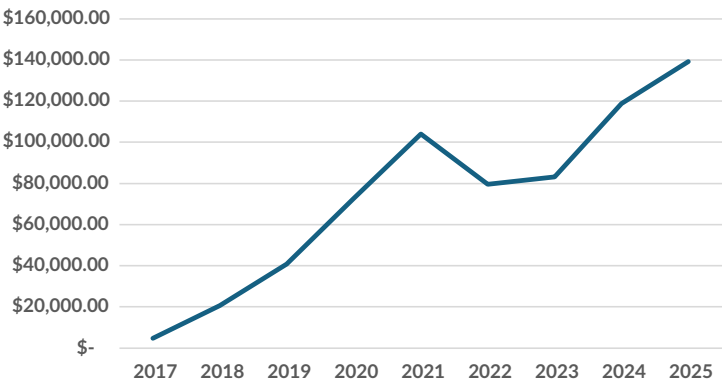
To our Individual Donors, who represent the heartbeat of our fund (63% of our total support):

your consistent, grassroots generosity provides the stability we need to plan for the future. To our Foundation and Corporate Partners: your strategic investments allow us to scale our reach and dream bigger every year.

Because you chose to trust the NEO Fund with your resources, we finished 2025 in a position of strength. We aren't just celebrating a surplus of \$6,679; **we are celebrating the extra lives we can touch and the new dreams we can fund in 2026.**

*Thank you for believing in the power of opportunity!*

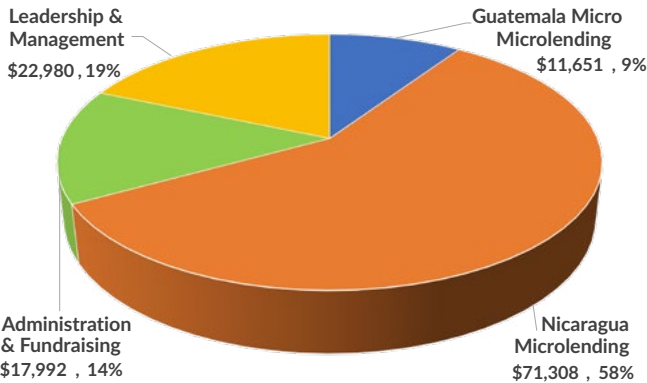
NEO Fund Portfolio Growth 2017 – 2025



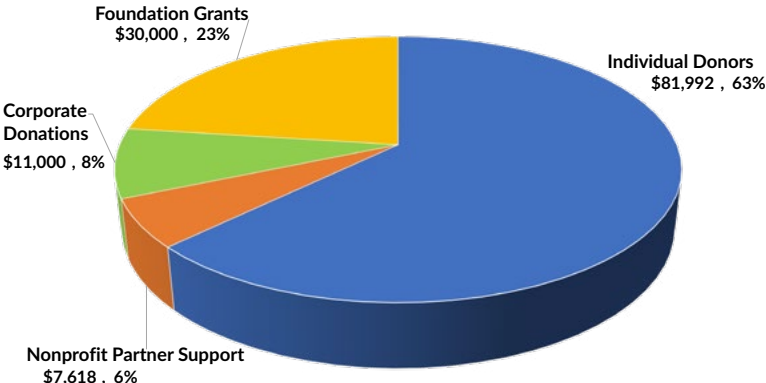
DECEMBER 2025

Country	Loans	%	USD	%
Nicaragua	175	33%	94,675	68%
India	289	54%	25,061	18%
Guatemala	74	14%	19,362	14%
TOTAL	538	100%	139,099	100%

NEO Fund Expense 2025 – \$123,931



NEO Fund Income 2025 – \$130,610





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## *Looking Ahead: Goals for 2026*

### **What's on the agenda for the coming year?**

1. **Serve.** Surpass 1,000 active loans.
2. **Create.** Change the landscape of microfinance to once again serve the truly economically disadvantaged.
3. **Sustain.** Grow our portfolio to boost self-funding — where our admin costs can be fully covered by loan income.

***Will you help us build and grow this year? Visit [theNEOfund.org/give](http://theNEOfund.org/give)***

***Thank you for being part of the NEO Fund family!***

