

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2017 and 2016

Independent Auditors' Report

Board of Directors Acumen Fund, Inc.

We have audited the accompanying consolidated financial statements of Acumen Fund, Inc. and Subsidiaries ("Acumen"), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Acumen Capital Markets I, LP, which statements reflect total assets constituting less than 10% of consolidated total assets at December 31, 2017 and 2016, and total revenues constituting 0% of consolidated total revenues for each of the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Acumen Capital Markets I, LP, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acumen Fund, Inc. and Subsidiaries as December 31, 2017 and 2016 and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules on pages 23-25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PKF O'Connor Davies, LLP

May 23, 2018

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2017	2016
ASSETS		
Operating Assets		
Cash and cash equivalents	\$ 39,775,822	\$ 39,082,487
Contributions and pledges receivable, net	21,417,847	17,526,672
Interest receivable	13,417	2,320
Accounts and other receivables	88,471	76,815
Prepaid expenses and other assets	538,212	683,991
Interest in charitable remainder trust	444,805	407,281
Property and equipment, net	500,167	666,474
Security deposits	370,134	313,889
Total Operating Assets	63,148,875	58,759,929
Portfolio Assets		
Cash and cash equivalents	-	578,351
Certificates of deposit	-	294,070
Interest and dividend receivable	917,618	923,072
Taxes receivable	-	1,210
Program related equity investments, net	60,533,248	53,095,880
Program related loans receivable, net	7,629,435	10,652,450
Total Portfolio Assets	69,080,301	65,545,033
	\$ 132,229,176	\$ 124,304,962
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,250,248	\$ 926,451
Accrued salaries and related expenses	1,041,339	731,477
Taxes payable on foreign loan interest income	1,280	3,278
Deferred income	1,153,355	1,083,511
Notes payable	4,232,577	4,290,708
Total Liabilities	7,678,799	7,035,425
Net Assets		
Unrestricted		
Operating	13,689,365	15,553,635
Portfolio funds	69,080,301	65,545,033
Noncontrolling limited partners' interests	4,028,968	4,266,471
Total Unrestricted	86,798,634	85,365,139
Temporarily restricted	37,751,743	31,904,398
Total Net Assets	124,550,377	117,269,537
	\$ 132,229,176	\$ 124,304,962

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 8,295,276	\$ 21,688,988	\$ 29,984,264
Provision for uncollectible pledges	(744,565)	(3,030,970)	(3,775,535)
In-kind contributions	2,585,130	-	2,585,130
Program fees	1,938,099	-	1,938,099
Investment income	109,152	-	109,152
Change in value of charitable remainder trust	-	37,524	37,524
Other income	59,972	-	59,972
Net assets released from restrictions	<u>6,774,713</u>	<u>(6,774,713)</u>	<u>-</u>
Total Operating Support and Revenue	<u>19,017,777</u>	<u>11,920,829</u>	<u>30,938,606</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	608,253	-	608,253
Realized gain (loss) on equity investments	77,110	-	77,110
Realized debt portfolio gains (losses)	178,001	-	178,001
Provision for losses	(3,025,938)	-	(3,025,938)
Net assets released from restrictions	<u>6,041,180</u>	<u>(6,041,180)</u>	<u>-</u>
Total Portfolio Revenue (Losses)	<u>3,878,606</u>	<u>(6,041,180)</u>	<u>(2,162,574)</u>
Total Support and Revenue	<u>22,896,383</u>	<u>5,879,649</u>	<u>28,776,032</u>
EXPENSES			
Program Expenses			
Portfolio management	8,117,791	-	8,117,791
Outreach, impact and communications	5,157,465	-	5,157,465
Leadership	<u>2,322,941</u>	<u>-</u>	<u>2,322,941</u>
Total Program Expenses	<u>15,598,197</u>	<u>-</u>	<u>15,598,197</u>
Supporting Expenses			
Management and general	3,244,246	-	3,244,246
Fundraising	<u>2,528,969</u>	<u>-</u>	<u>2,528,969</u>
Total Supporting Expenses	<u>5,773,215</u>	<u>-</u>	<u>5,773,215</u>
Total Expenses	<u>21,371,412</u>	<u>-</u>	<u>21,371,412</u>
Change in Net Assets Before Foreign Currency Translation Gain (Loss)	1,524,971	5,879,649	7,404,620
Foreign currency translation gain (loss)	<u>(91,476)</u>	<u>(32,304)</u>	<u>(123,780)</u>
Change in Net Assets	1,433,495	5,847,345	7,280,840
NET ASSETS			
Beginning of the year	<u>85,365,139</u>	<u>31,904,398</u>	<u>117,269,537</u>
End of the year	<u>\$ 86,798,634</u>	<u>\$ 37,751,743</u>	<u>\$ 124,550,377</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 8,413,728	\$ 21,539,498	\$ 29,953,226
Provision for uncollectible pledges	(28,228)	(40,000)	(68,228)
In-kind contributions	1,226,202	-	1,226,202
Program fees	563,081	139,313	702,394
Investment income	348,104	-	348,104
Change in value of charitable remainder trust	-	27,748	27,748
Other income	583,101	-	583,101
Net assets released from restrictions	<u>8,756,399</u>	<u>(8,756,399)</u>	<u>-</u>
Total Operating Support and Revenue	<u>19,862,387</u>	<u>12,910,160</u>	<u>32,772,547</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	391,849	-	391,849
Realized gain (loss) on equity investments	(226,358)	-	(226,358)
Realized debt portfolio gains (losses)	(210,571)	-	(210,571)
Provision for losses	(3,155,599)	-	(3,155,599)
Net assets released from restrictions	<u>7,774,639</u>	<u>(7,774,639)</u>	<u>-</u>
Total Portfolio Revenue (Losses)	<u>4,573,960</u>	<u>(7,774,639)</u>	<u>(3,200,679)</u>
Total Support and Revenue	<u>24,436,347</u>	<u>5,135,521</u>	<u>29,571,868</u>
EXPENSES			
Program Expenses			
Portfolio management	8,211,891	-	8,211,891
Outreach, impact and communications	4,988,602	-	4,988,602
Leadership	<u>1,744,036</u>	<u>-</u>	<u>1,744,036</u>
Total Program Expenses	<u>14,944,529</u>	<u>-</u>	<u>14,944,529</u>
Supporting Expenses			
Management and general	2,780,840	-	2,780,840
Fundraising	<u>2,193,982</u>	<u>-</u>	<u>2,193,982</u>
Total Supporting Expenses	<u>4,974,822</u>	<u>-</u>	<u>4,974,822</u>
Total Expenses	<u>19,919,351</u>	<u>-</u>	<u>19,919,351</u>
Change in Net Assets Before Foreign Currency Translation Gain (Loss)	4,516,996	5,135,521	9,652,517
Foreign currency translation gain (loss)	<u>20,318</u>	<u>-</u>	<u>20,318</u>
Change in Net Assets	4,537,314	5,135,521	9,672,835
NET ASSETS			
Beginning of the year	<u>80,827,825</u>	<u>26,768,877</u>	<u>107,596,702</u>
End of the year	<u>\$ 85,365,139</u>	<u>\$ 31,904,398</u>	<u>\$ 117,269,537</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended	
	December 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,280,840	\$ 9,672,835
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	323,492	283,885
Provision for uncollectible pledges and write-offs	3,775,535	68,228
Change in interest in charitable remainder trust	(37,524)	(27,748)
Foreign currency exchange loss (gain)	123,780	(20,318)
Realized (gain) loss on equity investments	(77,110)	226,358
Provision for portfolio losses	3,025,938	3,155,599
Change in operating assets and liabilities		
Contributions and pledges receivable	(7,666,710)	3,233,408
Interest and dividend receivable	(5,643)	458,995
Accounts and other receivables	(10,446)	438,183
Prepaid expenses and other assets	145,779	(303,825)
Accounts payable and accrued expenses	633,659	139,995
Taxes payable on foreign loan interest income	(1,998)	1,959
Deferred income	69,844	203,664
Net Cash from Operating Activities	7,579,436	17,531,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(157,185)	(380,075)
Reinvested interest	-	(22)
Proceeds from maturity of certificates of deposit	294,070	-
Proceeds from sale of program related equity investments	421,923	300,000
Program related loans made	(1,721,153)	(2,909,064)
Program related equity investments made	(8,214,458)	(11,941,378)
Repayment of program related loans	2,026,727	2,119,690
Security deposits	(56,245)	34,405
Net Cash from Investing Activities	(7,406,321)	(12,776,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(58,131)	(646,589)
Net Change in Cash and Cash Equivalents	114,984	4,108,185
CASH AND CASH EQUIVALENTS		
Beginning of year	39,660,838	35,552,653
End of year	\$ 39,775,822	\$ 39,660,838
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for taxes	\$ 60,000	\$ 70,198
Cash paid for interest	140,751	390,471

