



**ANNUAL  
REPORT**

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INTRODUCING ACUMEN

# ABOUT ACUMEN

For 20 years, Acumen has invested in entrepreneurs solving the toughest challenges of poverty. These bold innovators not only have the ability to imagine audacious new solutions, they also have the grit and determination to make those solutions a reality.

At Acumen, we use philanthropy to create impact for the poor. Guided by our formula for success — investing the right capital into leaders with the right character, and supporting them with the right community — our approach is interdependent and multifaceted.

**We invest patient, philanthropy-backed capital into entrepreneurs whose companies bring innovations** in off-grid energy, inclusive agriculture, decent work and critical services. To date, Acumen has invested \$137 million of patient capital in 139 companies that together have transformed the lives of 309 million people.

**We spread our ethos, principles and practices to equip the next generation of leaders to make change** through Acumen Academy, the world's school for social change. The Academy includes our nine

Fellowship programs, online courses and social impact accelerators, which together make up a global community of thousands of leaders and hundreds of thousands of course-takers.

**We raise larger pools of capital to scale our most promising ventures to address the world's most pressing problems.**

We currently manage three returnable funds through Acumen Capital Partners. One is focused on scaling solutions in off-grid energy in East Africa, the second on innovations in agribusiness, education and clean energy in Colombia and Peru, and the third on climate resilience for smallholder farmers in West and East Africa.

Through our approach, and together with our global community, we believe we can eradicate systemic issues of poverty and impact millions of low-income people around the world.

*Acumen has been named one of Fast Company's Top 10 Most Innovative Not-for-Profit Companies and Acumen Founder & CEO Jacqueline Novogratz was named one of the Forbes 100 Greatest Living Business Minds.*

# LETTER FROM ACUMEN'S FOUNDER & CEO

Dear Friends,

If we have the chance to find our best selves in the darkest times, then 2020 gave us the chance to make ourselves anew. It was a year of reckoning, both personal and institutional, a year of pain and awkward discomfort. But if discomfort is a proxy for progress, hopefully **2020 was a year that not only awakened us but also helped catalyze a reimagining and rebuilding of every institution, community and nation.**

That included Acumen. Though we couldn't physically immerse ourselves in the communities we serve, we gained new tools to get close to the problems of poverty that we came to solve. I personally was once again filled with a sense of reverence and awe for the capacity of human beings to respond to crisis and support one another. And I was reminded that the opposite of poverty is not wealth — the opposite of poverty is dignity, choice, access and freedom.

This past year reinforced how much our dignity is mutual and entwined. Philanthropists gave more, our team worked harder, entrepreneurs extended themselves fully into their communities, Fellows transitioned their entire programs to gather online and our Partners large and small asked what more they could do. The results speak for themselves: we've never made a greater impact in the course of a single year.

There can be no going back to what was, for COVID-19 exposed the extent to which our economic systems overlook the most vulnerable people and the planet in the name of profit. Now it is to each of us to reimagine the world we must rebuild together. I know that for Acumen, and perhaps for every institution, it will take



the willingness to disrupt ourselves: for if we aren't willing to change ourselves, how dare we think we can change the world? We will renew our understanding of patient capital, investing not only in individuals but in communities. That will demand us to become ever more creative in using our tools of capital, of accompaniment and of storytelling. Recognizing that our problems are too big for any single organization to change, collaboration and partnership will be key.

Most important is to recommit to the same north star that has guided Acumen since the beginning: to change the way the world tackles poverty and build a world based on dignity. **We still have a long way to go, but we have the skills, the tools, the moral imagination and the confidence to address our world's most pressing problems.**

Let me thank you on behalf of everyone at Acumen for standing with us so that we can stand with the poor. And may 2021 be a better year, not just for those privileged few, but for all of us.

A handwritten signature in black ink, appearing to read 'Jacqueline Novogratz'.

**Jacqueline Novogratz**  
Founder & CEO, Acumen



# EXECUTIVE SUMMARY

It is an understatement to say that 2020 was a year unlike any other in Acumen's history. When COVID-19 first began to spread, one thing was clear to us: this health and economic crisis would hit the low-income communities we served the hardest. If ever there was a time to double down on Acumen's commitment to stand with the poor and vulnerable, it was now.

Immediately after the pandemic was declared, Acumen sprung into action to get much-needed capital to our entrepreneurs whose communities were on the front lines. We raised nearly \$6.5 million across two emergency response funds for our investees and Fellows to ensure that the most vulnerable would be supported. Seeing the risks that COVID-19 posed to the progress

made in the off-grid energy sector, Acumen convened sector stakeholders to develop the Energy Access Relief Fund, a first-of-its-kind, target \$80 million debt relief fund, to ensure that the 470 million people who have gained access to energy over the last decade don't lose it.

In addition to its COVID-relief support, Acumen continued to invest in innovative new companies out of its philanthropically-backed pioneer portfolio. We also announced our second returnable fund, the Acumen Latin America Early Growth Fund, focused on agribusiness, education and clean energy in Colombia and Peru. Further, we deployed capital for an initiative to invest in businesses that enable climate resilience for smallholder farmers in West and East Africa.





Despite the challenges of 2020, Acumen did not lose momentum in spreading its ethos of moral leadership. We expanded our Fellows program to four new regions: Spain, Bangladesh, Malaysia and the United Kingdom. In response to the pandemic, we pivoted all eight of our in-person Fellows programs to virtual and semi-virtual delivery.

In May, we launched Acumen Academy, the world's school for social change, bringing our +Acumen online courses and in-person Fellowship programs together under one brand, platform and website. The launch coincided with the release of Founder & CEO Jacqueline Novogratz's new book, *Manifesto for a Moral Revolution: Practices to Build a Better World*. Due to travel restrictions, what had been planned as a multi-city, in-person book tour to promote the book, transformed into a virtual, grassroots campaign to spread Acumen's leadership principles. The team participated in 125 virtual events and media opportunities reaching more than 100,000 people. The book is a Los Angeles Times best seller and has been recognized as one of Forbes and Bloomberg's best books of 2020.

