

Acumen Fund, Inc. and Subsidiaries

Consolidated Financial Report
December 31, 2023

Contents

Independent auditor's report	1-2
<hr/>	
Supplementary information	
Management's discussion and analysis (unaudited)	3-4
Financial statements	
Consolidated statements of financial position	5
Consolidated statements of activities	6-7
Consolidated statements of functional expenses	8-9
Consolidated statements of cash flows	10
Notes to consolidated financial statements	11-34
Supplementary information	
Consolidating schedule of financial position	35
Consolidating schedule of activities	36
Consolidating schedule of functional expenses by region	37



Independent Auditor's Report

RSM US LLP

Board of Directors
Acumen Fund, Inc. and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Acumen Fund, Inc. and Subsidiaries (Acumen), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Acumen as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Acumen and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective January 1, 2023, Acumen adopted Financial Accounting Standards Board Accounting Standards Update 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Acumen's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Acumen's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Acumen's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement, or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for that portion marked "unaudited," the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Boston, Massachusetts
July 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)

Management's Discussion and Analysis (MD&A) is the section of Acumen Fund, Inc. and Subsidiaries ("Acumen") annual report in which management provides an overview of the important program activities and financial results, as well as key trends. The purpose of providing this report is to create a better understanding of Acumen's financial situation, the strategic activities the board and management have implemented, and the outlook for the future.

Overview and Outlook

It's been 22 years since we set out to change the way the world tackles poverty and build a world based on dignity. The world has evolved since that time, and so have we.

Helping transformational companies go from seed to scale: Through Acumen Ventures, we continue investing in high-impact enterprises typically overlooked by investors. We take risks most investors won't, supporting companies in off-grid solar, education, healthcare, agriculture, and workforce development, with our Patient Capital approach. Our work in Returnable Funds allows us to pool capital to scale businesses with the most potential for impact.

Building bolder solutions: We launched Hardest-to-Reach, our biggest initiative yet, to expand clean and affordable energy access to countries in sub-Saharan Africa.

Sharing insights to change sectors and systems: We published our report on "failing forward" and got comfortable talking about failure. If we don't, we miss the opportunity to learn and make real progress. Doing so allows us and our companies to make wiser decisions.

As we keep evolving, we will continue to focus on going where the world's greatest needs meet its greatest opportunities, finding impactful ways to solve the root causes of poverty and turning our actions into insights.

Operating Results

In 2023, Acumen raised \$51.4 million in philanthropic capital, a decrease of 15.7% from 2022. Acumen recognized non-cash revenue of \$4.3 million for donated legal services and donated goods to support our investing work.

We received \$1.0 million in interest income from portfolio loans and recorded a loss provision of \$7.1 million for portfolio investment losses. Acumen carries our program investments at cost, and we lower these valuations when impairment exists. We review our portfolio of assets on an annual basis and apply a consistent valuation philosophy across the companies in our portfolio. Because we carry these investments at cost, we do not mark up our equity investments to fair market value, even when subsequent funding rounds imply an increase in the holding value of our investments. The only exception would be mark-ups related to orderly transactions of identical shares. Any other increase in value of equity investments would be recognized as realized gains or profits upon exit.

Operating expenses represent all the direct costs related to the running of Acumen programs as well as our management and general and fundraising costs. They do not reflect any of our investments in our portfolio companies. Total expenses for 2023 were \$39.6 million, a 20.8% increase compared to the prior year driven by in-kind contributions, additional headcount, and research costs to support new programs.

Acumen

40 Worth Street, Suite 303
New York, NY 10013
www.acumen.org

Program work constitutes 76.6% of our total expenses. Portfolio expenses were \$19.2 million, representing the cost of sourcing, due diligence, planning and the execution of \$13.7 million in new and follow-on investment disbursements. As of December 2023, Acumen invested \$168.0 million in 183 companies. Outreach, Impact and Communications expenses were \$4.6 million, representing our work in measuring and reporting our investment performance (both financial and non-financial), and in the research and sharing of our insights gleaned from our programmatic work. Our Leadership program costs increased by 8.9% in 2023 with expenses of \$6.5 million. Fundraising costs and Management and General expenses accounted for \$9.4 million, which included investments in Acumen's grant management function.

Statement of Financial Position

Acumen's total assets were \$216.2 million as of December 31, 2023. Acumen's assets are split primarily between Operating Assets (\$117.8 million) and Portfolio Assets (\$98.4 million). The largest component of our Operating Asset is our cash balance of \$88.0 million, where \$50.9 million (57.8%) of the total balance was restricted and designated for specific programmatic uses or for use as investment capital.

Liabilities at the end of 2023 totaled \$15.8 million, comprising unearned revenue from conditional grants, leases, and returnable grants used for portfolio investments under the East Africa Education Initiative. Net assets at the end of the year were \$200.4 million compared to \$181.8 million at the end of 2022 – a 10.3% increase.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position December 31, 2023 and 2022

	2023	2022
Assets		
Operating assets		
Cash and cash equivalents	\$ 82,367,095	\$ 63,726,936
Interest receivable	33,004	28,164
Accounts and other receivables	1,373,396	1,194,305
Investments	-	1,654,126
Prepaid expenses and other assets	904,242	606,550
Contribution receivables, net	21,308,143	32,493,939
Interest in charitable remainder trust	561,709	496,226
Cash restricted for long-term investment	5,640,401	3,617,084
Property and equipment, net	192,314	253,289
Right-of-use lease assets, net	5,219,147	1,919,393
Security deposits	245,267	248,141
Total operating assets	117,844,718	106,238,153
Portfolio assets		
Interest and dividend receivables, net	1,217,685	979,726
Program-related equity investments, net	64,442,321	55,147,374
Program-related debt securities	8,809,995	8,882,848
Program-related loans receivable, net	3,189,849	3,790,650
Program-related partnership investments, net	20,740,761	19,462,619
Total portfolio assets	98,400,611	88,263,217
Total assets	\$ 216,245,329	\$ 194,501,370
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 730,378	\$ 559,278
Accrued salaries and related expenses	1,812,656	1,760,110
Taxes payable on foreign loan interest income	2,318	4,961
Conditional advances	2,027,811	2,443,230
Returnable grant capital	5,819,399	5,819,399
Lease liability	5,405,118	2,106,898
Total liabilities	15,797,680	12,693,876
Net assets		
Without donor restrictions:		
Operating	34,950,276	25,278,584
Portfolio funds	98,400,611	88,263,217
Total without donor restrictions	133,350,887	113,541,801
With donor restrictions	67,096,762	68,265,693
Total net assets	200,447,649	181,807,494
	\$ 216,245,329	\$ 194,501,370

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Operating support and revenue:			
Contributions	\$ 21,176,529	\$ 30,182,692	\$ 51,359,221
Contributed nonfinancial assets	4,342,836	-	4,342,836
Program fees	3,418,982	-	3,418,982
Net investment income	1,612,129	-	1,612,129
Change in value of charitable remainder trust	-	65,483	65,483
Other income	248,822	-	248,822
Net assets released from restrictions	16,310,900	(16,310,900)	-
Total operating support and revenue	47,110,198	13,937,275	61,047,473
Portfolio revenue (losses):			
Interest and dividend income, program-related investments	1,021,439	-	1,021,439
Realized and unrealized gains on equity and partnership investments	3,167,503	-	3,167,503
Realized debt portfolio gains	8,678	-	8,678
Change in value of debt and equity securities	(6,905,251)	-	(6,905,251)
Provision for credit losses	(205,030)	-	(205,030)
Net assets released from restrictions	15,106,206	(15,106,206)	-
Total portfolio revenue (losses)	12,193,545	(15,106,206)	(2,912,661)
Total support and revenue	59,303,743	(1,168,931)	58,134,812
Expenses:			
Program expenses:			
Portfolio management	19,210,955	-	19,210,955
Outreach, impact and communications	4,568,811	-	4,568,811
Leadership	6,516,910	-	6,516,910
Total program expenses	30,296,676	-	30,296,676
Supporting expenses:			
Management and general	4,776,415	-	4,776,415
Fundraising	4,479,716	-	4,479,716
Total supporting expenses	9,256,131	-	9,256,131
Total expenses	39,552,807	-	39,552,807
Change in net assets before foreign currency translation loss and capital contributions	19,750,936	(1,168,931)	18,582,005
Foreign currency translation loss	(176,850)	-	(176,850)
Capital contributions	235,000	-	235,000
Change in net assets	19,809,086	(1,168,931)	18,640,155
Net assets:			
Beginning of the year	113,541,801	68,265,693	181,807,494
End of the year	\$ 133,350,887	\$ 67,096,762	\$ 200,447,649