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

1. Organization and Tax Status

Acumen Fund, Inc., a not for profit organization, aims to elevate the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services. A disciplined process is adhered to in selecting and managing its philanthropic investments as well as in measuring the end result. Acumen Fund, Inc. manages a portfolio with a number of areas of expertise which is focused on global social needs. These areas include: Health, Housing, Water & Sanitation, Energy, Agriculture, Education and Financial Inclusion. In addition, Acumen Fund, Inc. runs a leadership program that consists of a global and three regional fellows programs to identify, network and support social change leaders. Acumen Fund, Inc. also focuses on dissemination of ideas, particularly around insights for impact measurement of its work and awareness raising of 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 (a Pakistan company) (“Acumen Pakistan”); subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. owns 99.9%. In addition, Acumen India Trust, an Indian not-for-profit public charitable trust, was formed to accept local donations to support certain programs. Its board and officers are comprised of 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 comprises 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.

In December 2008, Acumen Fund, Inc. formed a Delaware limited partnership, Acumen Capital Markets I, LP (“ACM”), in which it serves as general partner and manager and owns approximately 16%. ACM makes portfolio investments consistent with and as an extension of Acumen Fund, Inc.’s charitable activities. For income tax purposes, partners report their respective portions of ACM income and expense in their income tax returns.

In October 2014, Acumen Fund, Inc. formed two Delaware entities - Acumen Capital Partners LLC (“ACP”) and Acumen Capital Markets Investments LLC (“ACMI”). Acumen Fund, Inc. owns 100% of ACP, which was organized to be the fund manager for an early-stage growth fund that is currently being raised. ACP owns 100% of ACMI, which was set up to hold shares in such fund through which the fund will distribute a portion of the profit, known as “carry”. ACP and ACMI began financial activities in 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

1. Organization and Tax Status (continued)

ACP elected to be taxed as a corporation for income tax purposes; ACMI elected to be taxed as a partnership for US income tax purposes. In March 2015, a private limited liability company was formed under the laws of Mauritius, named KawiSafi Ventures Limited ("KawiSafi"). KawiSafi is the entity formed to be the aforementioned early-stage growth fund. ACP owns 100% of KawiSafi, holding management shares. KawiSafi has elected to be treated as partnership for US income tax purposes. KawiSafi had no financial activity in 2017 and 2016.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements of Acumen Fund, Inc. include the accounts of Acumen Fund, Inc., Acumen India, Acumen India Trust, Acumen Pakistan, Acumen Canada, ACP and ACM and are collectively referred to as Acumen.