There is no rule book for a year like 2020, no map to show us the way. While the

year made us rethink many things — from the type of capital we deployed to how we partner to make change — it also unlocked new opportunities for our work, such as how we deliver our leadership curriculum or how we engage our global community virtually. In these difficult circumstances, Acumen's values served as a foundation to adapt and to stand with the poor in the face of crisis.





**NUMBER OF OUR COMPANIES THAT FAILED  
DUE TO THE PANDEMIC BY YEAR END**



# OUR GLOBAL REACH



## America

Investments: 24



## East Africa

Investments: 33  
Fellows: 168



## India

Investments: 37  
Fellows: 135



## Latin America

Investments: 10  
Fellows: 47



## Pakistan

Investments: 15  
Fellows: 127



## West Africa

Investments: 10  
Fellows: 43

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## ACUMEN ACADEMY REGIONAL PARTNERS

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## Bangladesh

Fellows: 20



## Malaysia

Fellows: 20



## Spain

Fellows: 24



## United Kingdom

Fellows: 22

In addition, we have 10 investments managed at the global level, as well as 109 Fellows who participated in our Global Fellows program, which ran from 2006-2017.

*Figures represent cumulative investments and cumulative Fellows since program inception.*

# OUR GLOBAL IMPACT

## Pioneer Investing

**\$137M**

Cumulative  
Invested\*

**\$76M**

Investments Under  
Management

**\$33M**

Capital Returned  
+ Reinvested

**139**

Cumulative  
Companies

**15**

Countries

**101**

Active  
Companies

**309M**

Lives Impacted

## Acumen Academy

**715**

Fellows

**8**

Active Fellowship Programs

**1.1M**

Course Registrations

**193**

Countries Course-Takers Are From

## Returnable Funds

### KawiSafi Ventures Limited

Focus: Off-grid energy in  
Rwanda and Kenya.

### Acumen Latin America Early Growth Fund

Focus: Agribusiness,  
education and clean energy  
in Colombia and Peru.

(managed by ALIVE Ventures)

### Climate Resilience Initiative

Focus: Climate resilience  
for smallholder farmers in  
West and East Africa.





DEEP DIVE: COVID-19



# STANDING WITH THE POOR IN A YEAR UNLIKE ANY OTHER

## Responding with urgency to support low-income communities through COVID-19

COVID-19 was officially declared a pandemic on March 11, 2020,\* but even before the virus crossed borders, signs that a crisis was brewing began to emerge. At Acumen, one of those initial warning signs came in January when lockdowns in China and neighboring regions disrupted investees' supply chains for solar energy products. As the virus spread globally, it became apparent that health challenges and lockdowns would have **devastating economic consequences on communities and businesses across the globe, particularly among the most vulnerable.**

We started hearing firsthand accounts of the consequences of the pandemic on our entrepreneurs and the communities they served. Many low-income workers could not work remotely when lockdowns went into effect and found themselves unemployed and even more financially vulnerable. Others worked in essential jobs where social distancing was not possible or where personal protective equipment was not available, putting them at increased risk of exposure. In March, Acumen reached out to its Fellows and investees to understand their pandemic-related needs. What we heard back was clear: the scope of the crisis was vast and unpredictable, and support was urgently needed.

After 20 years of investing in entrepreneurs tackling the toughest problems of poverty, Acumen's priority was to support its investees and Fellows so that the vulnerable populations they served would not get left behind. Not only were these entrepreneurs best positioned to respond because of their access to communities on the front-lines of the pandemic, but also many were being overlooked by traditional aid and other sources of relief, making Acumen's support even more critical.

We reevaluated our approach to deploying capital. While Acumen typically makes debt or equity investments in its companies, we determined that grants would be the best tool to support the relief efforts. Guided by the belief that capital should work for us, not control us, the Acumen team collaborated across functions and regions to quickly design funding vehicles that would be both flexible and streamlined in order to direct support where it was needed most.

**The result was two emergency response funds: the Acumen Emergency Facility (AEF) and the Acumen America Emergency Fund.** The facilities were designed to provide a mix of grants and loans distributed directly to Fellows and investees. Despite this unconventional solution, our Partners and Board of Directors stood with us to meet the needs of the moment. With their support, Acumen was able to raise nearly \$6.5 million, and the first round of

\*World Health Organization. "WHO Timeline - COVID-19." Available on: <https://www.who.int/news/item/27-04-2020-who-timeline---covid-19>.

disbursements were made in April, only a matter of weeks after the pandemic was declared.

To date, Acumen has deployed \$5.66 million in emergency funding to 109 entrepreneurs, impacting roughly two million lives and ensuring business continuity into the future. Acumen investees and Fellows have used the funding to provide meals to food-insecure communities in Los Angeles, offer telemedicine and virtual mental health coaching to individuals in Pakistan, ensure access to at-home and virtual learning resources to children and adults in Sierra Leone, protect the livelihoods of smallholder farmers in Colombia impacted by supply chain challenges and much more.

## Tackling Big Challenges Through Partnerships

At the same time that Acumen initiated its emergency response conversations internally, the team also began to coordinate response efforts externally. There was a growing risk that progress toward the United Nations Sustainable Development Goal 7: Affordable and Clean Energy, would be lost due to the impacts of COVID-19 on clean energy companies and customers. Recognizing this, Acumen convened stakeholders across the sector. What began as a handful of sector investors in early March grew to nearly 90 investors, donors and sector leaders in just a few short weeks. With Acumen at the helm, a coalition emerged to mobilize resources to help off-grid energy companies in sub-Saharan Africa and Asia weather the economic impacts of the pandemic.

By April, this coalition had conducted rapid response surveys confirming that hundreds of companies in the energy access sector were at risk of closing their doors. These companies needed help fast. The coalition began working to design

the financial instruments and technical support to meet those needs. As a result of Acumen's leadership, this effort culminated in the development of the Energy Access Relief Fund (EARF) — a first-of-its-kind, target \$80 million debt fund. The EARF is tentatively slated for a first close in early 2021, and aims to provide relief loans to at least 90 energy access companies, protecting jobs and keeping the lights on for more than 20 million people who would otherwise be left without power in the midst of the worst health and economic crisis in a century.

