



SUSTAINABLE COMMUNITY DEVELOPMENT FOR THE POOREST OF THE POOR

We imagine a world where all parents, regardless of race or religion, have an opportunity to provide for their children's nutrition, health, and education resulting in stronger communities for everyone.

OUR VISION

A scalable sustainable nonprofit model of micro-finance that provides hope and transformation to the poorest of the poor and helps create a dignified lifestyle for their families.

OUR MISSION

THE CHALLENGE #1 — POVERTY

World

- ▶ Nearly 1/2 of the world's population — more than 3 billion people — live on less than \$2.50 a day.
- ▶ 1 billion of them are children.
- ▶ According to UNICEF, 22,000 children die daily due to poverty.

The People We Serve

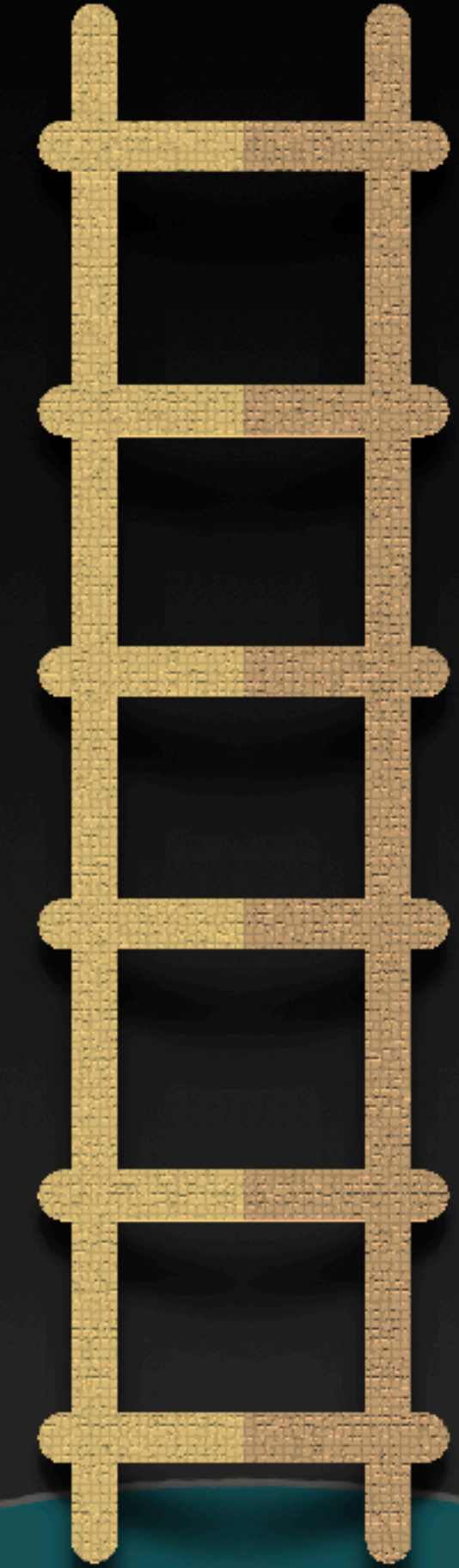
- ▶ The poorest in the Western Hemisphere
- ▶ 20% skip one or more meals every day
- ▶ 3 of 10 do not get enough food to cover basic nutritional requirements
- ▶ 40% spend 100% of their income on food
- ▶ 37% live in a house with a dirt floor
- ▶ Nearly half do not have a bathroom with plumbing in their home



THE CHALLENGE #2 – ACCESS

The neediest people have the LEAST access to financial services because:

1. They are often completely uneducated or illiterate
2. They usually have no collateral at all
3. They have no bank accounts, banking history or personal credit rating
4. They have no proof of any formal income
5. Micro-loans are very expensive, cumbersome and unattractive for banks