All significant intercompany account balances and transactions have been eliminated in consolidation.

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared 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. Accordingly, 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.

Fair Value of Financial Instruments

Acumen follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted 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 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies *(continued)*

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support when received and are classified as unrestricted, temporarily restricted, or permanently restricted support.

Unconditional promises to give 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 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 contribution support in the consolidated statements of activities.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for contributions receivable 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.

Property and Equipment

Property and equipment are 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 2 to 3 years for leasehold improvements and 3 to 5 years for furniture, computer equipment and website development.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Acumen and changes therein are classified as unrestricted or temporarily restricted. Unrestricted amounts are those currently available for use in Acumen's operations. Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

Donated services are stated in the consolidated financial statements at fair value if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation.

Donated office space is recorded as in-kind contributions at its estimated fair value. Such donations are reported as unrestricted revenue unless the donors specify a length of time over which the donated space is to be occupied. The contribution is then reported as temporarily restricted, and the restrictions expire evenly over the required period.

Donated goods consist of items received by Acumen and awarded as prizes during the auctions held in relation to special events. These amounts are recorded as both revenue and expense at their estimated fair values at the dates of receipt.

Beneficial Interest in a Charitable Remainder Trust

Acumen has a beneficial interest in a charitable remainder 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 2017 and 2016 the value of Acumen's estimated interest in the remainder trusts was approximated using a 7% discount rate over the remaining life expectancy of the income beneficiaries.

Program Related Equity Investments

Equity investments are reflected at cost less an allowance for impairment in value. Whether a valuation allowance is necessary due to impairment is determined based on various factors, including the enterprise's cash flow from operations and other pertinent factors related to the enterprise's operations and ability to attract additional capital from other investors.

Program Related Loans Receivable

Loans are carried at an amount equal to the assets transferred if the loans are 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 from 2% to 19%). Determining whether a valuation allowance is necessary due to impairment is based on various factors, including the debtor's cash flow from operations and other pertinent factors related to the debtor's operations and ability to attract additional capital from other investors. Repayment terms differ for each loan.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Grant Expense

Grant expense is recognized at the time a grant is authorized. Grants which are conditional on the recipient fulfilling certain obligations prior to receiving funds are recognized at the time those conditions are satisfied. Grants payable later than one year from the end of a fiscal 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 statement of financial position date. The translation gains (losses) are included in the consolidated statements of activities.

Allocation of Expenses

Certain expenses are allocated to program or supporting services based on management's estimates.

Reclassifications

Certain amounts from the 2016 consolidated financial statements were reclassified to conform to the 2017 presentation.

Accounting for Uncertainty in Income Taxes

Acumen recognizes the effect of income tax positions only when they are more than likely than not of being sustained. Management has determined that Acumen has no uncertain tax positions that would require financial statement recognition or disclosure. Acumen is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2014.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is May 23, 2018.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

3. Concentration of Credit Risk

Financial instruments that potentially subject Acumen to concentrations of credit risk consist principally of cash and cash equivalents, contributions and pledges 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. Concentration of credit risk with respect to contributions and pledges receivable is limited to due to the large number of organizations and individuals composing Acumen's donor database.

Program related portfolio loans receivable and equity investments are associated with projects based in developing countries. As such, the projects and related investments are subject to various uncertainties including, but not limited to, political, commercial and currency risk.

4. Contributions and Pledges Receivable

Contributions and pledges receivable are due as follows at December 31:

	<u>2017</u>	<u>2016</u>
Due within:		
Up to one year	\$ 20,714,018	\$ 12,526,832
One to five years	1,631,498	5,828,920
	<u>22,345,516</u>	<u>18,355,752</u>
Present value discount	(833,464)	(769,080)
Allowance for doubtful accounts	(94,205)	(60,000)
Contributions and pledges receivable, net	<u>\$ 21,417,847</u>	<u>\$ 17,526,672</u>

Pledges receivable are shown net of a discount to present value using rates ranging from .4% to 5% on payments due in future years.

Acumen works with the Charities Aid Foundation ("CAF"), a not-for-profit organization providing a range of services to facilitate tax efficient, charitable donations in the United Kingdom. During 2017 and 2016, Acumen received a total of £90,779 or \$122,556 and £157,085 or \$210,286 of charitable donations (net of fees) into an account maintained with CAF. Throughout 2017 and 2016, CAF transferred £261,016 or \$331,487 and £143,466 or \$202,817 into Acumen's operating bank account. As of December 31, 2017 and 2016, £16,213 or \$21,889 and £59,194 or \$72,999 remained in the Acumen CAF account.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

5. Fair Value Measurements

Acumen's beneficial interest in charitable remainder trusts is measured at fair value on a recurring basis. The beneficial interest in charitable remainder trusts is reported using Level 3 inputs of the fair value hierarchy.

The following is a reconciliation of the beginning and ending balances for Level 3 assets as of December 31:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 407,281	\$ 379,533
Change in present value of beneficial interest in remainder trust	<u>37,524</u>	<u>27,748</u>
Ending balance	<u>\$ 444,805</u>	<u>\$ 407,281</u>

6. Property and Equipment

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

	<u>2017</u>	<u>2016</u>
Computer equipment, systems integration and website development	\$ 1,167,964	\$ 1,020,364
Leasehold improvements and equipment	507,556	509,475
Furniture	<u>376,139</u>	<u>364,635</u>
	2,051,659	1,894,474
Accumulated depreciation	<u>(1,551,492)</u>	<u>(1,228,000)</u>
	<u>\$ 500,167</u>	<u>\$ 666,474</u>

Depreciation expense for 2017 and 2016 was \$323,492 and \$283,885.