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Operating support and revenue:			
Contributions	\$ 7,781,164	\$ 53,116,055	\$ 60,897,219
Contributed nonfinancial assets	2,099,405	-	2,099,405
Program fees	4,198,376	-	4,198,376
Net investment income	494,845	-	494,845
Change in value of charitable remainder trust	-	(114,859)	(114,859)
Loss on disposal of property and equipment	(2,698)	-	(2,698)
Other income	88,036	-	88,036
Net assets released from restrictions	14,858,240	(14,858,240)	-
Total operating support and revenue	29,517,368	38,142,956	67,660,324
Portfolio revenue (losses):			
Interest and dividend income, program-related investments	138,974	-	138,974
Realized and unrealized gains on equity and partnership investments	1,095,530	-	1,095,530
Realized debt portfolio losses	(102,879)	-	(102,879)
Change in value of debt and equity securities	(3,942,703)	-	(3,942,703)
Net assets released from restrictions	5,170,291	(5,170,291)	-
Total portfolio revenue (losses)	2,359,213	(5,170,291)	(2,811,078)
Total support and revenue	31,876,581	32,972,665	64,849,246
Expenses:			
Program expenses:			
Portfolio management	13,583,117	-	13,583,117
Outreach, impact and communications	4,792,425	-	4,792,425
Leadership	5,985,910	-	5,985,910
Total program expenses	24,361,452	-	24,361,452
Supporting expenses:			
Management and general	4,249,202	-	4,249,202
Fundraising	4,135,657	-	4,135,657
Total supporting expenses	8,384,859	-	8,384,859
Total expenses	32,746,311	-	32,746,311
Change in net assets before foreign currency translation loss	(869,730)	32,972,665	32,102,935
Foreign currency translation loss	(141,236)	-	(141,236)
Change in net assets	(1,010,966)	32,972,665	31,961,699
Net assets:			
Beginning of the year	114,552,767	35,293,028	149,845,795
End of the year	\$ 113,541,801	\$ 68,265,693	\$ 181,807,494

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 8,495,776	\$ 2,660,596	\$ 3,458,429	\$ 14,614,801	\$ 2,489,470	\$ 3,455,119	\$ 20,559,390
Professional and consultant fees	2,955,341	1,188,534	906,780	5,050,655	592,650	530,562	6,173,867
Program grants	2,957,053	-	1,116,612	4,073,665	-	23,774	4,097,439
In-kind contributions	3,507,080	-	-	3,507,080	830,756	5,000	4,342,836
Travel	358,443	145,785	305,465	809,693	102,266	100,563	1,012,522
Meetings	113,460	33,798	138,143	285,401	26,158	49,331	360,890
Marketing material	102,875	95,792	46,068	244,735	33,942	7,975	286,652
Technology expenses	210,103	170,091	202,843	583,037	283,564	122,927	989,528
Telephone	7,000	7,788	5,508	20,296	9,281	2,345	31,922
Office supplies	57,656	15,481	14,684	87,821	16,795	9,019	113,635
Occupancy	368,145	151,555	238,047	757,747	169,376	118,519	1,045,642
Insurance	52,120	17,148	17,491	86,759	28,508	15,418	130,685
Bank fees and bank charges	19,234	1,541	3,210	23,985	12,769	6,410	43,164
VAT and real estate taxes	10,369	-	7,764	18,133	3,028	2,254	23,415
Interest expense (recovery)	(27,503)	-	-	(27,503)	27,449	-	(54)
Income tax expense (recovery)	(86,881)	-	-	(86,881)	68,415	-	(18,466)
Miscellaneous	68,571	26,682	40,369	135,622	65,970	25,090	226,682
Total expenses before depreciation	19,168,842	4,514,791	6,501,413	30,185,046	4,760,397	4,474,306	39,419,749
Depreciation	42,113	54,020	15,497	111,630	16,018	5,410	133,058
Total expenses	\$ 19,210,955	\$ 4,568,811	\$ 6,516,910	\$ 30,296,676	\$ 4,776,415	\$ 4,479,716	\$ 39,552,807

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 6,735,686	\$ 2,702,118	\$ 3,346,078	\$ 12,783,882	\$ 2,183,384	\$ 3,133,648	\$ 18,100,914
Professional and consultant fees	1,833,488	909,908	993,156	3,736,552	687,459	426,076	4,850,087
Program grants	1,810,959	13,148	465,641	2,289,748	-	169,662	2,459,410
In-kind contributions	1,544,258	-	25,109	1,569,367	530,038	-	2,099,405
Travel	294,779	177,469	265,704	737,952	52,609	52,927	843,488
Meetings	56,522	483,652	169,155	709,329	35,684	48,058	793,071
Marketing material	5,801	72,804	49,459	128,064	714	666	129,444
Technology expenses	225,061	127,232	201,355	553,648	241,862	84,281	879,791
Telephone	7,641	5,996	7,108	20,745	5,156	2,929	28,830
Office supplies, printing and postage	25,185	39,516	41,799	106,500	34,180	16,086	156,766
Occupancy	252,343	184,532	265,279	702,154	174,646	121,264	998,064
Insurance	31,880	23,079	20,644	75,603	16,713	22,469	114,785
Bank fees and bank charges	267,683	32,628	79,771	380,082	123,462	42,439	545,983
VAT and real estate taxes (recovery)	183,860	15,738	23,203	222,801	16,794	12,175	251,770
Interest	-	-	-	-	18,437	-	18,437
Income tax expense	190,706	-	-	190,706	132,065	-	322,771
Miscellaneous	69,903	108	1,850	71,861	(22,120)	-	49,741
Total expenses before depreciation	13,535,755	4,787,928	5,955,311	24,278,994	4,231,083	4,132,680	32,642,757
Depreciation	47,362	4,497	30,599	82,458	18,119	2,977	103,554
Total expenses	\$ 13,583,117	\$ 4,792,425	\$ 5,985,910	\$ 24,361,452	\$ 4,249,202	\$ 4,135,657	\$ 32,746,311

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 18,640,155	\$ 31,961,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	133,058	103,554
Provision for uncollectible contributions receivables	90,000	1,180,986
Change in value in charitable remainder trust	(65,483)	114,859
Foreign currency translation loss	176,850	141,236
Loss on disposal of property and equipment	-	2,698
Donated securities	-	(1,932,253)
Proceeds from sale of donated securities used for operations	-	264,707
Realized (loss) gain on sale of donated securities	-	13,420
Realized and unrealized gain on equity and partnership investments	(3,167,503)	(1,095,530)
Realized debt portfolio (gain) loss	(8,678)	102,879
Provision for portfolio credit losses	6,905,251	3,942,703
Realized loss on program related loan conversions	(147,255)	260,715
Change in operating assets and liabilities:		
Contributions receivable	11,095,796	(20,451,505)
Interest and dividend receivable	(242,799)	440,648
Accounts and other receivables	(179,091)	(682,908)
Prepaid expenses and other assets	(297,692)	135,533
Operating right-of-use lease assets	(3,299,754)	666,540
Security deposits	2,874	(22,051)
Accounts payable and accrued expenses	223,646	(564,917)
Returnable grant capital	-	2,332,132
Conditional advances	(415,419)	(398,774)
Operating lease liability	3,298,220	(690,124)
Taxes payable on foreign loan interest income	(2,643)	(36,867)
Net cash provided by operating activities	32,739,533	15,789,380
Cash flows from investing activities:		
Purchase of property and equipment	(101,203)	(237,141)
Proceeds from sale of property and equipment	29,120	35,805
Proceeds from sale of program-related equity and partnership investments	884,524	3,346,890
Proceeds from sale of investments	1,654,126	-
Program-related debt securities made	(2,020,000)	(2,300,000)
Program-related loans made	(1,427,523)	(460,000)
Program-related equity investments made	(10,209,615)	(5,256,163)
Program-related partnership investments made	(1,136,560)	(2,084,079)
Repayment of program-related loans	251,074	590,781
Net cash used in investing activities	(12,076,057)	(6,363,907)
Net change in cash and cash equivalents and cash restricted for long-term investment	20,663,476	9,425,473
Cash and cash equivalents and cash restricted for long-term investment:		
Beginning	67,344,020	57,918,547
Ending	\$ 88,007,496	\$ 67,344,020
Reconciliation of cash and cash equivalents and cash restricted for long-term investment:		
Cash and cash equivalents	\$ 82,367,095	\$ 63,726,936
Cash restricted for long-term investment	5,640,401	3,617,084
Total cash and cash equivalents and cash restricted for long-term investment	\$ 88,007,496	\$ 67,344,020
Supplemental disclosures of cash flow information:		
Cash paid for taxes	\$ -	\$ 359,638
Cash paid for interest	\$ -	\$ 18,437
Cash paid for leases	\$ 651,580	\$ 720,346
Supplemental disclosure of noncash financing activities:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 5,123,034	\$ 31,816

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities

Acumen Fund, Inc., a nonprofit organization, aims to mitigate the social and economic challenges in the lives of the poor by building financially sustainable and scalable organizations (nonprofit and for-profit) that deliver affordable, critical goods and services or create access to markets for low-income communities. Acumen adheres to a disciplined process in selecting and managing its philanthropic investments as well as in measuring the social impact and financial results. Acumen Fund, Inc. manages an investment portfolio with seven areas of expertise focused on global social needs. These areas include Agriculture, Education, Energy, Financial Inclusion, Health, Water and Sanitation, and Workforce Development. In addition, Acumen Fund, Inc. runs a leadership program that consists of five regional fellowship programs to identify, support, and connect social change leaders. In 2020, Acumen launched Acumen Academy, merging its Leadership program and +Acumen courses to create a school for social change, along with a new platform to make its online courses and community accessible to anyone, anywhere. Acumen Fund, Inc. also focuses on the dissemination of ideas, particularly those related to the insights derived from the impact measurement of its work and efforts to raise awareness about its approaches to tackling poverty. Acumen Fund, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation.