They live here, below the bottom rung of the economic ladder

CURRENT MODELS TO MEET THE CHALLENGE

Benefit the
poor

- Handouts
- Welfare & Social Programs



- Commercial Micro-Finance
- Banking Services

- Loan Sharks

Benefit the
provider

Create
dependence

Create
dignity

OUR TWO-PART SOLUTION

1

Integrate existing service providers

2

Implement a scalable sustainable entrepreneurial Micro-finance model

OUR SOLUTION PART 1 – INTEGRATE EXISTING SERVICE PROVIDERS

Nutrition

- Neighborhood Child Feeding (ONet)
- School Lunch Program (FEI & PH)

Health

- Medical Clinic Nicaragua (Healing Hands)
- Medical Clinic India (KISES)
- Periodic Doctor Visits (ONet & EF)

Education

- Daycare, Kindergarten, Elementary School, High School (PH)

Vocational Training

- Farm (PONTIS)



ORPHANNetwork



Solidarity Network

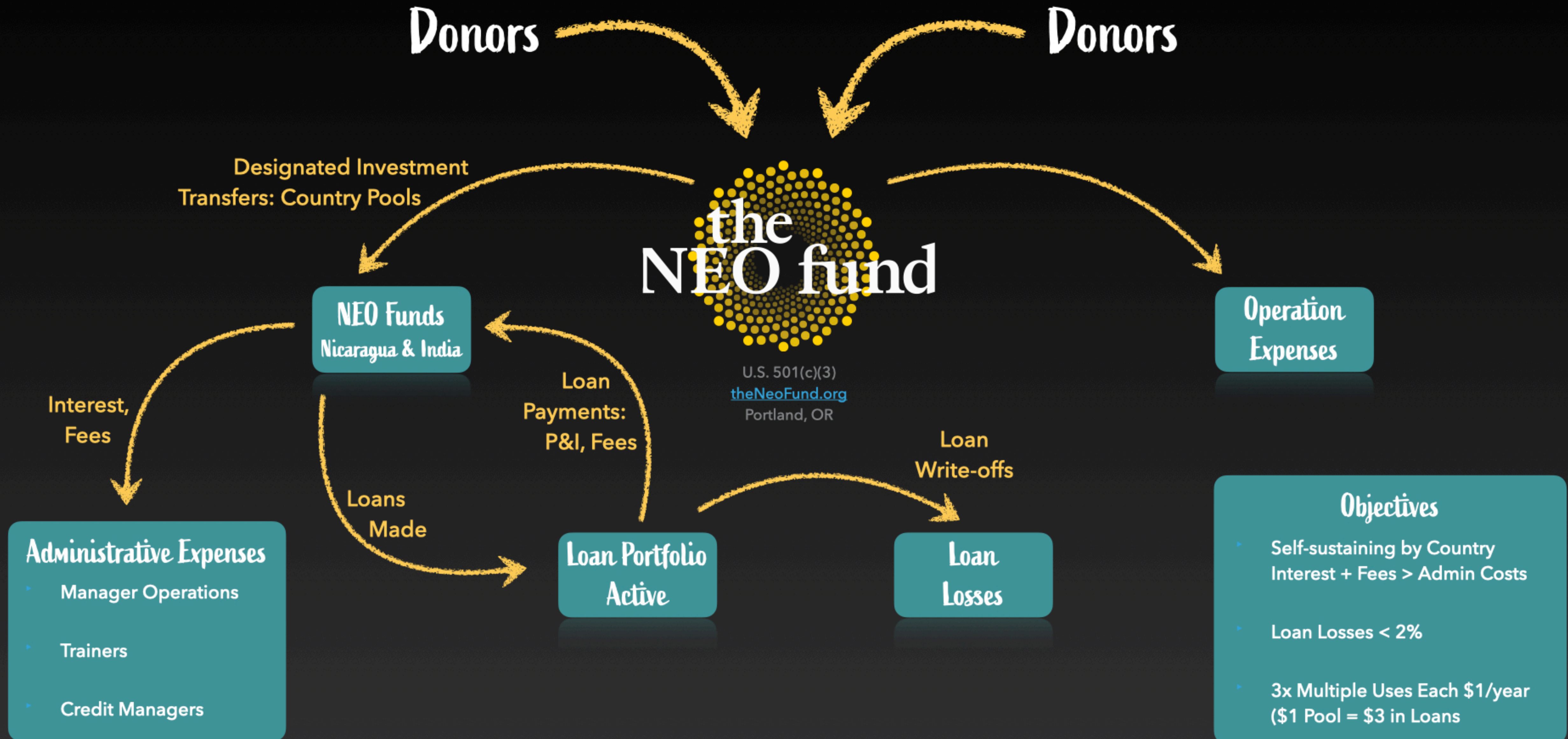
OUR SOLUTION PART 2 – A SCALABLE, SUSTAINABLE NONPROFIT MODEL

A long-term development strategy that VALUES and DIGNIFIES the beneficiary and integrates silos...