7. 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. Loans receivable are carried at a cost of \$12,479,474 and \$15,348,334 less an allowance for uncollectible amounts of \$4,620,738 and \$4,280,620 and a foreign currency translation adjustment of \$229,301 and \$415,264 at December 31, 2017 and 2016.

Contractual interest rates on program related loans at December 31, 2017 and 2016 were equal to the market rates and therefore no contribution expense was recorded.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

7. Program Related Loans Receivable *(continued)*

Acumen assesses the risk of their 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:

	2017		
	Performing	Monitoring	Total
Agriculture	\$ 3,768,459	\$ 1,566,117	\$ 5,334,576
Education	598,791	1,000,000	1,598,791
Energy	567,500	138,779	706,279
Financial Inclusion	150,000	-	150,000
Health	1,518,044	1,807,120	3,325,164
Housing	1,364,664	-	1,364,664
	<u>\$ 7,967,458</u>	<u>\$ 4,512,016</u>	12,479,474
Valuation allowance			(4,620,738)
Foreign currency translation adjustment			(229,301)
			<u>\$ 7,629,435</u>
	2016		
	Performing	Monitoring	Total
Agriculture	\$ 5,314,115	\$ 1,566,117	\$ 6,880,232
Education	1,679,920	-	1,679,920
Energy	594,046	138,779	732,825
Health	966,147	2,721,258	3,687,405
Housing	2,317,952	-	2,317,952
Other	50,000	-	50,000
	<u>\$ 10,922,180</u>	<u>\$ 4,426,154</u>	15,348,334
Valuation allowance			(4,280,620)
Foreign currency translation adjustment			(415,264)
			<u>\$ 10,652,450</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

7. Program Related Loans Receivable *(continued)*

The following reflects the activity in the valuation allowance account for 2017 and 2016 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2017				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses					
Beginning balance	\$ 2,391,749	\$ 1,777,847	\$ -	\$ 111,024	\$ 4,280,620
Recoveries	(914,138)	-	-	-	(914,138)
Provision	-	-	1,226,500	27,756	1,254,256
Ending balance	<u>\$ 1,477,611</u>	<u>\$ 1,777,847</u>	<u>\$ 1,226,500</u>	<u>\$ 138,780</u>	<u>\$ 4,620,738</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,477,611</u>	<u>\$ 1,777,847</u>	<u>\$ 1,226,500</u>	<u>\$ 138,780</u>	<u>\$ 4,620,738</u>
Financing receivables					
Ending balance	<u>\$ 1,566,667</u>	<u>\$ 1,566,117</u>	<u>\$ 1,000,000</u>	<u>\$ 138,779</u>	<u>\$ 4,271,563</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,566,667</u>	<u>\$ 1,566,117</u>	<u>\$ 1,000,000</u>	<u>\$ 138,779</u>	<u>\$ 4,271,563</u>
	2016				
	Health	Agriculture	Energy	Total	
Allowance for credit losses					
Beginning balance	\$ 2,291,749	\$ 2,603,002	\$ -	\$ 4,894,751	
Recoveries	-	(828,665)	-	(828,665)	
Provision	100,000	3,510	111,024	214,534	
Ending balance	<u>\$ 2,391,749</u>	<u>\$ 1,777,847</u>	<u>\$ 111,024</u>	<u>\$ 4,280,620</u>	
Ending balance, individually evaluated for impairment	<u>\$ 2,391,749</u>	<u>\$ 1,777,847</u>	<u>\$ 111,024</u>	<u>\$ 4,280,620</u>	
Financing receivables					
Ending balance	<u>\$ 2,480,805</u>	<u>\$ 2,222,404</u>	<u>\$ 138,779</u>	<u>\$ 4,841,988</u>	
Ending balance, individually evaluated for impairment	<u>\$ 2,480,805</u>	<u>\$ 2,222,404</u>	<u>\$ 138,779</u>	<u>\$ 4,841,988</u>	

All impaired loans at December 31, 2017 and 2016 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

7. Program Related Loans Receivable *(continued)*

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

	2017					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
	Health	\$ -	\$ -	\$ 1,566,667	\$ 1,566,667	\$ 3,767,909
Energy	-	-	138,779	138,779	567,500	706,279
Education	-	-	1,000,000	1,000,000	2,325,164	3,325,164
Agriculture	-	-	2,022,814	2,022,814	(424,023)	1,598,791
Total	\$ -	\$ -	\$ 4,728,260	\$ 4,728,260	\$ 6,236,550	\$ 10,964,810

	2016					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
	Health	\$ -	\$ -	\$ 2,480,805	\$ 2,480,805	\$ 4,399,427
Energy	7,304	7,304	29,216	43,824	689,001	732,825
Agriculture	61,011	61,011	1,648,923	1,770,945	(91,025)	1,679,920
Total	\$ 68,315	\$ 68,315	\$ 4,158,944	\$ 4,295,574	\$ 4,997,403	\$ 9,292,977

Expected repayments (exclusive of provisions for conversion to equity positions in the project) are as follows:

2018	\$ 8,181,901
2019	1,330,327
2020	459,564
2021	79,077
2022	582,639
2023 and thereafter	1,845,966
	12,479,474
Valuation allowance	(4,620,738)
Foreign currency translation adjustment	(229,301)
	\$ 7,629,435

8. Program Related Equity Investments

Program related equity investments consist of funds invested for equity positions in business enterprises in connection with Acumen's portfolio activities. Equity investments are carried at cost of \$75,414,006 and \$65,530,927 less a valuation allowance of \$14,880,758 and \$12,435,047 as of December 31, 2017 and 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

8. Program Related Equity Investments *(continued)*

Acumen holds a significant ownership percentage in certain of its program related equity investments however 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. Acumen does not heavily participate in the management or direction of ongoing operations or operating decisions. In addition, Acumen's significant ownership percentage in some cases is only temporary and will be diluted at such time 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.