In addition to managing its global operations from its New York office, Acumen Fund, Inc. formed Acumen Advisory Services India Private Limited (Acumen India) and Acumen Fund Pakistan (Acumen Pakistan) as subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. holds 99.9% ownership. In addition, Acumen India Trust, an Indian nonprofit public charitable trust, was formed to accept local donations to support certain programs. Its board and officers comprise Acumen Fund, Inc. staff. Acumen Pakistan is a company limited by guarantee incorporated in Pakistan under section 42 of the Companies Ordinance, 1984, which is the equivalent to a 501(c)(3) public charity in the United States. Acumen Fund, Inc. has the right to appoint a majority of the Board of Directors of Acumen Pakistan, which comprise two directors appointed by Acumen Fund, Inc. under the Amended Affiliation and Funding Agreement dated May 2014, and three directors elected by its members. In 2013, Acumen Fund, Inc. formed Acumen Canada, a registered charitable organization in Canada in which Acumen Fund, Inc. is the sole executive and voting member. The Board of Directors is appointed by Acumen Fund, Inc. as executive member and includes Acumen Fund, Inc. employees and outside individuals. Acumen also has branch offices in Kenya, Colombia, and the United Kingdom.

In October 2014, Acumen Fund, Inc. formed Acumen Capital Partners LLC (ACP), a Delaware limited liability corporation, to act as a fund manager for a new fund, KawiSafi Ventures Limited (KawiSafi) and eventually Acumen Resilient Agriculture Fund Limited Partnership (ARAF). Acumen Fund, Inc. is the sole owner of ACP and this entity elected to be taxed as a corporation for U.S. income tax purposes. At the same time, Acumen Fund, Inc. also formed Acumen Capital Markets Investments LLC (ACMI) as the general partner and carry vehicle for KawiSafi. ACMI elected to be treated as a disregarded entity for U.S. income tax purposes. KawiSafi is a Mauritius private limited liability company focused on investing in early-stage companies developing decarbonized, distributed energy infrastructure, which provide critical essential services and enhanced productivity to underserved populations across Africa. KawiSafi held its final close in 2019 with \$67.4 million of committed capital and it elected to be treated as a partnership for U.S. income tax purposes.

In February 2017, Acumen Fund, Inc. formed a Delaware limited liability corporation, Acumen Capital Holding, LLC (ACH), in which it holds a 100% ownership stake. ACH was created to make portfolio investments consistent with and as an extension of Acumen Fund, Inc.'s charitable activities. ACH elected to be taxed as a corporation for income tax purposes. As of January 1, 2023 and 2022, ACH had net operating loss deductions available of \$1,090,751 and \$1,012,789, respectively. ACH has determined it is unlikely that these available deductions will be utilized and recorded a valuation allowance for the full amount.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities (Continued)

In May 2017, ACP formed a wholly owned Kenyan subsidiary for the KawiSafi management team called Acumen Capital Partners EA Limited (ACP EA). ACP EA elected to be taxed as a foreign disregarded entity for U.S. income tax purposes.

In 2017, Acumen Fund, Inc. began restructuring its Kenyan branch into two new entities. Acumen EA Advisory Services Limited (EA Advisory) was formed in June 2017 as a company limited by shares and began operations in 2020. This entity provides advisory services for Acumen's portfolio program. Acumen East Africa Institute Limited (EA Institute), a tax-exempt trust limited by guarantee, was formed in January 2018 for the leadership program in Kenya, but it is not yet operational.

In July 2017, ACP formed Acumen Capital Markets Latin America Early Growth LLC, a Delaware limited liability corporation taxed as a partnership for US income tax purposes, as the carry vehicle and general partner for Acumen Latam Impact Ventures (ALIVE). In July 2017, ACP also formed Acumen Latam Impact Ventures LLC, a Delaware limited liability corporation taxed as a corporation for U.S. income tax purposes, to act as the manager for ALIVE. ACP owns 49% of these entities and the remaining 51% is owned by the fund's managing partners. In Jan 2018, Acumen Latam Impact Ventures LLC formed ALCP Colombia SAS, a Colombian corporation treated as a foreign disregarded entity for US income tax purposes, to act as the operating entity for the Colombia based management team. ALIVE is a Canadian limited partnership focused on investing in innovative companies to address economic inequality in Latin America. The fund held its final close in May 2020 with \$27.7 million of committed capital. A second fund called ALIVE Early Growth Fund II held its first close in March 2023 with \$20.2 million of committed capital. ALIVE ALEG II GP LLC, a Delaware limited liability company, was formed to act as the general partner of the second fund.

In June 2018, ACP formed Acumen Resilient Agriculture Capital Investments, LLC (ARACI), a Delaware limited liability corporation treated as a disregarded entity for U.S. income tax purposes, as the carry vehicle and general partner for Acumen Resilient Agriculture Fund, LP (ARAF). In August 2019, ACP also formed Acumen Capital Partners (ARAF) Ltd (ACP ARAF EA), a Kenyan limited liability private company treated as a foreign disregarded entity for U.S. income tax purposes, to act as the operating entity for the Kenya based management team. ARAF is a Canadian limited partnership investing in agribusinesses that enable smallholder farmers to anticipate, weather, and bounce back from climate events, resulting in increased yields and incomes. ARAF held its final close in June 2021 with \$58.0 million of committed capital.

In August 2019, Acumen Fund, Inc. formed Acumen Fund West Africa LTD/GTE, a Nigerian company limited by guarantee. Acumen Fund, Inc. owns 100% of this entity's shares and it serves as Acumen Fund, Inc.'s Nigerian operating subsidiary.

In August 2021, Acumen Fund, Inc. formed a new entity in India called Acumen Fund Advisory LLP and began to wind down operations of Acumen Fund Advisory Services India Private Limited. This change sought to better align the provision of advisory services related to Acumen's portfolio in India with the evolving tax compliance requirements of that region.

In October 2022, Acumen Fund, Inc. formed the Delaware-based corporation, Acumen America, LLC. Acumen Fund, Inc. is the sole member of the corporation, which serves as the holding company for the Acumen America investment portfolio. Operations began in 2023.

In March 2023, Acumen Fund, Inc. formed M.W. North, Inc., a Canadian corporation formed in Ontario as a tax-exempt nonprofit. Acumen Fund, Inc. is the sole member of the corporation which was founded to employ Canadian residents. Activity in 2023 has been included within these consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies

The following are the significant accounting policies used in the preparation of the accompanying consolidated financial statements:

Principles of consolidation: The accompanying consolidated financial statements of Acumen Fund, Inc. include the accounts of Acumen Fund, Inc., Acumen Fund India, Acumen India Trust, Acumen Fund Advisory LLP, Acumen America LLC, MW North, Acumen Pakistan, Acumen Canada, ACP (inclusive of KawiSafi Ventures and ARAF), EA Advisory, EA Institute, Acumen Fund West Africa LTD/GTE, ACH, ACP EA, ACMI, ARACI and ACP ARAF EA, and are collectively referred to as Acumen. All significant intercompany account balances and transactions have been eliminated in consolidation.

Basis of presentation: A nonprofit organization is required to report information regarding its financial position and activities in accordance with two classes of assets: without donor restrictions and with donor restrictions. Accordingly, net assets of Acumen and changes therein are classified and reported as follows:

Net assets without donor restrictions: Resources are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating expenses.

Net assets with donor restrictions: Resources are subject to donor-imposed stipulations that will be met by actions of Acumen or the passage of time. Acumen reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use or time of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported on the consolidated statements of activities as net assets released from restrictions. Unconditional contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restriction expires in the reporting period in which the contribution is received and then subsequently released in the same period. Restricted conditional gifts that become unconditional during the period are recognized as revenues with donor restrictions and then subsequently released in the same period. Some net assets may include stipulations to be maintained in perpetuity (perpetual in nature) while permitting Acumen to expend the income generated by the assets in accordance with the provisions of the donor-imposed stipulations. Acumen had no assets that are perpetual in nature as of December 31, 2023 and 2022.