1. Identification	2. Meet Basic Needs	CREATE COMMUNITY	4. Micro-Loans	5. Training & Coaching
<p>“Walking Around”</p> <p>An ongoing local, imbedded relational presence</p>	<ul style="list-style-type: none">• Nutrition• Health Care• Education <p><i>With partners: Children as primary beneficiaries</i></p>	<p>A HEALTHY...</p> <p>COMMUNITY CENTER CHURCH HEALTH CLINIC SCHOOL</p>	<ul style="list-style-type: none">• Criteria: need• Criteria: capacity	<ul style="list-style-type: none">• Vocational Training• Business Development <p><i>With partners: Borrowers as primary beneficiaries</i></p>

...in contrast to methodologies that jump in at just one step.

OUR SOLUTION PART 2 – THE NEO FUND MICROFINANCE MODEL



OUR SOLUTION PART 2 – THE NEO FUND MICROFINANCE MODEL

A. We have a compelling model...

- ▶ A professionally designed nonprofit micro-finance model with deep local roots
- ▶ The lowest cost loans targeted at poorest of the poor entrepreneurs
- ▶ Extended in context of relationship, with coaching and training
- ▶ A system that highly values our poor borrower
- ▶ Ultimate objective – to provide the margin to the BORROWER

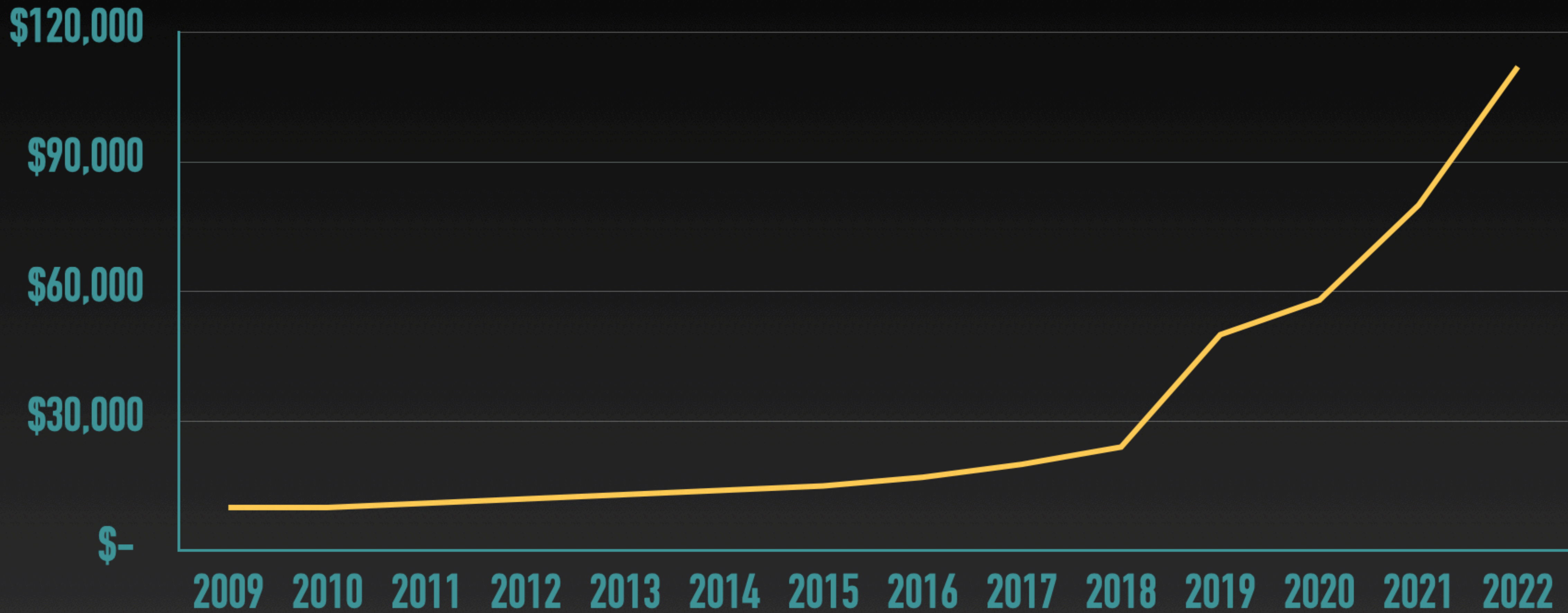
OUR SOLUTION PART 2 – NEO'S MICRO-FINANCE MODEL