The following is the recorded equity investments using Acumen's internally assigned credit quality indicators:

	2017		
	Performing	Monitoring	Total
Agriculture	\$ 8,992,460	\$ 8,603,469	\$ 17,595,929
Education	3,620,806	-	3,620,806
Energy	23,629,272	598,366	24,227,638
Financial Inclusion	3,131,442	-	3,131,442
Health	11,541,846	7,408,225	18,950,071
Housing	1,814,966	1,595,516	3,410,482
Water and Sanitation	<u>779,998</u>	<u>3,697,641</u>	<u>4,477,639</u>
	<u>\$ 53,510,790</u>	<u>\$ 21,903,217</u>	75,414,007
Valuation allowance			<u>(14,880,758)</u>
			<u>\$ 60,533,249</u>
	2016		
	Performing	Monitoring	Total
Agriculture	\$ 9,757,094	\$ 6,116,870	\$ 15,873,964
Education	2,987,889	93,395	3,081,284
Energy	20,000,099	598,366	20,598,465
Financial Inclusion	1,830,073	-	1,830,073
Health	9,224,239	7,788,448	17,012,687
Housing	1,994,716	662,100	2,656,816
Water and Sanitation	<u>779,998</u>	<u>3,697,640</u>	<u>4,477,638</u>
	<u>\$ 46,574,108</u>	<u>\$ 18,956,819</u>	65,530,927
Valuation allowance			<u>(12,435,047)</u>
			<u>\$ 53,095,880</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

9. Changes in Noncontrolling Limited Partners' Interests

The changes in noncontrolling limited partners' interests are as follows:

	Noncontrolling Interest
Balance January 1, 2016	\$ 4,596,378
Deficiency of revenue over expenses	<u>(329,907)</u>
Balance December 31, 2016	4,266,471
Capital contributions	330,000
Deficiency of revenue over expenses	<u>(567,503)</u>
Balance December 31, 2017	<u>\$ 4,028,968</u>

10. Notes Payable

ACM has a promissory note which is to mature December 31, 2018 and security agreement (the "Notes") with certain of its limited partners and others for the purpose of providing investment capital to social entrepreneurs that seek to build viable businesses that serve the poor.

The Notes are unsecured, unguaranteed, and uninsured with a fixed rate of interest of 3% per annum. The interest is payable quarterly if, in the reasonable discretion of the Investment Manager, cash is available for payment at such time. The principal on the Notes and any unpaid interest shall be payable at the end of the term solely out of the assets of ACM. ACM shall have no obligation to pay interest and principal unless it has unencumbered assets sufficient to pay such amounts. The Investment Manager shall have no obligation to liquidate assets of ACM or make capital calls to its partners in order to make payments of interest at any time prior to maturity of the Notes.

At December 31, 2017 and 2016, ACM had drawn \$5,270,250, representing 100% of the commitment, and paid down \$955,603 of the Notes. \$82,070 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2017 and 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following at December 31:

	2017	2016
+Acumen Online	\$ 571,089	\$ 30,242
Acumen America	7,147,991	1,984,717
Agriculture	100,000	149,402
CRUT	444,805	407,282
DFID - Energy	18,281	63,641
East Africa	57,569	54,827
Education	918,947	1,165,297
ELII	541,440	3,102,550
Energy	7,084,055	7,029,715
Global Fellows	-	90,787
Global Gathering	-	540,339
Health	247,738	383,468
Impact	5,694,358	3,243,927
KawiSafi	8,324,429	7,253,043
Latin America	169,231	678,164
Leadership	610,531	325,032
Multi-year	3,174,900	1,133,012
Pakistan	302,939	95,192
Post Investment	399,838	231,239
Regional Fellows	471,344	689,176
Robert Wood Johnson	1,129,917	2,334,689
Strategic Partnerships	234,344	-
Technical Assistance	20,000	98,717
Water & Sanitation	19,999	740,658
West Africa	67,998	79,282
	\$ 37,751,743	\$ 31,904,398

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

11. Temporarily Restricted Net Assets *(continued)*

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor imposed time restrictions as follows:

	2017	2016
+Acumen Online	\$ 303,196	\$ 828,855
Acumen America	1,147,119	651,492
Agriculture	50,000	228,608
DFID - Energy	630,358	19,407
East Africa	5,000	149,032
Education	911,873	2,864,647
ELII	236,110	597,000
Energy	1,489,960	863,575
Global Fellows	65,973	747,367
Global Gathering	837,752	7,710
Health	250,000	-
Impact	895,428	1,179,334
KawiSafi	2,178,614	2,746,957
Latin America	553,069	1,287,300
Leadership	319,834	124,970
Multi-year	1,176,690	1,769,189
Other	128,280	-
Pakistan	33,834	17,000
Post Investment	95,869	653,225
Regional Fellows	258,159	423,080
Robert Wood Johnson	1,178,962	607,848
Strategic Partnerships	19,935	-
Technical Assistance	-	100,288
West Africa	5,000	149,032
Water & Sanitation	44,878	515,122
	\$ 12,815,893	\$ 16,531,038

12. In-Kind Contributions

In-kind contributions for the years ended December 31 are as follows:

	2017	2016
Professional services	\$ 2,534,360	\$ 1,226,202
Goods	26,770	-
Space	24,000	-
	\$ 2,585,130	\$ 1,226,202

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

13. Retirement Plan

Acumen Fund, Inc. maintains a 401(k) defined contribution retirement plan covering eligible employees. Acumen Fund, Inc. contributes 3% of the employees' compensation, inclusive of bonuses. Acumen Fund, Inc. plan expenses were \$152,304 and \$155,170 for 2017 and 2016. During 2017, Acumen Fund, Inc. established a UK pension plan for eligible employees. Plan expenses for the UK pension was £31,254 or \$44,250.