Use of estimates: The preparation of the consolidated financial statements is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Acumen considers all highly liquid investments available for operations, with a maturity of three months or less at the time of purchase, to be cash equivalents.

Contributions receivable: Contributions receivable due in one year or less are reported at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates applicable to the years in which the unconditional promises are received and consider market and credit risk as applicable. Amortization of the discounts and changes in allowance for doubtful accounts are included in operating support and revenue in the consolidated statements of activities.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Conditional contributions and promises to give, that is, those with a measurable performance barrier, or other barrier and right of return, are not recognized until they become unconditional, that is, at the time when the conditions in which they depend on are substantially met. As of December 31, 2023 and 2022, Acumen had \$2.0 million and \$2.4 million, respectively, of cash advances related to conditional contributions and are reported in conditional advances. In addition, at December 31, 2023 and 2022, Acumen had outstanding conditional contributions of \$11.3 million and \$14.3 million, respectively, including conditional advances.

An allowance for doubtful accounts is established for accounts, contributions and other accounts receivables where there exists doubt as to whether amounts will be fully collected. The determination of this allowance is an estimate based on Acumen's historical experience, review of account balances and expectations relative to collections.

Investments: Nonprogrammatic investments are carried at fair value. Purchases and sales of securities are recorded on trade dates and realized gains and losses are determined on the basis of the average cost of securities sold. Net investment income includes realized and unrealized gains and losses, interest and dividends and investment fees, and is reflected in the consolidated statements of activities.

Fair value of financial instruments: Acumen measures investments and beneficial interest in charitable remainder trust at fair value on a recurring basis. Acumen follows accounting guidance which defines fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

- Level 1:** Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by Acumen.
- Level 2:** Observable prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data.
- Level 3:** Unobservable inputs based on Acumen's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data. The fair value of the interest in charitable remainder trust held by a third-party trustee is based on the fair value of underlying investments and present value techniques.

In addition, Acumen reports certain investments using the net asset value (NAV) per share as determined by investment funds as a practical expedient for fair value.

Acumen evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. Acumen employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While Acumen believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

During the years ended December 31, 2023 and 2022, there were no changes in Acumen's valuation techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities.

Property and equipment: Property and equipment is stated at cost. Acumen capitalizes all purchases of property and equipment greater than \$1,000. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which are two to three years for leasehold improvements, or lease term, if shorter, and three to five years for furniture, computer equipment and website development. Right-of-use (ROU) lease assets are depreciated over the lease term.

Expenditure for renewals and improvements that significantly add to the productive capacity to extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale, or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities.

Leases: Acumen determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) Acumen obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. Acumen also considers whether its service arrangements include the right to control the use of an asset.

Acumen does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, Acumen made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments made include fixed rent escalation clauses or payments that depend on an index (such as a consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payment only when it is probable they will be incurred.

Acumen accounts for lease and nonlease components in its contracts as a single lease component for its real estate and equipment asset classes. The nonlease components typically represent additional services transferred to Acumen, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Impairment of long-lived assets: Acumen evaluates the recoverability of its property and equipment whenever adverse events and changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at December 31, 2023 and 2022.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Beneficial interest in a charitable remainder trust: Acumen has a beneficial interest in a Charitable Remainder Trust (Trust). Under the terms of the Trust, distributions are made from the Trust to designated beneficiaries for the remainder of their lives. The remainder of the assets in the Trust will be transferred to Acumen. The Trust is held and managed by an independent trustee. As of December 31, 2023 and 2022, the value of Acumen's estimated interest in the Trust was approximated using a 7.0% discount rate over the remaining life expectancy of the income beneficiaries.

Program-related equity, debt, and program-related partnership investments: Equity, debt and partnership investments do not have a readily determinable value and, as such, are recorded using various methods depending on the nature of ownership and various other factors. The various methods are as follows:

Fair value based on the measurement alternative: These nonmarketable investments are recorded at cost, adjusted for observable price changes for an identical or similar investment of the same issuer. Observable price changes and impairment indicators will be assessed each reporting period.

Fair value using NAV: Investments managed by external managers in fund structures that are not readily marketable are reported at fair value utilizing the most current information provided by the external manager, subject to assessments that the information is representative of fair value and in consideration of any factors deemed pertinent to the fair value measurement. As a practical expedient, Acumen is permitted under U.S. GAAP to estimate the fair value of its investments with external managers using the external managers' reported NAV without further adjustment, unless Acumen expects to sell the investment at a value other than NAV or the NAV is not calculated in accordance with U.S. GAAP.

Fair value of program-related debt securities: Debt securities are reported at fair value and are in the form of loans with a convertible equity feature. Convertible loans include various conversion events, including conversion at maturity date or upon a transaction such as a new financing round where the debt securities can be converted to equity shares. Possible settlement computations include a predetermined premium over the original principal and accrued interest or a conversion rate computed based on a defined value that changes with the number of shares outstanding. The instruments typically allow for cash settlement of principal and interest upon maturity and certain other events, unless previously converted.

Debt investments are measured at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, Investments—Debt Securities. At inception Acumen records debt investments at transaction price, believing this to be analogous to fair value. Each reporting period thereafter, Acumen adjusts the investments to fair value based upon observable price changes for identical or similar investments of the same issuer. Acumen also reviews the investments periodically to determine whether there has been a decline in investment performance or other triggers of decline in value. If a decline has been identified, the carrying value of the investment is written down to the assessed fair value.

Program-related loans receivable: Loans are carried at an amount equal to the assets transferred if the loans are issued at the market interest rate applicable to the borrower. If the contractual interest rate is lower than the market rate, the difference between the cash transferred to the borrower and the present value of the contractual payments for the loan at the effective interest rate is recognized as contribution expense. Each loan is analyzed for significant risk factors and appropriate interest rates are charged (currently ranging up to 15.0%).

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

An allowance for expected credit losses is deducted to present the net amount expected to be collected on the loans. The allowance for expected credit losses is an estimate of expected losses of loan principal and interest due to borrower nonperformance and is determined under Acumen's allowance for expected credit loss policy.

All outstanding loans are risk-rated on a regular basis. Loans receivables are pooled based on sharing specific risk factors, which are reassessed on a periodic basis. The allowance is an amount that management believes will be adequate to absorb losses on existing loans that may become uncollectible.

Expected credit losses are developed using information such as overall historical experience, geographic region, industry, current and future economic and market conditions, including historic and expected currency appreciation or depreciation, and consideration of performance to terms and other forward-looking information. Allowances can be affected by change in the political, industrial or economic climate of the loan holder's geographic region as well as repayment issues or bankruptcies when such events are reasonable and supportable. Historical information is used in addition to reasonable and supportable forecast periods, where applicable.

Acumen elected the practical expedient provided in ASC 326, in which accrued interest receivable is excluded from the estimate of credit losses. Loan origination and commitment fees are deferred and the net fees are recognized as an adjustment to interest income using the interest method over the contractual life of the loans. Accrued interest on loan receivables was \$405,283 and \$295,894 as of December 31, 2023 and 2022.

Simple Agreement for Future Equity (SAFE) investments: Acumen invests in SAFE investments, which grant investors the right to receive equity at a future date, based on terms and conditions outlined in the SAFE. Management has analyzed these investments and have classified as programmatic equity securities.

Conditional advances: At times, Acumen receives monies from donors and grantors in advance of applicable conditions being met. These contributions are held in a separate deferred income liability account until such conditions are met and recognized as revenue over time. Contributions received by AF Trust (the Trust) must adhere to regulations set forth in the Indian Income Tax Act, which states that 85% of donor contributions must be utilized for Trust activities in the financial year they are received. For periods where donor contributions exceed expected utilization for the fiscal period, the Trust maintains donor contributions in a separate deferred income account for use in future periods.

Contributions of nonfinancial assets: Donated professional services consist of professional services and are stated in the consolidated financial statements at estimated fair value at the date of receipt. Donated professional services that create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation are recorded at their fair value when the services are provided.

Acumen estimates the fair value of its in-kind contributions in accordance with FASB ASC 820, Fair Value Measurement. If donated goods are received, it is Acumen's policy to utilize donated goods for mission related activities rather than monetize or sell the goods.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Grant expense: Grant expense is recognized at the time a grant is authorized. Grants which are conditional, that is, those with both a performance barrier or other barrier and a right of return, on the recipient fulfilling certain obligations prior to receiving funds are recognized at the time those conditions are satisfied. Funds disbursed before obligations are met by the recipient are deferred and recognized when the obligations are satisfied. Grants payable later than one year from the end of a calendar year are discounted to present value.