In addition, Acumen joined the World Economic Forum's COVID-19 Response Alliance for Social Entrepreneurs, an unprecedented collaboration between 84 global leaders representing civil society, foundations, corporations and others to mobilize support for social entrepreneurs on the front-lines of the crisis. Acumen is leading an effort within the Alliance to engage corporations in scaling social enterprises alongside Alliance members Yunus Social Business, SAP, IKEA Social Entrepreneurship, the Euclid Network and EY.

While this past year tested Acumen in many ways, it also unleashed the type of collaboration, commitment and moral imagination needed to design new solutions that met the needs of the moment. Most importantly, it reinforced that changing the way the world tackles poverty will take all of us — Acumen's Partners, Board of Directors, Fellows, investees and teams across the globe — all working together to stand with the poor through COVID-19 and long after the crisis subsides.

# \$6.5M

**RAISED ACROSS TWO COVID-19 EMERGENCY FUNDS  
TO SUPPORT OUR INVESTEEES AND FELLOWS**

# \$80M

**TARGET DEBT RELIEF FUND DEVELOPED  
TO ENSURE THAT MILLIONS DON'T LOSE  
ACCESS TO OFF-GRID ENERGY**



## CASE STUDY ESUSU



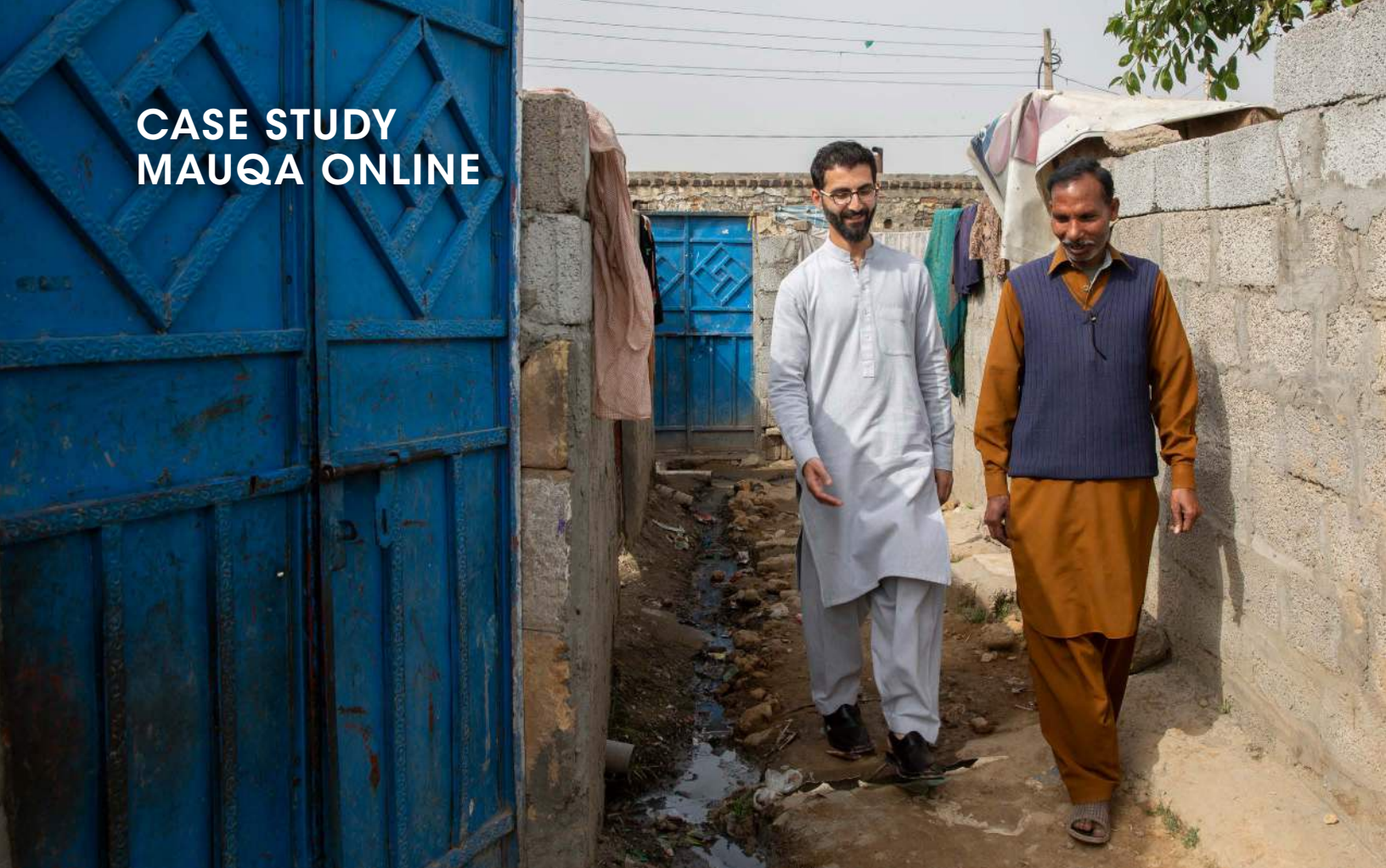
**Samir Goel & Abbey Wemimo are co-founders of Esusu**, a credit-building platform that helps low-income Americans establish or improve their credit profiles. When lockdowns started across the U.S., Esusu knew its customers would be vulnerable to the economic fallout. In response, the company reviewed customer data and determined that 65 percent of customers would be unable to pay their rent, leading some to be evicted or turn to predatory lenders. In partnership with Acumen, the company began to mobilize support for its most at-risk customers. To date, Acumen's grant has enabled Esusu to provide 192 renter households making under \$25,000 per year with emergency rent relief, and has catalyzed other funding to support many more households.