14. Commitments and Contingencies

Leases

During 2015, Acumen entered into a 10 year and two month noncancelable lease agreement which began on January 1, 2016 and expires on February 28, 2026. The lease agreement calls for monthly fixed payments with a 2.5% annual escalation; accordingly Acumen records an adjustment to rent expense each year to reflect rent on a straight-line basis in accordance with US GAAP. Straight-lining of rent gives rise to a timing difference that is reflected in accounts payable and accrued expenses rent in the accompanying statements of financial position.

Acumen also occupies office space in connection with its global operations under operating leases. Future minimum annual rental payments for all leases are as follows:

2018	\$ 747,616
2019	729,543
2020	717,685
2021	531,445
2022	544,731
2023 and thereafter	<u>1,815,043</u>
	<u>\$ 5,086,063</u>

Rent expense (including donated occupancy) totaled \$985,546 and \$908,222 for 2017 and 2016.

Program Grants, Loans and Investments

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

	<u>2017</u>	<u>2016</u>
Loans	\$ 1,721,153	\$ 2,909,064
Equity investments	<u>8,214,458</u>	<u>11,941,378</u>
	<u>\$ 9,935,611</u>	<u>\$ 14,850,442</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

14. Commitments and Contingencies *(continued)*

Program Grants, Loans and Investments (continued)

Since 2001, Acumen has made portfolio loan and equity disbursements in excess of \$117 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$1.7 million), Acumen's cumulative investments under management total over \$118.7 million.

At December 31, 2017 and 2016, approximately \$425,000 and \$1.8 million in program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$1.27 million and \$2.9 million of additional program disbursements were committed in 2017 and 2016. 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

At December 31, 2017 and 2016, ACM limited partners had a commitment to make program loans or investments of \$10,570,250 and Acumen Fund, Inc. had a commitment to make program loans or investments of \$1,000,000. Acumen Fund, Inc. may draw down these commitments to enable ACM to make investments, to pay fees and expenses or to provide reserves. At December 31, 2017 and 2016, ACM's funded limited partner commitments amounted to \$10,256,250 and \$9,926,251. The ratio of total contributed capital to total committed capital is 97% and 94%.

* * * * *

**Acumen Fund, Inc.
and Subsidiaries**

Supplementary Financial Information

December 31, 2017 and 2016

Acumen Fund, Inc. and Subsidiaries
Consolidating Schedule of Financial Position
December 31, 2017
(with summarized totals at December 31, 2016)

