



The Reciprocity Fund

by Beneficial Returns

INVESTMENT REPORT



FUND UPDATE

December 2024

THE RECIPROCITY FUND

as of 31 Dec 2024

NATIVE AMERICAN BANK

We invest a majority of our undeployed capital with Native American Bank (Colorado), the only American-Indian-owned community development bank in the US. It aims to provide financial services to Alaska Native and Native American communities to aid in their economic independence, development, and sustainability.

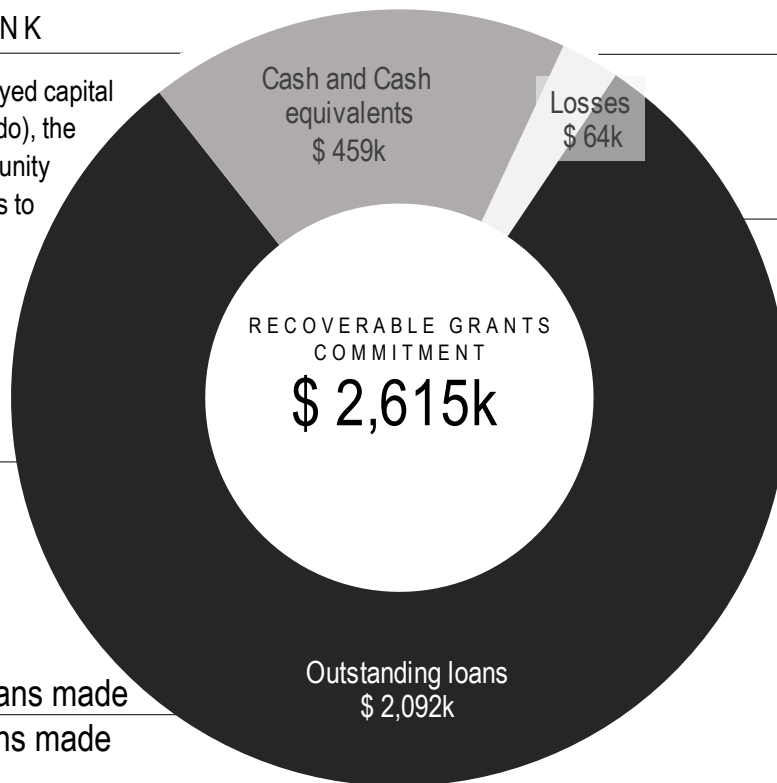
PIPELINE

\$200 k

PAR 90: \$90K (4%)

LOANS REPAYED 38% of loans made

LOSSES 2% of loans made



LOANS MADE

\$3.5 million

BORROWERS

51

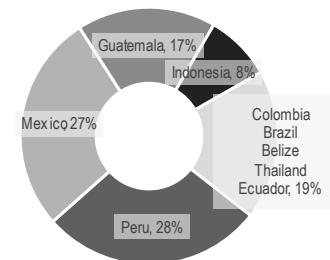
INDIGENOUS COMMUNITIES

Kichwa, Maya*, Dayak, Lamaholot

*includes various subcommunities including K'iche', Kaqchikel, Mam, Q'eqchi', Tzeltals, Tojolabales

COUNTRIES

Peru, Mexico, Ecuador, Guatemala, Brazil, Belize, Colombia, Indonesia, Thailand



FUND UPDATES

Investor and Fund Level Updates

- The Reciprocity Fund set an ambitious goal to raise \$2M by the end of the year, and managed to raise \$1.17M from a mix of new and current investors.
- The Reciprocity Fund's seed investor agreed to extend his \$500K investment from 2027 to 2032.