“

**This COVID-19 pandemic coupled with the racial reckoning we are a part of has been a wake-up call for all of us...We have to make sure this pandemic doesn't push marginalized communities even further behind the starting line.**

**Samir Goel & Abbey Wemimo**  
Esusu

## CASE STUDY MAUQA ONLINE



Saiyina Bashir

**Fellow Muhammad Mustafa is co-founder of Mauqa Online**, a company employing informal sector workers as professional cleaners, caretakers and cooks in Pakistan. COVID-19 has become a significant health and economic crisis in Pakistan — the country has the third highest infection rate in the region — and is hitting low-income communities particularly hard. Using Acumen emergency funds, Mauqa Online was able to add new services, including disinfectant cleaning services to help homes and businesses fight COVID — and in doing so, sustained 75 livelihoods, including staff and part-time helpers. Currently operating in Islamabad, Rawalpindi and Lahore, the company plans to expand and employ even more informal sector workers.

“

If the AEF funding had not happened, we would have been forced to shut down. We had been speaking to other investors in the country but there was no climate to raise an investment in, and this was literally our only hope.

**Muhammad Mustafa**  
Mauqa Online





# ACUMEN IN 2020



# MILESTONES

Despite unprecedented challenges in 2020, Acumen did not lose ground on its mission to serve the poor and spread our ethos of moral leadership — from mobilizing to raise COVID-19 emergency relief funds to launching new accelerator programs to drive innovation, and more. View our highlights from 2020 below.

- INVESTING
- SCALING & PARTNERSHIPS
- LEARNING

## FEBRUARY

- Acumen hosts its Energy Summit in Nairobi bringing together 90+ stakeholders to explore how to close the energy access gap by 2030.
- Longtime investee d.light reaches 100 million lives impacted milestone with its clean-energy products.

## MARCH

- The World Health Organization characterizes COVID-19 as a pandemic.
- In response to the COVID-19 pandemic, Acumen’s Fellowship programs shift to a first-ever virtual model to deliver its leadership curriculum.

## APRIL

- Two COVID-19 emergency relief facilities are launched to support Acumen’s investees and Fellows as they weather the impacts of the pandemic.
- Along with more than 50 other founding members, Acumen joins the World Economic Forum’s COVID Response Alliance for Social Entrepreneurs.

## MAY

- Acumen Academy launches a new website and platform to make its online courses and community accessible to anyone, anywhere.
- Jacqueline Novogratz’s second book *Manifesto for a Moral Revolution: Practices to Build a Better World* launches and virtual book tour begins.
- The Path of Moral Leadership, a new Acumen Academy master class, is released based on the principles of *Manifesto for a Moral Revolution*.
- Acumen America hosts a virtual demo day series for health startups to present their solutions to Medicaid and managed care leadership.

## AUGUST

- Acumen announces the final close of its Latin America Early Growth Fund to invest in impact-driven early growth companies in Colombia and Peru.
- Acumen America & Acumen Academy host a series on poverty and racism in America in partnership with its CEOs working across the U.S.
- The United Kingdom Fellowship program is launched, Acumen Academy’s ninth Fellowship program and fourth with a Regional Partner.

## SEPTEMBER

- Jacqueline Novogratz releases a new TED Talk, *What It Takes to Make Change*, on practices for building the sustainable systems we need.
- IKEA Social Entrepreneurship & Acumen Academy Award \$50,000 to social enterprises in East Africa, as part of a joint accelerator for 19 enterprises.
- The Rockefeller Foundation-Acumen Student Social Innovation Challenge awards \$200,000 to 17 student-led enterprises solving problems of poverty.

## OCTOBER

- Acumen hosts the annual Partner Gathering, a virtual convening of its global Partners to learn from Acumen’s entrepreneurs and leaders.

## NOVEMBER

- As part of TED Countdown, Acumen hosts TEDxAcumen, an event exploring solutions at the intersection of poverty and climate change.
- Acumen is awarded \$30M from the Green Climate Fund to apply towards its Energy Access Relief Fund.

## DECEMBER

- Acumen and IKEA Foundation partner to grant \$1M to the Energy Access Relief Fund for emergency loans ahead of its first close.

# INVESTMENT PORTFOLIO

More than ever, the events of this year have reinforced the importance of using capital to alleviate poverty. In March, when COVID-19 was declared a pandemic, our investment teams pivoted to provide whatever support was needed to keep our companies operating. At the end of the year, we are proud to report that none of our companies failed due to the pandemic.

Over the year, we made new philanthropic investments in 13 innovative enterprises — including Zing Health, a Chicago-based insurance company providing affordable health care for Black and Hispanic senior citizens, and Haqdarshak, a technology platform connecting informal workers in India to government welfare benefits. We were also able to exit three companies returning a total of \$5 million — including an early exit from KopaGas, a company providing cleaner-burning cooking fuel in Tanzania, and Sanergy, our seven-year investment in an innovative sanitation model in Kenya. Both were exits to strategic investors that will support the growth of these companies going forward.

In the United States, we continued to fund innovations that confront issues of poverty and systemic racism across health care, workforce development and financial inclusion. Acumen America has now built a portfolio of 26 companies and is tackling barriers to accessing capital. More than 50 percent of its companies are led by founders of color, 38 percent of its founders identify as women, and 80 percent of its portfolio is based in regions underserved by traditional venture capital.

Innovating at the intersection of climate change and poverty has steered our energy strategy for more than a decade, and it is beginning to guide our approach for investing in agriculture. In energy, we have the world's largest equity portfolio in the off-grid and clean energy sector with \$32 million cumulative invested in 28 companies. 2020 was our fourth year leading the Pioneer Energy Investment Initiative, which has offset more than 60,000 tons of CO<sub>2</sub> through its investment in 10 companies. In agriculture, the growing impacts of climate change continue to threaten farmer productivity. As a result, we've invested in companies experimenting with new climate-resilient technologies. For example, our new investee Kheyti — founded by two India Fellows — is helping farmers be more resilient to volatile temperatures, drought and soil erosion with its low-cost greenhouses.