Foreign currency translation: The activities of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using average exchange rates for the period. The net assets of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using exchange rates as of the consolidated statements of financial position date. The translation gains (losses) are included in the consolidated statements of activities.

Functional allocation of expenses: Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function or supporting service. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. There are two types of allocations: (1) expenses such as technology, office, occupancy, depreciation and other operating costs which are allocated on the basis of estimates of headcount and (2) compensation of support staff, including related taxes and benefits which are partially allocated on the basis of estimated time and effort.

Advertising: Acumen expenses advertising costs as incurred.

Accounting for uncertainty in income taxes: Acumen is recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of these entities' tax-exempt purposes is exempt from federal and state income taxes. As such, no provision for income tax expense has been made in the accompanying consolidated financial statements.

Acumen has adopted the accounting standard on accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, Acumen is no longer subject to U.S. federal or state income tax examinations by tax authorities for three years from the filing date of the respective returns.

Recently adopted accounting pronouncements: On January 1, 2023, Acumen adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost. It also applies to off-balance-sheet (OBS) credit exposures.

Acumen adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost, and OBS credit exposures. Results for reporting periods beginning after January 1, 2023, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable U.S. GAAP. The adoption of this pronouncement resulted in a decrease in program-related loan receivables, net and associated provision for credit losses of approximately \$240,000 as well as changes to disclosures of the allowance for credit losses.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

During its adoption of ASC 326, Acumen identified convertible notes totaling \$8,812,848 that had previously been presented as programmatic loans receivable rather than programmatic debt securities. As a result, a reclassification was made on the statement of financial position and footnotes 7 and 10 have been updated for the year ended December 31, 2022. There were no changes to valuation because of this classification matter.

Recently issued accounting pronouncement: In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides for improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This ASU is effective for Acumen beginning on January 1, 2026. The adoption of ASU 2023-09 is not expected to have a significant impact on Acumen's financial statements.

Subsequent events: Management has evaluated subsequent events through July 22, 2024, the date that the consolidated financial statements were available for issuance.

Note 3. Concentration of Credit Risk

Financial instruments that potentially subject Acumen to concentrations of credit risk consist principally of cash and cash equivalents, contributions receivable and program-related portfolio loans and equity investments. At times, cash balances held at financial institutions may be in excess of federally insured limits. Acumen also maintains bank accounts in India and Pakistan. There is no insurance on these accounts. Acumen has not experienced any losses on its cash deposits.

As of December 31, 2023 and 2022, approximately 61% and 75%, respectively, of gross contributions receivable were due from three donors.

Program-related portfolio loans receivable, debt securities and equity investments are associated with investments in enterprises with operations primarily in developing countries. As such, these investments are subject to various uncertainties including, but not limited to, political, commercial and currency risk.

As of December 31, 2023 and 2022, there was one individual investment that accounted for more than 5% of net assets. Acumen Fund, Inc.'s investment in KawiSafi as of December 31, 2023 and 2022, was \$17,497,208 and \$17,063,577, respectively.

Note 4. Liquidity and Availability of Financial Assets and Resources

The following reflects Acumen's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statements of financial position because of contractual or donor-imposed restrictions:

Acumen ended 2023 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$37.0 million. Acumen ended the year with \$50.9 million of restricted cash and \$72.1 million of total restricted funds (comprising cash and receivables).

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Liquidity and Availability of Financial Assets and Resources (Continued)

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 82,367,095	\$ 63,726,936
Interest receivable	33,004	28,164
Accounts and other receivables	1,373,396	1,194,305
Contributions receivable, net	21,308,143	32,493,939
Investments	-	1,654,126
Cash restricted for long-term investment	5,640,401	3,617,084
Total financial assets	<u>110,722,039</u>	<u>102,714,554</u>
Less restricted or committed assets:		
Restricted by donor with time or purpose restrictions	(67,096,762)	(68,265,693)
Restricted to fund managers	(9,556,802)	(4,932,954)
Returnable grants for investing	(2,136,802)	(2,212,443)
Board-designated cash threshold for year-end	(12,400,000)	(10,100,000)
Committed capital for strategic investments	(1,195,060)	(476,787)
Add back interest in remainder charitable trust	561,709	496,226
Add estimated net assets with purpose or time restrictions to be met in less than one year	<u>17,714,316</u>	<u>21,469,728</u>
Financial assets available to meet general expenditures over the next 12 months	<u>36,612,638</u>	<u>38,692,631</u>
Budget for next fiscal year	<u>(31,026,043)</u>	<u>(34,283,805)</u>
Surplus	<u>\$ 5,586,595</u>	<u>\$ 4,408,826</u>

Acumen's cash needs, excluding Acumen Capital Partner's activities, for 2023 amounted to \$27.0 million for operating expenses and \$13.7 million for Portfolio disbursements. 76.2% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 66.8% of its operating cash needs was covered by restricted funds in 2023. Acumen also recognized \$3.2 million in conditional funding in 2023, which covered 12.2% of annual operating expenses and continues to be a growing source of funding.

Acumen has a board-designated minimum cash threshold where its year-end nonrestricted cash balance must equal or exceed 75% of its forward-looking nonrestricted operating expenses. For the year ended 2023, Acumen's nonrestricted cash was 129.0% of budgeted 2023 nonrestricted operating expenses. Of the \$37.1 million of nonrestricted cash balance available for general expenditures at year-end, \$1.2 million of nonrestricted cash is informally earmarked for remaining capital commitments and \$2.1 million is returnable grant funding earmarked for investing.

The financial asset balance above does not include portfolio assets given the longer-term investing horizon and unpredictability around exit timing and potential for liquidation.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Contributions Receivable, Net

Contributions receivables are due as follows at December 31:

	2023	2022
Due within:		
Up to one year	\$ 9,281,134	\$ 27,321,429
One to five years	13,889,813	6,995,000
	<u>23,170,947</u>	<u>34,316,429</u>
Present value discount	(1,772,804)	(1,822,490)
Allowance for doubtful accounts	(90,000)	-
Contributions and pledges receivable, net	<u>\$ 21,308,143</u>	<u>\$ 32,493,939</u>

Contributions receivable are shown net of a discount to present value using rates ranging from 4.0% to 5.5% on payments due in future years.

During 2018, Acumen established a relationship with Prism the Gift Fund (Prism), a nonprofit organization that helps Acumen manage charitable donations and gift-matching in the United Kingdom. During 2023 and 2022, Acumen received a total of £214,196, or \$272,865, and £36,232, or \$43,851, respectively, of charitable donations (net of fees) into an account maintained with Prism.

Note 6. Investments

Investments consist of the following at December 31:

	2023	2022
Domestic equities	\$ -	\$ 1,524,696
Foreign equities	-	129,430
Total investments	<u>\$ -</u>	<u>\$ 1,654,126</u>

These investments were donated to Acumen in fiscal year 2022 and liquidated in early 2023.

Note 7. Fair Value Measurements

The following tables are a summary of assets that Acumen measures at fair value on a recurring basis at December 31:

	2023			
	Total	Level 1	Level 2	Level 3
Program-related debt securities	\$ 8,809,995	\$ -	\$ -	\$ 8,809,995
Interest in charitable remainder trust	561,709	-	-	561,709
Total assets by fair value hierarchy	9,371,704	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,371,704</u>
Assets measured using net asset value	20,240,761			
Total	<u>\$ 29,612,465</u>			

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

	2022			
	Total	Level 1	Level 2	Level 3
Program-related debt securities	\$ 8,882,848	\$ -	\$ -	\$ 8,882,848
Equity securities	1,654,126	1,654,126	-	-
Interest in charitable remainder trust	496,226	-	-	496,226
Total assets by fair value hierarchy	11,033,200	\$ 1,654,126	\$ -	\$ 9,379,074
Assets measured using net asset value	18,959,126			
Total	\$ 29,992,326			

Level 1 investments are classified as such due to their closeness to cash or being valued based on quoted market prices. Acumen uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their consolidated financial statements consistent with the measurement principles of an investment company.

The following table lists investments in investment companies by major category at December 31:

Strategy	2023 NAV in Funds	2022 NAV in Funds	Dollar Amount of Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Early growth funds investing in mission-aligned private company interest(s)	\$ 20,240,761	\$ 18,959,126	\$ 3,055,609	N/A	N/A
Private equity	\$ 20,240,761	\$ 18,959,126	\$ 3,055,609		

Acumen's beneficial interest in charitable remainder trust totaling \$561,709 and \$496,226 at December 31, 2023 and 2022, respectively, is measured at fair value on a recurring basis. The beneficial interest in charitable remainder trust is reported using Level 3 inputs of the fair value hierarchy.