Team

- In Q4 of 2024, we welcomed two new members to our team:
 - Sebastian Aguedo is our new Credit Analyst who brings five years of experience in impact investing to Beneficial Returns. He previously worked for responsAbility where he provided short-term financing to agricultural businesses in Latin America. Prior to this, he worked for a local boutique consulting company where he helped social entrepreneurs raise capital and address operational challenges.
 - Chiara Petruzza is our first full-time Communications Officer. Prior to Beneficial Returns, she spent several years at MAIA, a nonprofit that empowers young Indigenous women in Guatemala through education and leadership development. She led various communication initiatives that amplified MAIA's impact and will leverage her expertise in storytelling and strategic communications in Beneficial Returns.

FUND UPDATES

Portfolio

- As of December 31, 2024, 4 borrowers have invoices overdue for more than 30 days:
 - Xaxeni (3% of portfolio): Xaxeni is having difficulty collecting from projects which would've helped ease its cash flows and start debt repayment. A major collection is from the government of Texcoco who stopped paying in October 2024 and who promised it would resume payments in February 2025. Xaxeni is still owed approximately USD 97k for this project. Without these collections, Xaxeni barely has cash flow to continue their operations and are currently unable to repay debt until it lands new projects.
 - Wiñak (1% of portfolio): The organization is still experiencing complications and don't have any sales. They have pending payments from clients with no clarity for when they will receive them. Even though we restructured the loan and proposed a USD 1,000 monthly payment, they are unable to keep up with their obligation with us and have no clarity of how and when their situation will improve.
 - UOPROCAE (1% of portfolio): UOPROCAE was restructured after the reporting period. The organization requested a year grace period (2025) to help ease its cash flows. The organization is in a very difficult situation, and don't foresee improvement until 2026, when they expect to be able to purchase more cacao from producers and fulfill their client's orders completely. They have reduced their costs, laying off most of the employees and are operating at a minimum. As a prerequisite to the loan restructure, we have asked for two \$500 USD payments as proof of their commitment, both of which they have successfully paid.
 - ADIRA (3% of portfolio): ADIRA is currently behind on two payments. We are in the process of working with a lawyer to support us in reminding them about their payment.
- Our focus on other industries continues to bear fruit as Coffee concentration declines. From representing 63% of the portfolio in Q4 2023, Coffee is down to 41% in Q4 2024. The next single crop with the highest concentration is Cacao, representing 11% of the portfolio. We are pausing loans to cacao producers to further diversify the portfolio.



NEW LOANS



SHANANTINA | PERU

Shanantina is a Peruvian social enterprise that sells products made with Sacha Inchi nuts, a superfood native to the Peruvian Amazon. The company sources from over 130 Quechua smallholder farmers who manage around 140 hectares of land in agroforestry systems that promote crop diversity and soil health. Sacha Inchi nuts can be harvested monthly, representing a consistent source of income for farmers. Shanantina uses the nuts for products such as Sacha Inchi oil and snacks.

In October 2024, Reciprocity Fund extended a \$54,000 loan for the purchase of an optical sorting machine that will improve nut selection, a process that has been done manually. This will allow them to process 6x more nuts and fulfill orders faster while reducing production costs.



APODIP | GUATEMALA

Asociación de Productores Orgánicos para El Desarrollo Integral del Polochic (APODIP) is an association that sells organic cocoa produced along the Polochic River in Alta Verapaz. It supports over 1,300 smallholder farmers who all come from the Mayan Q'eqchi group and the majority of whom cultivate cacao in their backyards. Across the collective 754 hectares of land, crops are cultivated in agroforestry systems that help preserve and conserve forest and river ecosystems.

In October 2024, Reciprocity Fund provided a \$200,000 loan to help APODIP purchase equipment and finish building a cocoa paste plant to add more value to their cocoa



VEGEXSA | GUATEMALA

Asociación de Vegetales Exóticos (VEGEXSA) supports 100 Kaqchikel farming families in Santa María de Jesús, Guatemala, by collecting, processing, and exporting high-quality peas, green beans, avocados, corn, and blueberries to Europe and the US. The Indigenous-led association offers technical assistance and financial support to boost productivity and secure fair prices, while its sustainable practices, such as organic farming and water recycling, help protect the environment and preserve Kaqchikel culture.