B. We have a highly capable team...

- ▶ Ron Hockley, Executive Director – M.A. Cross-Cultural Studies; 30 years nonprofit leadership
- ▶ Cheryl Nemazie, Creative Director – Art Director & Documentary Photographer with clients world-wide
- ▶ Francisco Barquero, Director of Microfinance Operations – PhD Development Economics, extensive experience with microfinance throughout Latin America

NEO'S MICRO-FINANCE MODEL

NEO FUND CAPITAL FUND GROWTH



NEO'S MICRO-FINANCE MODEL

Comparison Data for a loan of \$100 and a term of 6 months				
	NEO FUND INTEREST RATE	Competitor Medium Interest Rate	Competitor High Interest Rate	Group Loan Model
Annual Interest Rate	30.00%	45.00%	156.00%	50.50%
Monthly Interest Rate	2.50%	3.75%	13.00%	4.21%
Total Interest Payment	\$9.04	\$15.31	\$46.01	\$15.64

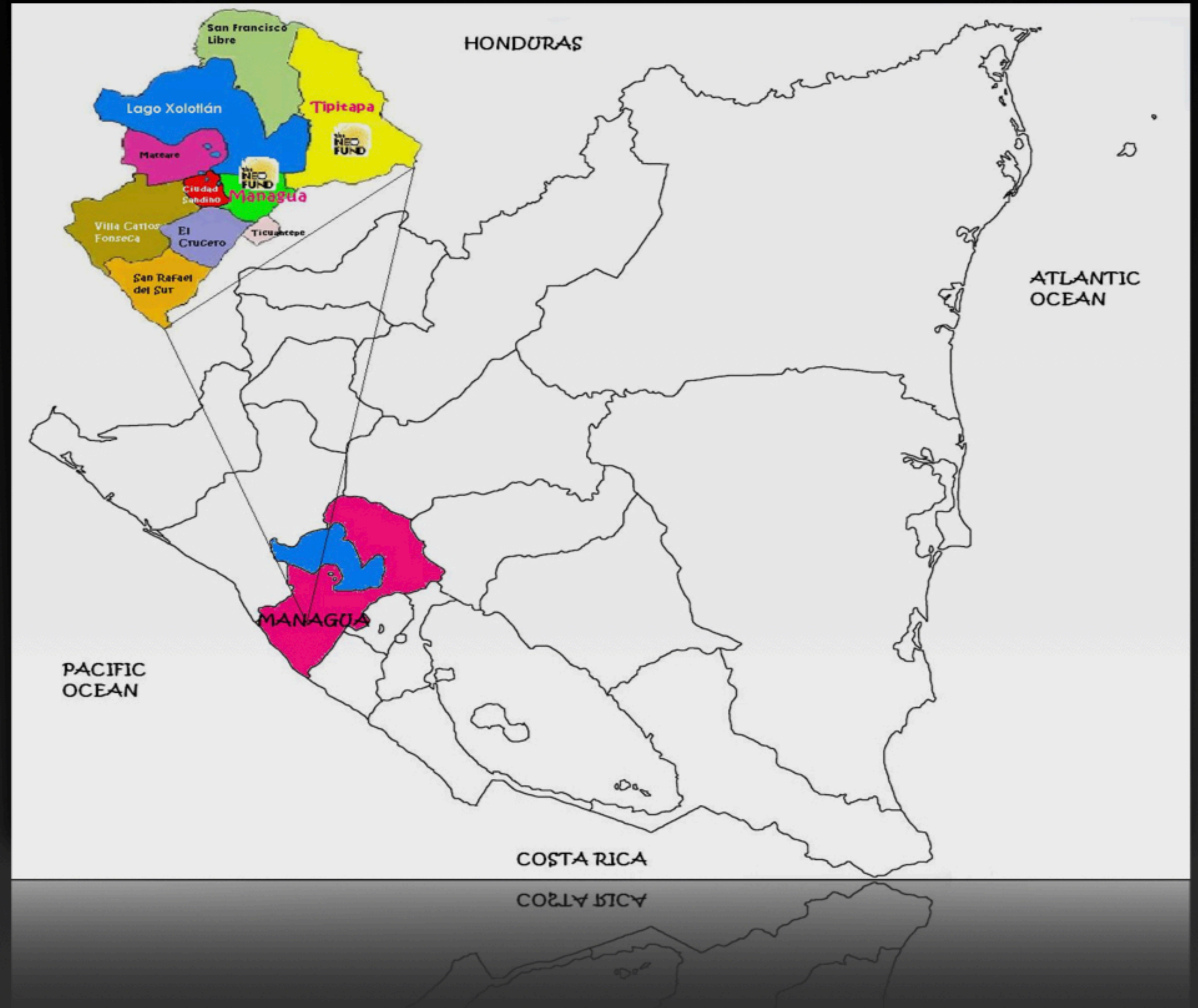
The lowest!