We know that philanthropy can be a powerful tool to unlock other forms of capital across the investment spectrum. This year, in addition to its philanthropic investing, Acumen closed its second returnable fund as part of a growing portfolio of funds designed to address problems of poverty at scale. In August, ALIVE Ventures, a fund manager that is sponsored by Acumen, reached a final close for its \$28 million returnable Acumen Latin America Early Growth Fund focused on agribusiness, education and clean energy in Colombia and Peru.



## Our Pioneer Portfolio in 2020

**29**

New and  
Follow-On  
Investments

**\$8M**

Invested

**46M**

Lives  
Impacted

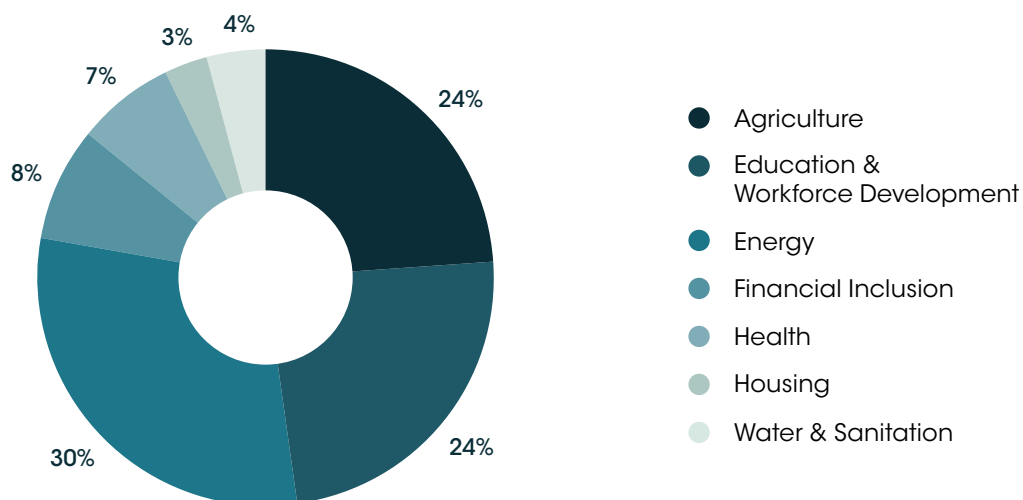
**37**

Technical  
Assistance  
Grants

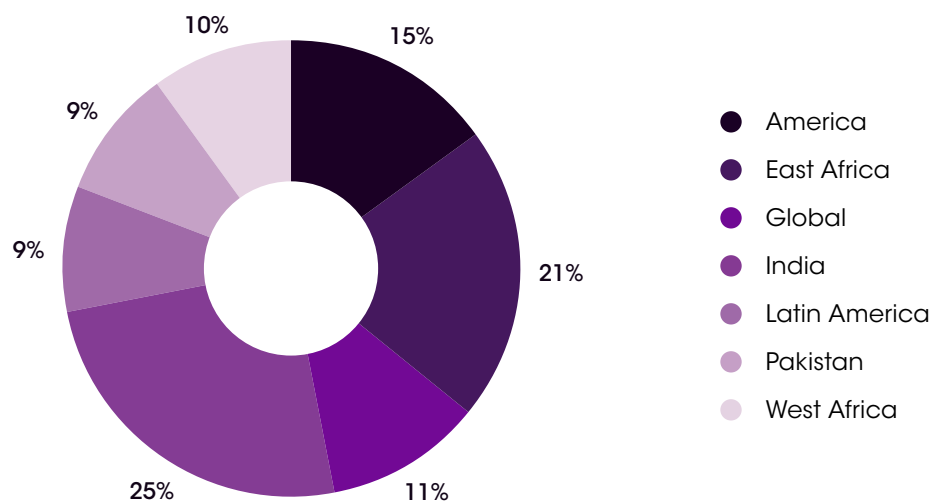
**70**

Participants  
on Company  
Boards

### Pioneer Investments by Sector\*



### Pioneer Investments by Region\*



\*Figures represent cumulative investments under management: \$76M, excluding unrealized gains and losses.

50

PERCENT OF OUR ACUMEN  
AMERICA COMPANIES ARE  
LED BY FOUNDERS OF COLOR

38

PERCENT OF OUR ACUMEN AMERICA  
FOUNDERS IDENTIFY AS WOMEN



# ACUMEN ACADEMY 2020





Saiyina Bashir

In 2020, we saw our community of thousands of leaders around the globe come together in new ways to learn what entrepreneurial moral leadership looks like in action — even in the face of crisis.

In May, we launched the world's school for social change: Acumen Academy. Acumen Academy includes a new visual identity, community platform and website, and brings together our Fellows programs and +Acumen online courses under one roof. With curriculum ranging from business models for social enterprise to adaptive leadership, the platform allows Fellows and course-takers to dive deeper into the issue areas they are working on, as well as connect with others addressing the same problems.

As of 2020, Acumen Academy has had 500,000 course-takers sign up for more than one million courses. One highlight from this year's curriculum was a new class based on Founder and CEO Jacqueline Novogratz's new book *Manifesto for a Moral*

*Revolution: Practices to Build a Better World*, with thousands of attendees from more than 60 countries.

The expansion of our Fellows program continues at pace. We added four new regions this year through affiliate-operated relationships — Spain, Bangladesh, Malaysia and the United Kingdom — welcoming 188 new Fellows across all of our programs. These new cohorts are disrupting systemic issues in their local communities — from a Bangladesh Fellow helping women regain control of land and property through legal aid, to a Spain Fellow transforming the lives of vulnerable children through musical instrument lessons, and more.

While our in-person Fellows program was disrupted by the pandemic, we identified virtual and semi-virtual delivery alternatives. As many of our Fellows do not have access to reliable internet connections, in Colombia we experimented with content delivery through messaging platforms like WhatsApp. Creating safe spaces for Fellows



to share personal experiences from behind a computer or phone screen was challenging, and we're continuing to build our capacity to reach thousands without compromising the depth of in-person transformation.