In November 2024, The Reciprocity Fund issued a \$30,000 loan to expand its operations by purchasing an additional 20,000 kilos of snow peas, generating an estimated \$200 in extra annual income for each farmer.



APAAM | PERU

Asociación de Productores Agroecológicos del Alto Marañón (APAAM) produces and sells plantain and plantain chips from Alto Marañón, Peru. The association is composed of 148 smallholder families that identify as Awajun, the second-largest indigenous group in Peru. APAAM's plantain chips brand called Nugkui ("mother earth" in their local language) is led by indigenous youth and makes use of blemished plantains unsuitable for sale in the fresh market, reducing waste while adding value to their product.

In October 2024, Reciprocity Fund extended a \$30,000 loan – the association's first ever loan – to upgrade the Nugkui plantain processing facility and increase capacity to sell more plantain chips.



CAC ALTA MONTAÑA | PERU

CAC Alta Montaña (CACCAM) is a cooperative in the Junin region of the Peruvian Amazon founded by 82 smallholder farmers. It now comprises 310 farmers from 5 Ashaninka communities, Peru's largest Indigenous Amazonian group. CACCAM promotes sustainable agriculture and offers farmers a 20% premium for organic coffee and ginger, backed by Rainforest Alliance and Fair Trade certifications. This helps protect the environment and preserve traditional knowledge for future generations.

In November 2024, The Reciprocity Fund extended a \$100,000 loan to help its farmer members improve their livelihoods through higher incomes and better access to essential services such as education, health, and training.



RENACIMIENTO MIXE | MEXICO

Unión de Cooperativas Renacimiento Mixe was founded in 2011 by 39 small cooperatives to offer financing services to farmers and cattle raisers in the Oaxaca region. It is the only regional financial entity accessible to Indigenous people, and currently serves over 840 cattle raisers, 89% of whom are Indigenous and 56% of whom are women. Since inception, it has provided almost \$6M in financing for cattle loans and microloans in high migration municipalities, contributing to poverty reduction and economic development while preserving local culture and traditions.

In December 2024, The Reciprocity Fund provided a \$200,000 loan to help finance 20 to 40 productive cattle-raising loans, which will support the livelihoods of over 120 rural families, including indirect temporary jobs.



CICAP | GUATEMALA

Cooperativa Integral de Comercialización Peten (CICAP) is a cooperative based in Guatemala's Peten department, dedicated to producing and selling a variety of products including pepper, musk, chili, pumpkin seeds, and cardamom. With 3,500 members, primarily from the Q'eqchi Indigenous Maya community, CICAP focuses on promoting sustainable income by introducing new crops alongside the region's staple crop, corn. Additionally, CICAP supports small farmers by providing seedlings at no cost through their nursery.

In September 2024, The Reciprocity Fund provided a \$15,000 loan to improve the income generation capabilities of each associate and protect the forest by developing native crops.



PIPELINE

PROSPECTS



PEBANI | PERU

Pebani is a Peruvian company founded in 1996 that purchases raw materials from over 200 small farmers, all of whom belong to indigenous communities, to manufacture natural ingredients for several industries, such as Maca, Tahuari, Cat's Claw, and Camu Camu. Pebani requests a \$50,000 loan to purchase drying and spraying equipment to produce concentrated extracts.



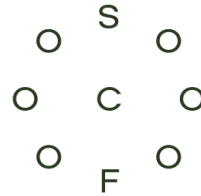
CHICZA | MEXICO

Chicza is a cooperative that supports over 2,000 indigenous farmers in Campeche and Quintana Roo in Mexico by producing and marketing organic chewing gum compatible with sustainable forest management practices. Chicza promotes the creation of community forest reserves and a program to recover eroded soils. The cooperative requests a \$100,000 loan to finance its working capital.

OUR INVESTORS



Mott-Warsh
Recoverable Trust



Social Capital
Foundation





The Reciprocity Fund
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