The following tables present quantitative information about Level 3 fair value measurements as of December 31:

	Fair Value December 31, 2023	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
Charitable remainder Trust—held by third-party trustee	\$ 561,709	Value of underlying assets and present value techniques	Rate of return Discount rate Life expectancy	7% 5.80% 14 years
Convertible notes	\$ 8,809,995	Purchase price adjusted for orderly transactions and observable events	None	N/A

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

	Fair Value December 31, 2022	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
		Value of underlying assets and present value techniques	Rate of return Discount rate Life expectancy	7% 5.80% 15 years
Charitable remainder Trust—held by third-party trustee	<u>\$ 496,226</u>			
		Purchase price adjusted for orderly transactions and observable events	None	N/A
Convertible notes	<u>\$ 8,882,848</u>			

All of Acumen's programmatic debt security investments were fair valued using recent purchase price as of December 31, 2023 and 2022 less any performance indicators that would require a fair value reassessment. At December 31, 2023 and 2022, the most recent purchase price was equal to Acumen's original cost of purchase. As such, there were no unobservable inputs determined by the Fund.

There were \$1,693,591 and \$2,300,000 of purchases of debt securities during the years ended December 31, 2023, and 2022, respectively. While there were no other transfers related to Level 3 assets during the years ended December 31, 2023 and 2022, total conversions from debt-to-equity securities were \$1,350,000 and \$1,700,000 for the year ended December 31, 2023 and 2022.

Note 8. Property and Equipment

Property and equipment consists of the following as of December 31:

	2023	2022
Computer equipment, systems integration and website development	\$ 480,406	\$ 459,157
Leasehold improvements and equipment	196,202	194,309
Furniture	104,200	82,175
	780,808	735,641
Accumulated depreciation	(588,494)	(482,352)
	<u>\$ 192,314</u>	<u>\$ 253,289</u>

Note 9. Leases

Acumen leases real estate and equipment under operating lease agreements that have initial terms ranging from one to 10 years. Some leases include one or more options to renew, generally at Acumen's sole discretion. In addition, certain leases contain termination options where the rights to terminate are held by either Acumen, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that Acumen will exercise that option. Acumen's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Leases (Continued)

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31:

	2023	2022
Operating lease cost	\$ 650,045	\$ 747,304

Supplemental consolidated statement of financial position information related to leases is as follows as of December 31:

	2023	2022
Operating lease right-of-use assets, net	\$ 5,219,147	\$ 1,919,393
Operating lease liabilities	\$ 5,405,118	\$ 2,106,898
Weighted average remaining lease term	9.3 years	3.9 years
Weighted average discount rate	3.8%	2.0%

The table below summarizes Acumen's scheduled future minimum lease payments for the years ending after December 31, 2023:

	Operating Leases
Years ending December 31:	
2024	\$ 689,694
2025	695,023
2026	685,113
2027	591,938
2028	451,333
Thereafter	2,679,483
Total lease payments	5,792,584
Less imputed interest	(387,466)
Total present value of operating lease liability	\$ 5,405,118

Occupancy expenses (including donated occupancy) totaled \$1,045,560 and \$870,661 for the years ended December 31, 2023 and 2022, respectively.

Note 10. Program-Related Loans Receivable

Program-related portfolio loans receivable consist of loans advanced to projects located throughout the developing world related to Acumen's portfolio activities. Acumen held 29 and 26 loans at December 31, 2023 and 2022, respectively. Contractual interest rates on program-related loans at December 31, 2023 and 2022, were equal to the market rates; therefore, no contribution expense was recorded.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Program-Related Loans Receivable (Continued)

Loans receivables are carried at a cost of approximately \$4.5 million and \$5.2 million, less current expected credit losses of approximately \$1.4 million and \$1.5 million at December 31, 2023 and 2022, respectively.

Acumen assesses the risk of its financing receivables internally as either performing or monitoring. Performing receivables are investments that meet repayment benchmarks on a timely basis. Monitoring receivables are investments that are either behind in their repayment schedules or the overall health of the investee organization is lessened based upon an assessment of the investee.

The following is the recorded investment in financing receivables using Acumen's internally assigned credit quality indicators:

	2023		
	Performing	Monitoring	Total
Agriculture	\$ 90,000	\$ 1,617,429	\$ 1,707,429
Education	-	87,717	87,717
Energy	533,258	1,779,894	2,313,152
Health	-	50,000	50,000
Water and sanitation	-	100,000	100,000
Financial inclusion	-	310,000	310,000
	<u>\$ 623,258</u>	<u>\$ 3,945,040</u>	<u>4,568,298</u>
Current expected credit losses			<u>(1,378,449)</u>
			<u>\$ 3,189,849</u>
	2022		
	Performing	Monitoring	Total
Agriculture	\$ 1,193,054	\$ 1,132,694	\$ 2,325,748
Education	100,000	261,672	361,672
Energy	679,749	-	679,749
Health	900,000	254,294	1,154,294
Water and sanitation	150,000	-	150,000
Financial inclusion	580,000	-	580,000
	<u>\$ 3,602,803</u>	<u>\$ 1,648,660</u>	<u>5,251,463</u>
Current expected credit losses			<u>(1,460,813)</u>
			<u>\$ 3,790,650</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Program-Related Loans Receivable (Continued)

The following is a summary of the activity related to the allowance for credit losses by class of the program-related portfolio loans for the years ended December 31:

	2023						
	Health	Agriculture	Education	Energy	Financial Inclusion	Water and Sanitation	Total
Allowance for credit losses:							
Beginning balance:	\$ 254,294	\$ 944,847	\$ 261,672	\$ -	\$ -	\$ -	\$ 1,460,813
Charge-offs	(139,093)	-	-	(9,749)	-	-	(148,842)
(Recovery) Provision	(65,201)	(75,566)	(254,224)	307,096	120,491	33,882	66,478
Ending balance	\$ 50,000	\$ 869,281	\$ 7,448	\$ 297,347	\$ 120,491	\$ 33,882	\$ 1,378,449
Financing receivables:							
Ending balance	\$ -	\$ 838,148	\$ 80,269	\$ 2,015,805	\$ 189,509	\$ 66,118	\$ 3,189,849
	2022						
	Health	Agriculture	Education	Energy	Financial Inclusion	Water and Sanitation	Total
Valuation allowance:							
Beginning balance:	\$ 180,901	\$ 944,847	\$ 261,672	\$ -	\$ -	\$ -	\$ 1,387,420
Provision	73,393	-	-	-	-	-	73,393
Ending balance	\$ 254,294	\$ 944,847	\$ 261,672	\$ -	\$ -	\$ -	\$ 1,460,813
Financing receivables:							
Ending balance	\$ 900,000	\$ 1,380,901	\$ 100,000	\$ 679,749	\$ 580,000	\$ 150,000	\$ 3,790,650

The following is an analysis by class of the program related portfolio loans as of December 31:

	2023					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivable
Agriculture	\$ -	\$ -	\$ 934,143	\$ 934,143	\$ 773,286	\$ 1,707,429
Education	-	-	-	-	87,717	87,717
Energy	-	-	-	-	2,313,152	2,313,152
Financial inclusion	-	-	310,000	310,000	-	310,000
Health	-	-	50,000	50,000	-	50,000
Water	-	-	-	-	100,000	100,000
Total	\$ -	\$ -	\$ 1,294,143	\$ 1,294,143	\$ 3,274,155	\$ 4,568,298
	2022					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivable
Agriculture	\$ -	\$ -	\$ 1,140,863	\$ 1,140,863	\$ 1,184,885	\$ 2,325,748
Education	-	-	261,672	261,672	100,000	361,672
Energy	-	-	9,749	9,749	670,000	679,749
Financial inclusion	-	-	330,000	330,000	250,000	580,000
Health	-	-	170,842	170,842	983,452	1,154,294
Water	-	-	-	-	150,000	150,000
Total	\$ -	\$ -	\$ 1,913,126	\$ 1,913,126	\$ 3,338,337	\$ 5,251,463

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Program-Related Loans Receivable (Continued)

Expected repayments are as follows:

2024	\$ 1,947,692
2025	222,311
2026	1,466,740
2027	190,296
2028	61,667
2029 and thereafter	679,592
	<hr/>
	4,568,298
Allowance for credit losses	(1,378,449)
	<hr/>
	\$ 3,189,849
	<hr/>

In addition, management pools loans by region (i.e., America, East Africa, Global, India, Latin America, Pakistan and West Africa) to evaluate any necessary valuation allowance due to regional, geographical, political, or foreign currency changes. As it relates to foreign currency, management's policy is to allow for currency devaluation when local currency drops greater than 10% in value compared to prior year.

Note 11. Program-Related Equity and Partnership Investments

Program-related equity and partnership investments consist of funds invested for equity positions in business enterprises or investment funds in connection with Acumen's portfolio activities. As of December 31, 2023 and 2022, there are 76 and 90 equity and partnership investments totaling \$98.3 million and \$87.7 million, respectively, less a valuation allowance of approximately \$13.2 million and approximately \$14.6 million, respectively.