We've seen an increasing need to develop and nurture early-stage ideas and emerging social entrepreneurs. This year, we launched two accelerator programs to help fund new student ideas and scale existing social enterprises. The Rockefeller Foundation-Acumen Student Social Innovation Challenge, a five-month virtual experience, mentored more than 7,200 students from 135 countries to turn their ideas into enterprises. Students developed their business models and pitched for up to \$20,000 in funding. The Acumen and IKEA Social Entrepreneurship East Africa

Accelerator included 19 teams of social entrepreneurs from Kenya, Uganda, Rwanda and Ethiopia for a five-month program to strengthen the capacity of their enterprises. Two teams received \$25,000 to scale their businesses and 16 teams received business continuity funding.

This year, it's become even more clear that democratizing access to learning is critical to moving the needle on poverty alleviation. With Acumen Academy newly launched, we will continue to grow our community and cultivate the next generation of leaders ready to build a more just, inclusive and sustainable world.





## KEVINE KAGIRIMPUNDU, CEO OF UZURI K&Y

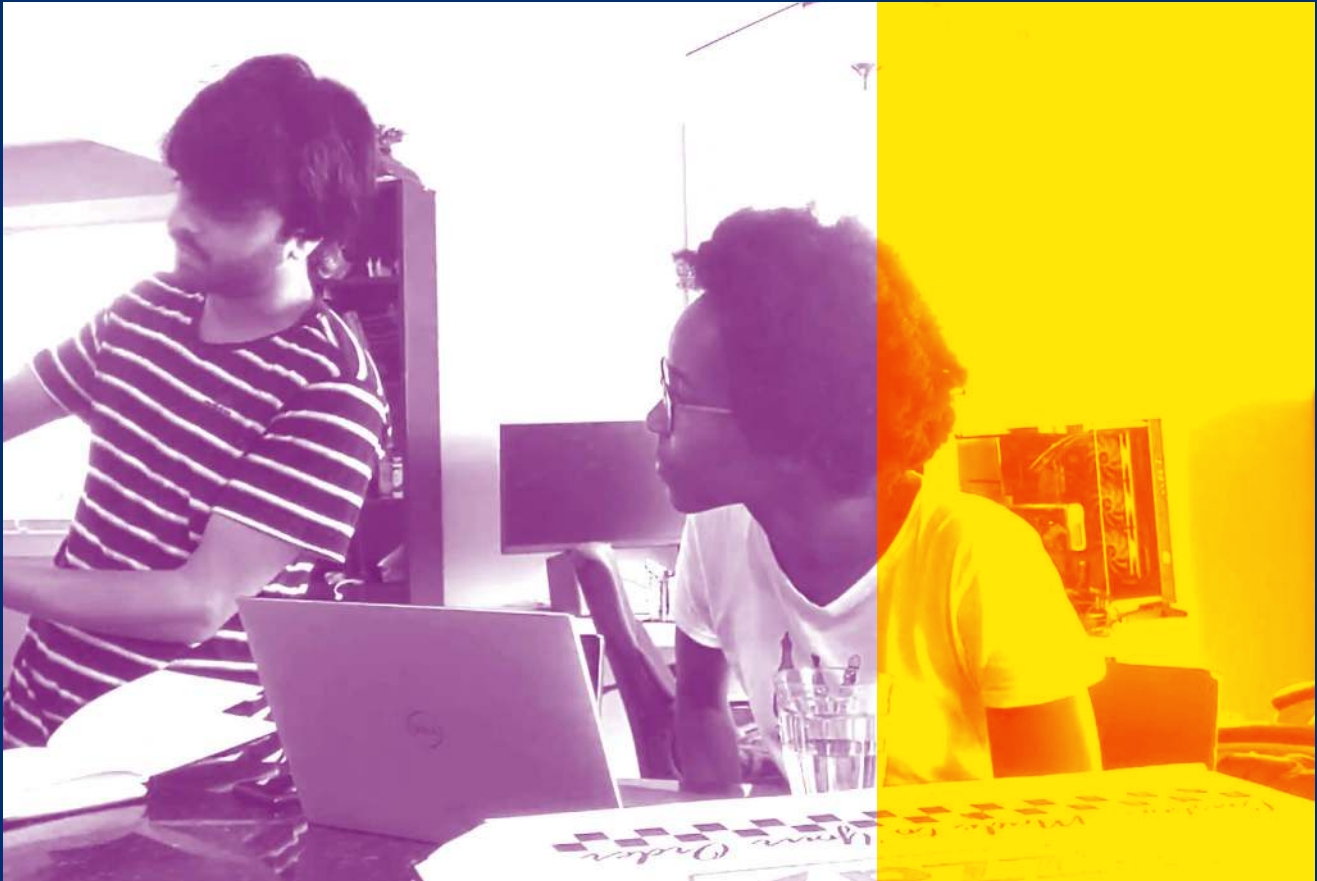
UZURI K&Y is a shoe manufacturer in Rwanda that recycles waste into functional footwear. Kevine Kagirimpundu's vision is to brand Africa as a leader of sustainable fashion items. UZURI K&Y trains women and youth in their factory outside of Kigali with the skills needed to turn rubber tires into fashionable footwear. The UZURI K&Y team joined the East Africa Accelerator to learn new strategies for scaling their business. Today, the company employs 85 people and its shoes are being worn as far as Ghana, Japan and the U.S.

“

We are now more open-minded to scaling our business. Scaling a business must be planned and we had no idea how to do so before we joined the accelerator!

**Kevine Kagirimpundu**  
UZURI K&Y





## BONOLO MATHEKGA AND DIGVIJAY SINGH, CO-FOUNDERS OF DRIZZLE

Bonolo Mathekga and Digvijay Singh were alarmed at the rising number of Tuberculosis (TB) infections in their home countries of South Africa and India. After discovering that accurate tests were expensive and inaccessible to rural areas, they founded drizzle: a medtech company offering screening tools that can be administered in a patient's home or a rural health clinic. Through The Rockefeller Foundation-Acumen Student Social Innovation Challenge, Bonolo and Digvijay received funding to further develop their product and enterprise and ensure that low-cost quality TB testing is available to those who need it most.