	Acumen Fund, Inc.			Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners LLC	Eliminating Entries	2017 Total	2016 Total
	Unrestricted	Temporarily Restricted	Total									
ASSETS												
Operating Assets												
Cash and cash equivalents	\$ 16,996,410	\$ 18,533,195	\$ 35,529,605	\$ 1,297,134	\$ 517,713	\$ 484,228	\$ 818,380	\$ 690,676	\$ 438,086	\$ -	\$ 39,775,822	\$ 39,082,487
Contributions and pledges receivable, net	2,644,104	18,773,743	21,417,847	-	-	-	-	-	-	-	21,417,847	17,526,672
Interest receivable	-	-	-	13,408	-	9	-	-	-	-	13,417	2,320
Investment in subsidiaries	500,959	-	500,959	-	-	-	-	-	-	(500,959)	-	-
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	-	(750,000)	-	-
Accounts and other receivables	634,971	-	634,971	213,091	-	21,489	-	-	3,865	(784,945)	88,471	76,815
Prepaid expenses and other assets	307,175	-	307,175	201,491	2,008	21,438	-	-	6,100	-	538,212	683,991
Interest in charitable remainder trust	-	444,805	444,805	-	-	-	-	-	-	-	444,805	407,281
Property and equipment, net	421,059	-	421,059	30,170	9,920	35,288	-	-	3,730	-	500,167	666,474
Security deposits	307,867	-	307,867	52,597	9,399	271	-	-	-	-	370,134	313,889
Total Operating Assets	<u>22,562,545</u>	<u>37,751,743</u>	<u>60,314,288</u>	<u>1,807,891</u>	<u>539,040</u>	<u>562,723</u>	<u>818,380</u>	<u>690,676</u>	<u>451,781</u>	<u>(2,035,904)</u>	<u>63,148,875</u>	<u>58,759,929</u>
Portfolio Assets												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	578,351
Certificates of deposit	-	-	-	-	-	-	-	-	-	-	-	294,070
Interest and dividend receivable	522,276	-	522,276	-	-	26,827	368,515	-	-	-	917,618	923,072
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	1,210
Program related equity investments, net	55,685,610	-	55,685,610	-	-	122,006	5,725,632	-	-	(1,000,000)	60,533,248	53,095,880
Program related loans receivable, net	5,173,341	-	5,173,341	-	-	451,875	2,086,289	-	-	(82,070)	7,629,435	10,652,450
Total Portfolio Assets	<u>61,381,227</u>	<u>-</u>	<u>61,381,227</u>	<u>-</u>	<u>-</u>	<u>600,708</u>	<u>8,180,436</u>	<u>-</u>	<u>-</u>	<u>(1,082,070)</u>	<u>69,080,301</u>	<u>65,545,033</u>
	<u>\$ 83,943,772</u>	<u>\$ 37,751,743</u>	<u>\$ 121,695,515</u>	<u>\$ 1,807,891</u>	<u>\$ 539,040</u>	<u>\$ 1,163,431</u>	<u>\$ 8,998,816</u>	<u>\$ 690,676</u>	<u>\$ 451,781</u>	<u>\$ (3,117,974)</u>	<u>\$ 132,229,176</u>	<u>\$ 124,304,962</u>
LIABILITIES AND NET ASSETS												
Liabilities												
Accounts payable and accrued expenses	\$ 968,461	\$ -	\$ 968,461	\$ 67,382	\$ 2,792	\$ 309,335	\$ 56,061	\$ 2,175	\$ 134,449	\$ (290,407)	\$ 1,250,248	\$ 926,451
Accrued salaries and related expenses	929,616	-	929,616	47,275	-	64,448	-	-	-	-	1,041,339	731,477
Taxes payable on foreign loan interest income	1,280	-	1,280	-	-	-	-	-	-	-	1,280	3,278
Deferred income	-	-	-	-	1,153,355	-	-	-	-	-	1,153,355	1,083,511
Intercompany loan	-	-	-	-	-	748,984	-	-	-	(748,984)	-	-
Notes payable	-	-	-	-	-	-	4,314,647	-	-	(82,070)	4,232,577	4,290,708
Total Liabilities	<u>1,899,357</u>	<u>-</u>	<u>1,899,357</u>	<u>114,657</u>	<u>1,156,147</u>	<u>1,122,767</u>	<u>4,370,708</u>	<u>2,175</u>	<u>134,449</u>	<u>(1,121,461)</u>	<u>7,678,799</u>	<u>7,035,425</u>
Net Assets (Deficit)												
Unrestricted												
Operating	20,663,188	-	20,663,188	543,950	(674,864)	(1,340,584)	-	688,501	317,332	(6,508,158)	13,689,365	15,553,635
Portfolio funds	61,381,227	-	61,381,227	-	-	600,708	-	-	-	7,098,366	69,080,301	65,545,033
Noncontrolling limited partners' interests	-	-	-	-	-	-	-	-	-	4,028,968	4,028,968	4,266,471
Total Unrestricted	<u>82,044,415</u>	<u>-</u>	<u>82,044,415</u>	<u>543,950</u>	<u>(674,864)</u>	<u>(739,876)</u>	<u>-</u>	<u>688,501</u>	<u>317,332</u>	<u>4,619,176</u>	<u>86,798,634</u>	<u>85,365,139</u>
Temporarily restricted	-	37,751,743	37,751,743	-	-	-	-	-	-	-	37,751,743	31,904,398
Contributed capital	-	-	-	353,133	66,318	-	-	-	-	(419,451)	-	-
Stockholders' equity	-	-	-	796,151	(8,561)	780,540	-	-	-	(1,568,130)	-	-
Partners' capital	-	-	-	-	-	-	4,628,108	-	-	(4,628,108)	-	-
Total Net Assets (Deficit)	<u>82,044,415</u>	<u>37,751,743</u>	<u>119,796,158</u>	<u>1,693,234</u>	<u>(617,107)</u>	<u>40,664</u>	<u>4,628,108</u>	<u>688,501</u>	<u>317,332</u>	<u>(1,996,513)</u>	<u>124,550,377</u>	<u>117,269,537</u>
	<u>\$ 83,943,772</u>	<u>\$ 37,751,743</u>	<u>\$ 121,695,515</u>	<u>\$ 1,807,891</u>	<u>\$ 539,040</u>	<u>\$ 1,163,431</u>	<u>\$ 8,998,816</u>	<u>\$ 690,676</u>	<u>\$ 451,781</u>	<u>\$ (3,117,974)</u>	<u>\$ 132,229,176</u>	<u>\$ 124,304,962</u>

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year Ended December 31, 2017
(with summarized totals for the year ended December 31, 2016)