Acumen holds a significant ownership percentage in certain of its program-related equity investments, although it does not have controlling financial or majority voting interest in those investments. The shareholder agreements provide for the original project developer or other third-party investors to maintain a controlling majority of the voting rights on the board of directors, and for Acumen to maintain only a minority of such rights. In addition, Acumen's significant ownership percentage in some cases is only temporary and will be diluted when the enterprise receives further capitalization from local investors. For these reasons, Acumen does not recognize its share of income and losses (equity method) in its accounting for these investments.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Program-Related Equity and Partnership Investments (Continued)

The following is the recorded program-related equity and partnership investments using Acumen's internally assigned credit quality indicators:

	2023			Valuation Allowance	Net of Allowance
	Performing	Monitoring	Total		
Agriculture	\$ 7,882,878	\$ 10,521,418	\$ 18,404,296	\$ (5,749,889)	\$ 12,654,407
Education	7,521,135	1,361,928	8,883,063	(1,111,931)	7,771,132
Energy	39,409,962	5,395,520	44,805,482	(3,171,248)	41,634,234
Financial inclusion	5,857,361	1,391,304	7,248,665	(1,328,804)	5,919,861
Health	14,360,118	2,856,558	17,216,676	(1,480,389)	15,736,287
Housing	-	662,100	662,100	(662,100)	-
Water and sanitation	-	1,068,739	1,068,739	(1,068,739)	-
Other	1,467,161	-	1,467,161	-	1,467,161
	<u>\$ 76,498,615</u>	<u>\$ 23,257,567</u>	<u>\$ 99,756,182</u>	<u>\$ (14,573,100)</u>	<u>\$ 85,183,082</u>
Program-related equity investments, net					\$ 64,442,321
Program-related partnership investments, net					20,740,761
					<u>\$ 85,183,082</u>

	2022			Valuation Allowance	Net of Allowance
	Performing	Monitoring	Total		
Agriculture	\$ 8,053,023	\$ 8,039,149	\$ 16,092,172	\$ (3,531,250)	\$ 12,560,922
Education	6,625,695	1,388,520	8,014,215	(1,138,523)	6,875,692
Energy	33,745,038	6,461,275	40,206,313	(4,586,463)	35,619,850
Financial inclusion	5,113,494	2,650,962	7,764,456	(1,794,984)	5,969,472
Health	11,716,896	1,648,480	13,365,376	(1,648,480)	11,716,896
Housing	400,000	662,100	1,062,100	(662,100)	400,000
Water and sanitation	-	3,697,641	3,697,641	(3,697,641)	-
Other	1,467,161	-	1,467,161	-	1,467,161
	<u>\$ 67,121,307</u>	<u>\$ 24,548,127</u>	<u>\$ 91,669,434</u>	<u>\$ (17,059,441)</u>	<u>\$ 74,609,993</u>
Program-related equity investments, net					\$ 55,147,374
Program-related partnership investments, net					19,462,619
					<u>\$ 74,609,993</u>

Credit quality indicators are updated on a bi-annual basis and have been updated as of December 31, 2023.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Program-Related Equity and Partnership Investments (Continued)

Cumulative impairments and downward adjustments on program-related equity investments as of December 31, 2023 and 2022, were approximately \$24,681,000 and \$18,275,000, respectively, with annual impairments and downward adjustments of approximately \$6,406,000 and \$2,715,000 during the years ended December 31, 2023 and 2022, respectively. Cumulative upward adjustments on program-related equity investments as of December 31, 2023 and 2022, were approximately \$4,403,000 and \$957,000, respectively, with annual upward adjustments of approximately \$3,446,000 and \$0 during the years ended December 31, 2023 and 2022, respectively.

Note 12. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following at December 31:

	2023	2022
Acumen America	\$ -	\$ 1,459,301
Alnylam	250,000	31,401
AM Robin Hood	-	480,566
Barclays	-	1,045,334
Johnson & Johnson	-	150,019
Medicaid Innovation Collaborative	453,274	751,540
Pfizer	123,005	123,005
Robert Wood Johnson	645,919	963,057
Takeda	1,281,401	937,500
Acumen America	<u>2,753,599</u>	<u>5,941,723</u>
ALIVE	25,432	29,190
Acumen Resilient Agriculture Fund	1,406,204	1,856,767
KawiSafi	1,340,995	1,760,317
Fund Investments	<u>2,772,631</u>	<u>3,646,274</u>
Canada	557,476	-
East Africa	935,347	-
India	120,067	96,306
Latin America	166,825	513,426
Pakistan	30,098	-
Geography Restricted	<u>1,809,813</u>	<u>609,732</u>
Green Growth Initiative 2.0	2,975,513	-
Target Foundation Workforce Development	453,578	749,930
India	<u>3,429,091</u>	<u>749,930</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

	2023	2022
Portfolio	\$ -	\$ 89,531
Latin America	-	89,531
Acumen Angels	1,375,976	1,226,002
Leadership	6,713,256	8,957,184
Pakistan Accelerator	-	80,255
Rabo Foundation—India Ag Acc	-	8,811
Regional Fellows	201,912	388,059
Southeast Asian Expansion	151,458	949,684
Leadership	8,442,602	11,609,995
Gender Lens Support	4,283	4,283
Post Investment Support	4,283	4,283
Agriculture	95,886	2,303,706
Energy	37,642,543	39,231,000
Education	1,642,395	2,497,494
Sector Restricted	39,380,824	44,032,200
Collaboration Summit	-	67,662
Corp-1: WEF Alliance Project	-	44,960
Skoll Forum Ecosystem Event	-	27,971
Strategic Partnerships	-	140,593
CRUT	561,709	496,226
Time-restricted	7,942,210	945,206
Total	<u>\$ 67,096,762</u>	<u>\$ 68,265,693</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

The following is net assets released from donor restrictions for the years ended December 31:

	2023	2022
Acumen America—General	\$ -	\$ 1,296,452
Alnylam	31,400	190,622
AM Robin Hood	500,000	500,000
Barclays	1,045,334	1,237,801
Johnson & Johnson	150,019	91,667
Medicaid Innovation Collaborative	820,757	563,282
Robert Wood Johnson	349,966	1,000,000
Takeda	656,099	62,500
Acumen America	<u>3,553,575</u>	<u>4,942,324</u>
Global Response Fund	-	80,950
India Solidarity Facility	-	1,813
COVID-19 Response Fund	<u>-</u>	<u>82,763</u>
ALIVE	-	20,000
Acumen Resilient Agriculture Fund (ARAF)	442,076	577,252
KawiSafi	419,322	1,304,573
Fund Investments	<u>861,398</u>	<u>1,901,825</u>
America	624	-
Africa	-	362,892
India	-	50,000
Latin America	257,143	1,198,262
Pakistan	-	32,573
West Africa	-	332,941
Geography Restricted	<u>257,767</u>	<u>1,976,668</u>
Target Foundation Workforce Development	296,352	227,680
Regional Fellows	106,540	83,848
India	<u>402,892</u>	<u>311,528</u>
Portfolio	167,500	-
Latin America	<u>167,500</u>	<u>-</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

	2023	2022
Acumen Angels	\$ 1,350,026	\$ 523,998
IKEA—East Africa Social Enterprise Accelerator	-	59,675
Leadership	3,655,461	3,341,693
Pakistan Accelerator	-	12,670
PwC—Civic Accelerator	-	18,293
Rabo Foundation—India Ag Acc	8,811	41,189
Regional Fellows	301,604	467,768
RF Food Systems Fellowship	-	298,236
Southeast Asia Expansion	724,575	202,433
Leadership	<u>6,040,477</u>	<u>4,965,955</u>
Regional Fellows	339,403	60,987
Pakistan	<u>339,403</u>	<u>60,987</u>
Agriculture	2,403,706	100,000
Energy	8,449,145	3,152,950
Education	855,098	1,534,631
Solar	5,000,000	-
Sector Restricted	<u>16,707,949</u>	<u>4,787,581</u>
Collaboration Summit	67,662	-
Corp-1: WEF Alliance Project	44,960	-
Skoll Forum Ecosystem Event	27,971	-
Strategic Partnerships	<u>140,593</u>	<u>-</u>
Time-restricted	2,945,552	998,900
Total	<u>\$ 31,417,106</u>	<u>\$ 20,028,531</u>
Net assets released from restrictions—operating support and revenue	\$ 16,310,900	\$ 14,858,240
Net assets released from restrictions—portfolio revenue	15,106,206	5,170,291
	<u>\$ 31,417,106</u>	<u>\$ 20,028,531</u>

Note 13. Retirement Plan

Acumen maintains a 401(k) defined contribution retirement plan covering eligible employees. Acumen contributes 3% of the employees' compensation, inclusive of bonuses. Acumen plan expenses were \$214,604 and \$216,985 for 2023 and 2022, respectively. During 2017, Acumen established a U.K. pension plan for eligible U.K. employees. Plan expenses for the U.K. pension were £111,376, or \$138,817, and £60,493, or \$74,438, for 2023 and 2022, respectively.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Commitments, Contingencies and Uncertainties

Program grants, loans and investments: Since 2001, Acumen has made portfolio loan, debt and equity disbursements of \$168.0 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$3.5 million), Acumen's cumulative investments under management total over \$171.5 million.