“

...there was a big contrast between how Tuberculosis was being handled in the Americas versus Africa and India. It wasn't like the problem [was] Tuberculosis diagnosis, the problem [was] that people needed it at a certain price point [and] accessibility.

**Digvijay Singh**  
drizzle





OUR GLOBAL COMMUNITY



## WHAT IT MEANS TO BE A PARTNER



Zlatko Batistich

Building entrepreneurial solutions to tackle the toughest problems of poverty requires a long-term commitment to creating outsized impact. Acumen's global community of Partners\* includes more than 300 of the world's most forward-looking individuals, corporations, foundations, governments and thought leaders that support our mission.

Over the course of a year, our Partners learn alongside us, share their expertise through strategic engagements and dig into our successes and failures on donor-exclusive expert calls, virtual and in-person insights events, trips to experience our work in the field and more.

This year, due to COVID-19, we shifted our engagement approach from in-person to virtual to continue to connect our

“

**So how did Acumen change to respond to COVID-19? It didn't. That's the thing about Acumen's approach. Acumen didn't need to change its principles to address the crisis. Acumen simply had to apply them. Amidst this daunting pandemic that exempts no daily need from its peril, Acumen has, as it always has, stood with and in communities to sustain, to invigorate and to empower.**

**Madeleine Schachter**

Artist, Author, and Assistant Professor  
at Weill Cornell Medicine



“

**Our commitment to social entrepreneurs is based in our belief that the world’s biggest challenges need diverse, local problem solvers, and this is what led us to partner with Acumen to support social enterprises in East Africa. Through our co-worker engagement we have brought IKEA’s capabilities and resources to support social enterprises scale their impact across the region, which is especially important during the challenges of COVID-19.**

**Åsa Skogström Feldt**

Head of IKEA Social Entrepreneurship

community to the front-lines of Acumen’s work. This shift also made our content more accessible — now, Partners could participate from anywhere in the world rather than being restricted by geography — allowing us to connect our Partners with a wider range of entrepreneurs and Fellows via Zoom.

For example, in March, we hosted our European Partner Gathering featuring talks from Emiliano Mroue, founder & CEO of investee WARC Africa, who shared how

his company is transforming agriculture and livelihoods through their work with smallholder farmers in Sierra Leone. In October, we hosted our global Partner Gathering where Partners virtually met CEOs and Fellows leading high-impact work in vulnerable communities — like Lalah Rukh, a Pakistan Fellow whose social enterprise Science Fuse is inspiring Pakistani students, especially girls, to pursue careers in STEM.

We also saw a new level of engagement with our corporate Partners. This year IKEA Social Entrepreneurship provided coaching and mentoring to the 19 teams in our joint East Africa Accelerator and, as part of the COVID-19 Response Alliance for Social Enterprises, we worked alongside Partners like SAP and Unilever to learn together how to serve the needs of social enterprises hit the hardest by the crisis.

This year we also expanded our up-and-coming donor community through **Acumen Next**. Acumen Next is an opportunity for individuals to make a smaller, but meaningful donation to Acumen and join a group of impact-minded peers to learn more about impact investing and social enterprise.

*\*Partnership levels begin at \$10,000. Please reach out to us at [www.acumen.org/partners](http://www.acumen.org/partners) for more information.*

“

**Acumen’s impact is ultimately about people. Identifying with, standing with, listening to and empowering people. This impact is delivered with dignity, respect, sincerity and generosity. And the effects impact everyone involved.**

**Steve Ross**

Acumen Partner &  
Social Entrepreneur



Zlatko Batistich

# ACUMEN'S BOARD OF DIRECTORS\*

**Chairperson:** Shaiza Rizavi, Gilder, Gagnon, Howe & Co.  
Margo Alexander, formerly UBS Global Asset Management  
C. Hunter Boll, Source Audio LLC  
Kathleen Chew Wai Lin, YTL Corporation Berhad  
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Jacqueline Novogratz, Acumen  
Karen Paterson, Moxie Foundation  
Thulasiraj Ravilla, Aravind Eye Care  
Andrea Soros Colombel, Trace Foundation and Open Society Foundations  
Mark Tercek, Global Conservation Leader

*\*As of March 2020*

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*\*Advisor Emeritus*

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The Rank Foundation

Segelman Trust

Randy & Jeanne Work

*Acumen honors its Partners based  
on the amount of pledges made or  
ongoing in 2020.*

*\*Legacy Partners have included  
Acumen in their estate planning  
with a gift estimated at \$10,000  
or more.*

*†Affiliate Partners are donors  
who independently fund regional  
Acumen Academy entities.*

# FINANCIAL OVERVIEW 2020

*Preliminary, unaudited financial results. Figures will be updated when audited results are available.*

Since Acumen's inception in 2001, we have built and evolved our business model, which spans innovative programmatic work and manages an extensive investment portfolio of early-stage, mission-aligned enterprises. These investments are deployed across the capital spectrum, from grants to a range of debt and equity securities. These securities are booked as assets on our balance sheet (and therefore do not appear as a part of our program expenses on our financial statements).

Acumen's approach to financial management and governance is grounded in our commitment to accountability and transparency. We have established sound internal controls and structures to effectively manage, deploy and report on the generous commitments from our donors to ensure that we are delivering impact and outcomes in service of our mission.

In 2020, we were able to pivot our financial resources towards our COVID-19 response work while maintaining balance sheet stability and a healthy liquidity profile. Please review Acumen's Audited Financial Statements for details of our financial performance in past years: [acumen.org/financial-overview](https://acumen.org/financial-overview). The following are highlights from our preliminary, unaudited 2020 financial results:

## Revenue\*

**\$32.0 M**

2020

**\$34.9 M**

2019

## Expenses\*

**\$31.4 M**

2020

**\$28.8 M**

2019

\*Includes \$2.4 M in in-kind revenues and expenses.