NEO'S MICRO-FINANCE MODEL

In NICARAGUA

- 12 years
- \$76,651 in capital extended through multiple loan cycles (\$401,620) 2009-2017
- About 1,385 loans



NEO'S MICRO-FINANCE MODEL

In HAITI

- 2 year Port-au-Prince pilot in 2014-2015 with \$5,000 extended through 4 loan cycles (\$20,000) to test the model in a different setting
- 50 loans
- Project Completed

In INDIA

- 2 years
- \$29,752 in capital extended through multiple cycles (\$101,865 loaned to date)
- 746 loans

NEO'S MICRO-FINANCE MODEL

- Yadira is from the poor village of Cristo Rey.
- The primary breadwinner for a family of 4, she used to earn <\$2 a day
- She took her first NEO loan (\$100) in 2015 and has paid and taken several more, growing to \$300 this year
- She is now selling 400 tortillas a day and earning a profit of \$10/day, an increase of more than 400%!
- Next she is purchasing a propane stove so she doesn't have to work in the wood smoke every day.



NEO'S MICRO-FINANCE MODEL

- Irene used to collect recyclables in the Managua dump, earning around \$2/day.
- In 2015 she took her first NEO loan (\$100), and has paid and taken four more, growing to \$300 this year.
- She has expanded her business to plastic and tin
- She now has 6 employees
- She purchased a truck
- She lives in a home with plumbing and a cement floor
- She is now selling 800 reconditioned cans and bottles a day and earning an amazing profit of \$56.67/day, an increase of more than \$54/day!



NEO FUND MODEL — LONG-TERM NEEDS TO IMPLEMENT SCALABLE MODEL

LOAN CAPITAL

- Sustainability requires a minimum revolving capital fund of \$100,000

LOCAL STAFF

- Two credit officers
- A business trainer
- An accountant

NEED — MEETING PROGRAMS ON THE GROUND

- A growing number of robust and deeply imbedded partner programs

NEO FUND MODEL — MEASURABLE MILESTONES

2022

- ▶ Increase loan capital to a minimum of \$150,000
- ▶ 800 active borrowers
- ▶ Portfolio at Risk < 7%

2023

- ▶ Increase loan capital to a minimum of \$200,000
- ▶ 1000 active borrowers
- ▶ Portfolio at Risk < 6%