At December 31, 2023 and 2022, approximately \$0.0 million and \$0.4 million, respectively, in tranching program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$2.5 million and \$2.1 million of new program disbursements were committed in 2023 and 2022, respectively. Subsequent disbursements are to be made upon Acumen's satisfaction that recipients have demonstrated progress towards the stated objectives of the disbursements. As such, these amounts have not been recorded in the consolidated financial statements.

Committed capital: Below is a summary of shareholder commitments as of December 31, 2023:

Fund Name	Fund focus	Commitments (\$M)		Funded Amount (\$M)		Funding Ratio*	
		Total Shareholder	Acumen Fund Inc.	Total Shareholder	Acumen Fund Inc.	Total Shareholder	Acumen Fund Inc.
KawaSafi Ventures Limited ("KawaSafi")	Energy	\$ 67.5	\$ 19.3	\$ 61.9	\$ 17.7	91.7%	91.7%
Acumen LatAm Impact Ventures LP ("ALIVE")	Agriculture, Education, and Energy	\$ 27.7	\$ 1.0	\$ 28.4	\$ 1.1	84.4%	84.5%
ALIVE Early Growth Fund II ("ALIVE II")	Agriculture, Education, and Energy	\$ 33.4	\$ 1.0	\$ 10.8	\$ 0.4	21.5%	21.5%
Acumen Resilient Agriculture Fund ("ARAF")	Agriculture	\$ 58.0	\$ 2.0	\$ 44.8	\$ 1.5	73.8%	73.8%

*Funding ratio excludes any recallable capital

The following summarizes Acumen's portfolio disbursements for the years ended December 31:

	2023	2022
Loans	\$ 1,427,523	\$ 460,000
Debt securities	2,020,000	2,300,000
SAFE investments	1,550,000	650,000
Equity investments	8,659,615	4,606,163
Partnership investments	1,136,560	2,084,079
	<u>\$ 14,793,698</u>	<u>\$ 10,100,242</u>

Note 15. Related-Party Transactions

Acumen Fund, Inc. received payment from Kawisafi for professional services in the amount of \$35,487 and \$15,752 in 2023 and 2022, respectively. Acumen Fund, Inc. is a limited partner in Kawisafi and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and Kawisafi. Acumen Capital Partners LLC (ACP) received \$1,560,752 and \$1,686,500 in management fees from Kawisafi in 2023 and 2022, respectively.

Acumen Fund, Inc. received payment from ARAF for professional services in the amount of \$62,386 and \$0 in 2023 and 2022, respectively. Acumen Fund, Inc. is a limited partner in ARAF and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ARAF. ACP received \$1,693,600 in management fees from ARAF in each of the years 2023 and 2022.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 15. Related-Party Transactions (Continued)

Acumen Fund, Inc. received payment from ALIVE for professional services in the amount of \$180,082 and \$170,729 in 2023 and 2022, respectively. Acumen Fund, Inc. is a limited partner in ALIVE and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ALIVE.

Acumen Fund, Inc. has been granted and holds certain seats on the Board of Directors for some portfolio companies as a result of the investments made in these organizations. Current board members of Acumen Fund, Inc., sit on the Board of Directors of certain companies which are also portfolio investments of Acumen Fund, Inc. One board member also has made personal investments with these companies.

Acumen Fund, Inc.'s Chief Executive Officer, Jacqueline Novogratz currently serves on the Board of Directors for 60 Decibels, a for-profit impact measurement company that was launched by Acumen in 2019. Jacqueline Novogratz and Chris Anderson (spouse) are also personally invested in an Acumen East Africa portfolio company, Ampersand, through the Hard-Edged Hope Foundation.

Acumen Fund, Inc. has outstanding contributions receivable from various employees and Trustees in both 2023 and 2022.

Note 16. In-Kind Contributions

In-kind contributions included in the consolidated statements of activities and functional expenses, and the corresponding expenses are as follows:

	2023	2022
Professional services	\$ 4,337,836	\$ 2,074,296
Facilities	5,000	25,109
	<u>\$ 4,342,836</u>	<u>\$ 2,099,405</u>

Donated facilities consist of the donated use of space for auctions utilized by Acumen in relation to special events. These amounts are recorded at estimated fair value using rental rates for the location, based on the date of the event.

Donated professional services consist of legal services for portfolio transactions and administrative legal matters. These professional services are utilized and reported at estimated fair value based on current rates for similar services.

No in-kind contributions were restricted for use at December 31, 2023 and 2022.

Supplementary Information

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Functional Expenses by Region
Year Ended December 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Philanthropy										Fund Management	2023 Total	2022 Total
	Acumen HQ (1) (2)	America	Canada (4)	East Africa	Latin America (2)	India (3)	Pakistan	West Africa	Elimination	Total Philanthropy	ACP		
Compensation	\$ 12,619,912	\$ 1,525,990	\$ 135,459	\$ 1,486,368	\$ 1,199,364	\$ 696,412	\$ 255,695	\$ 560,099	\$ -	\$ 18,479,299	\$ 2,080,091	\$ 20,559,390	\$ 18,100,914
Professional and consultant fees	3,933,261	742,922	12,853	128,897	135,280	125,307	62,770	106,426	(258,963)	4,988,753	1,185,114	6,173,867	4,850,087
Program grants	6,362,352	290,000	-	-	-	36,476	-	-	(4,053,939)	2,634,889	1,462,550	4,097,439	2,459,410
In-kind contributions	2,142,836	2,200,000	-	-	-	-	-	-	-	4,342,836	-	4,342,836	2,099,405
Travel	462,213	32,478	8,572	85,972	55,360	58,805	24,103	100,366	-	827,869	184,653	1,012,522	843,488
Meetings	219,524	16,724	-	5,767	19,828	30,966	25,990	6,454	-	325,253	35,637	360,890	793,071
Marketing material	180,731	65,640	-	5,041	3,214	1,291	1,183	5,691	-	262,791	23,861	286,652	129,444
Technology expenses	898,119	1,021	-	19,000	12,183	7,229	1,477	2,255	-	941,284	48,244	989,528	879,791
Telephone	9,243	1,350	-	8,659	4,151	261	1,094	6,023	-	30,781	1,141	31,922	28,830
Office supplies	93,932	566	-	8,577	2,316	3,051	1,516	2,443	-	112,401	1,234	113,635	156,766
Occupancy	669,864	59,268	-	68,891	50,340	42,825	30,789	39,063	2,854	963,894	81,748	1,045,642	998,064
Insurance	100,688	-	-	2,175	-	568	-	-	-	103,431	27,254	130,685	114,785
Bank fees and bank charges	23,915	634	133	2,655	-	39	162	6,474	-	34,012	9,152	43,164	545,983
VAT and real estate taxes	10,766	-	248	1,937	214	247	-	145	-	13,557	9,858	23,415	251,770
Interest	-	-	-	-	-	-	27,449	-	(27,503)	(54)	-	(54)	18,437
Income tax expense (recovery)	9,116	-	-	64,378	-	10,581	-	-	-	84,075	(102,541)	(18,466)	322,771
Miscellaneous	103,269	-	54	(900)	10,463	36,299	-	60,678	-	209,863	16,819	226,682	49,741
Total expenses before depreciation	27,839,741	4,936,593	157,319	1,887,417	1,492,713	1,050,357	432,228	896,117	(4,337,551)	34,354,934	5,064,815	39,419,749	32,642,757
Depreciation	68,970	853	-	31,057	1,620	16,774	6,038	418	-	125,730	7,328	133,058	103,554
Total expenses	\$ 27,908,711	\$ 4,937,446	\$ 157,319	\$ 1,918,474	\$ 1,494,333	\$ 1,067,131	\$ 438,266	\$ 896,535	\$ (4,337,551)	\$ 34,480,664	\$ 5,072,143	\$ 39,552,807	\$ 32,746,311

(1) Acumen HQ includes New York HQ offices, San Francisco, East and West Africa and London branch offices

(2) Acumen HQ, and Latin America regions roll-up to comprise Acumen Fund, Inc. in the consolidated statements of financial position and consolidated statements of activities

(3) India includes Acumen India, Acumen India Trust, and Acumen Fund Advisory entities found within the consolidated statement of activities

(4) Canada includes Canada and MW North