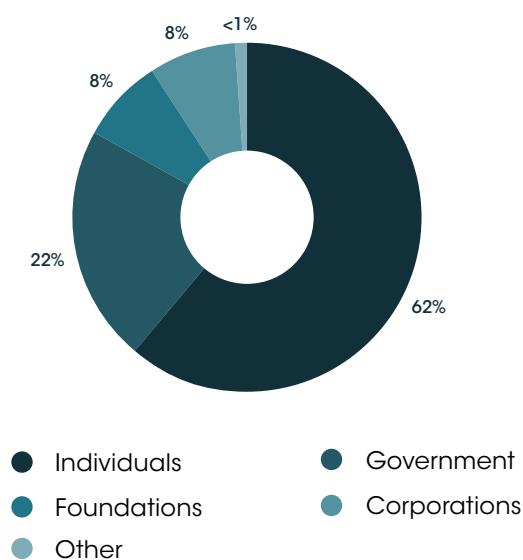
COVID-19-related grants and expenses to our entrepreneurs and Fellows (fully funded) were the key drivers of our increased cost base in 2020. While our revenues decreased by 8 percent year-on-year, it is important to note that our 2019 revenue base included our Acumen Academy expansion raise and funding from those revenues continue to cover activities in 2020.

## Investments Under Management†

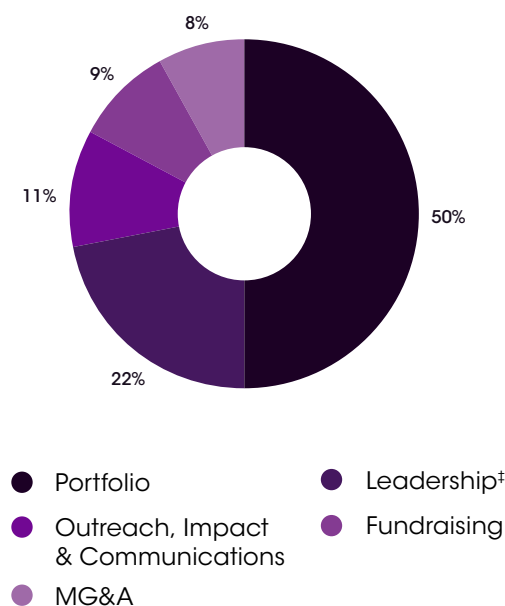
**\$79.1 M**

†Book value of IUM net of impairments.

## Funding Sources



## Programmatic Expenses



†Relaunched as Acumen Academy in 2020.

## Net Assets

**\$143.2 M**

Start of Year

**\$143.1 M**

End of Year

# IMPORTANT INFORMATION

This **report** is provided for informational purposes only. The principal focus of the pioneering investments made by Acumen was to achieve proof points on viability of innovative business models that deliver essential goods and services to the poor, improving their livelihoods. Acumen's pioneer investments have always been "impact-first," with the objective of testing out unproven business models while aiming for capital preservation at the portfolio level. The funding for pioneer investments comes from philanthropy with donors aligned on the high degree of financial risks and deeply interested in the learning and impact outcomes from these investments. The learning from these pioneer investments have allowed Acumen to subsequently set up for-profit funds in sectors and regions where the ecosystem has evolved to a degree allowing for a for-profit fund to operate and push these companies to scale. **However, this report does not constitute an offer to sell or a solicitation of an offer to purchase any security of any fund or any other investment vehicle or product sponsored or managed by Acumen. No part of this report constitutes investment, legal, tax, regulatory, accounting, or other advice of any kind.**

The performance information contained herein is intended to demonstrate the overall scope and experience of Acumen, and the investments are not necessarily representative of the types of investments expected to be made by Acumen. The **financial and impact** performance information contained herein was selected to illustrate investments that Acumen deems successful in recycling capital for our mission-based work while achieving

meaningful impact, and to present a sample of investments across our geographies and sectors.

**The selected investments are not representative of the overall investment performance of Acumen and its affiliates and should not be construed as such.**

Unless otherwise indicated, all performance results herein are being presented on a gross basis and do not reflect any deduction of fees or expenses (**and would be lower if they did**). References herein are to gross returns (returns on invested capital, before fees and direct expenses), on a cash basis. Impact metrics referenced herein have been prepared using Lean Data<sup>SM</sup> customer surveys and analysis, as well as product or service sales data provided by our portfolio companies. Cumulative lives impacted is calculated annually for each company, from the point of Acumen's investment through to exit. The impact of a product or service is calculated at a household level, as the use or purchase of a product or service may impact more than one individual, and an impact multiplier is applied based on the sector and region of the company.

Certain information contained herein has been obtained from published and unpublished sources prepared by others, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for the purpose used herein, none of Acumen or its affiliates or any providers of such information assumes any responsibility for the accuracy of such information, and such information has not been independently verified by Acumen or any of its affiliates.

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Acumen Fund, Inc. is a not for profit corporation formed under the laws of the State of New York and a public charity under Section 501(c)3 of the Internal Revenue Code, with offices at 40 Worth Street, Suite 303, New York, NY 10013. Donations will be used to support our programs to change the way the world tackles poverty. Our most recent financial statements are accessible on our website at [acumen.org](http://acumen.org) or upon request.



# MANIFESTO

It starts by standing with the poor, listening to voices unheard, and recognizing potential where others see despair.

It demands investing as a means, not an end, daring to go where markets have failed and aid has fallen short. It makes capital work for us, not control us.

It thrives on moral imagination: the humility to see the world as it is, and the audacity to imagine the world as it could be. It's having the ambition to learn at the edge, the wisdom to admit failure, and the courage to start again.

It requires patience and kindness, resilience and grit: a hard-edged hope. It's leadership that rejects complacency, breaks through bureaucracy, and challenges corruption. Doing what's right, not what's easy.

Acumen: it's the radical idea of creating hope in a cynical world. Changing the way the world tackles poverty and building a world based on dignity.



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