	Acumen Fund, Inc.			Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners LLC	Eliminating Entries	2017 Total	2016 Total
	Unrestricted	Temporarily Restricted	Total									
SUPPORT AND REVENUE												
Operating Support and Revenue												
Contributions	\$ 9,810,745	\$ 21,688,988	\$ 31,499,733	\$ 1,026,563	\$ 204,435	\$ 879,700	\$ -	\$ 214,192	\$ -	\$ (3,840,359)	\$ 29,984,264	\$ 29,953,226
Provision for uncollectible pledges	(744,565)	(3,030,970)	(3,775,535)	-	-	-	-	-	-	-	(3,775,535)	(68,228)
In-kind contributions	2,585,130	-	2,585,130	-	-	-	-	-	-	-	2,585,130	1,226,202
Program fees	1,126,015	-	1,126,015	-	-	-	-	-	1,053,752	(241,668)	1,938,099	702,394
Investment income	69,671	-	69,671	20,626	28,062	5,923	(15,130)	-	-	-	109,152	348,104
Change in value of charitable remainder trust	-	37,524	37,524	-	-	-	-	-	-	-	37,524	27,748
Other income	16,549	-	16,549	-	-	26,651	-	-	16,772	-	59,972	583,101
Net assets released from restrictions	6,774,713	(6,774,713)	-	-	-	-	-	-	-	-	-	-
Total Operating Support and Revenue	19,638,258	11,920,829	31,559,087	1,047,189	232,497	912,274	(15,130)	214,192	1,070,524	(4,082,027)	30,938,606	32,772,547
Portfolio Revenue (Losses)												
Interest and dividend income, program related investments	543,410	-	543,410	-	-	64,843	-	-	-	-	608,253	391,849
Realized gain (loss) on equity investments	77,110	-	77,110	-	-	-	-	-	-	-	77,110	(226,358)
Realized debt portfolio gains (losses)	178,001	-	178,001	-	-	-	-	-	-	-	178,001	(210,571)
Provision for losses	(2,437,901)	-	(2,437,901)	-	-	(588,037)	-	-	-	-	(3,025,938)	(3,155,599)
Net assets released from restriction	6,041,180	(6,041,180)	-	-	-	-	-	-	-	-	-	-
Total Portfolio Revenue (Losses)	4,401,800	(6,041,180)	(1,639,380)	-	-	(523,194)	-	-	-	-	(2,162,574)	(3,200,679)
Total Support and Revenue	24,040,058	5,879,649	29,919,707	1,047,189	232,497	389,080	(15,130)	214,192	1,070,524	(4,082,027)	28,776,032	29,571,868
EXPENSES												
Program Expenses												
Portfolio management	10,070,551	-	10,070,551	599,372	287	551,927	385,428	-	602,100	(4,091,874)	8,117,791	8,211,891
Outreach, Impact and Communications	5,023,293	-	5,023,293	106,381	-	14,641	-	-	13,150	-	5,157,465	4,988,602
Leadership	1,753,469	-	1,753,469	16,405	349,215	203,852	-	-	-	-	2,322,941	1,744,036
Total Program Expenses	16,847,313	-	16,847,313	722,158	349,502	770,420	385,428	-	615,250	(4,091,874)	15,598,197	14,944,529
Supporting Expenses												
Management and general	2,964,653	-	2,964,653	106,351	400	103,106	-	-	69,736	-	3,244,246	2,780,840
Fundraising	2,364,027	-	2,364,027	28,816	-	109,603	-	2,174	24,349	-	2,528,969	2,193,982
Total Supporting Expenses	5,328,680	-	5,328,680	135,167	400	212,709	-	2,174	94,085	-	5,773,215	4,974,822
Total Expenses	22,175,993	-	22,175,993	857,325	349,902	983,129	385,428	2,174	709,335	(4,091,874)	21,371,412	19,919,351
Change in Net Assets Before Foreign Currency												
Translation Gain (Loss)	1,864,065	5,879,649	7,743,714	189,864	(117,405)	(594,049)	(400,558)	212,018	361,189	9,847	7,404,620	9,652,517
Foreign currency translation gain (loss)	(67,057)	(32,304)	(99,361)	60,605	(26,969)	(88,107)	(2,794)	35,227	-	(2,381)	(123,780)	20,318
Change in Net Assets	1,797,008	5,847,345	7,644,353	250,469	(144,374)	(682,156)	(403,352)	247,245	361,189	7,466	7,280,840	9,672,835
NET ASSETS (DEFICIT)												
Beginning of the year	80,247,407	31,904,398	112,151,805	1,442,765	(472,733)	722,820	5,031,460	441,256	(43,857)	(2,003,979)	117,269,537	107,596,702
End of the year	\$ 82,044,415	\$ 37,751,743	\$ 119,796,158	\$ 1,693,234	\$ (617,107)	\$ 40,664	\$ 4,628,108	\$ 688,501	\$ 317,332	\$ (1,996,513)	\$ 124,550,377	\$ 117,269,537

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Acumen Fund, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses For the Year Ended December 31, 2017 (with summarized totals for the year ended December 31, 2016)

	Program Services				Management and General	Fundraising	2017 Total	2016 Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total				
Salaries	\$ 3,766,954	\$ 2,394,043	\$ 635,439	\$ 6,796,436	\$ 1,270,916	\$ 1,502,176	\$ 9,569,528	\$ 9,187,300
Payroll taxes and employee benefits	615,487	428,694	100,144	1,144,325	227,300	284,534	1,656,159	1,499,605
Professional fees	164,670	32,766	63,716	261,152	211,255	20,615	493,022	579,461
Consulting fees	623,367	438,696	221,970	1,284,033	27,418	131,488	1,442,939	2,318,177
Program grants	334,467	563,146	10,000	907,613	-	-	907,613	619,127
Donated professional services	1,126,196	160,000	196,114	1,482,310	1,052,050	-	2,534,360	1,226,202
Donated space	-	-	-	-	-	24,000	24,000	-
Donated goods	-	-	-	-	-	26,770	26,770	-
Travel	359,032	188,183	492,712	1,039,927	96,692	98,530	1,235,149	971,452
Meetings	79,244	228,097	452,694	760,035	14,443	71,723	846,201	843,361
Marketing material	2,692	185,460	27,642	215,794	406	8,603	224,803	139,905
Technology expenses	141,989	74,733	20,474	237,196	74,848	45,968	358,012	379,925
Telephone	34,354	29,649	3,892	67,895	11,724	13,238	92,857	199,210
Office supplies, printing and postage	43,470	21,143	14,540	79,153	12,424	17,302	108,879	108,663
Occupancy	374,977	234,880	59,872	669,729	137,311	154,506	961,546	908,222
Insurance	22,087	17,583	2,284	41,954	8,356	11,433	61,743	76,732
Investment fees and bank charges	159,856	39,612	7,382	206,850	36,919	49,839	293,608	349,433
Foreign corporate tax expense	27,903	8,205	753	36,861	5,417	4,611	46,889	139,553
Miscellaneous	143,381	14,682	867	158,930	1,698	3,214	163,842	89,138
Total Expenses before depreciation	8,020,126	5,059,572	2,310,495	15,390,193	3,189,177	2,468,550	21,047,920	19,635,466
Depreciation	97,665	97,893	12,446	208,004	55,069	60,419	323,492	283,885
Total Expenses	<u>\$ 8,117,791</u>	<u>\$ 5,157,465</u>	<u>\$ 2,322,941</u>	<u>\$ 15,598,197</u>	<u>\$ 3,244,246</u>	<u>\$ 2,528,969</u>	<u>\$ 21,371,412</u>	<u>\$ 19,919,351</u>

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