

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2018 and 2017

Acumen Fund, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2018 and 2017

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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, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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 controls 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, 2018 and 2017, 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, 2018 and 2017 and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018 Acumen Fund, Inc. and Subsidiaries adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Management has elected to supplement the financial statements by providing a Management's Discussion and Analysis ("MD&A). We have applied certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements and other knowledge we obtained during our audits of the consolidated financial statements. We do not express an opinion or provide any assurance on the MD&A because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules on pages 32-34 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

June 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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

Overview and Outlook

In 2018, Acumen invested philanthropic capital in 13 companies tackling some of the world's greatest challenges—from the opioid crisis in the United States to energy access in Tanzania—and proved our patient capital model by exiting and recycling the returns from three investments in our portfolio.

Energy is a sector we believe holds incredible promise, and we have spent the last 12 years teaming up with other investors to create an off-grid revolution. We raised \$20 million of pioneering patient capital to support innovations and, in 2018, closed a \$67.46 million impact fund, KawiSafi Ventures, with a mission to bring electricity to 10 million people in East Africa and divert more than a million tons of carbon. The growth of off-grid energy would not have been possible without philanthropic support, and we believe the sector is a model for how a spectrum of capital, from philanthropic to commercial, can work together.

We expanded our Leadership Fellows program to two new regions where we saw local leaders taking risks and building solutions to the problems of poverty. And, given the importance of character in all we do, ramped up our efforts to develop more moral leaders. In 2018, we grew our community of Acumen Fellows to a cumulative 442 and added two more programs in Colombia and West Africa. These Fellows have impacted roughly 8 million lives and are beginning to create communities of practice in their countries. This growth has continued with our online school for social change, which has attracted more than 450,000 course-takers and developed new offerings from bootcamps to accelerators.

Finally, we experienced a surge in demand for Lean DataSM, our customer-centric approach to measuring impact. Our Lean DataSM team has gathered feedback from more than 75,000 low-income customers across 33 countries and completed more than 300 projects for Acumen and leading social change organizations. We used Lean DataSM as a crucial input in our 2018 Energy Impact Report, which documented how our \$22.1 million invested in 20 clean energy companies has impacted 81 million lives over the last decade.

Operating Results

In 2018, Acumen raised \$36.7 million in philanthropic capital, an increase of 22.5% from 2017. Of the \$36.7 million, \$7.8 million represents grants to fund our Pioneer Energy Investment Initiative which seeks to bring off-grid energy solutions to the world's poor. Acumen recognized non-cash revenue of \$1.7 million, mostly in the form of donated legal services, primarily to support our investing work.

We received \$0.5 million in interest income from portfolio loans and recorded a provision of \$2.5 million for portfolio investment losses. Acumen carries our program investments at cost, and we lower these valuations when impairment exists. We review our portfolio of assets on an annual basis and apply a consistent valuation philosophy across the companies in our portfolio. Because we carry these investments at cost, we do not mark up our equity investments to fair market value, even when subsequent funding rounds imply an increase in the holding value of our investments. Any increase in value of equity investments would be recognized as realized gains or profits upon exit.

Operating expenses represents all the direct costs related to the running of Acumen programs as well as our management and general and fundraising costs. They do not reflect any of our investments in our portfolio companies. Total expenses for 2018 were \$23.7 million, a 10.7% increase compared to the prior year. Donated services expenses (a direct offset to In-kind contributions) comprise \$1.7 million. Our increases reflect growth in a number of our program areas including our Portfolio team, our Leadership Fellows programs, and our +Acumen course offerings.

Program work constitutes 73.6% of our total expenses. Portfolio expenses were \$7.9 million, representing the cost of sourcing, due diligence, planning and the execution of \$5.8 million in new and follow-on investment disbursements, as well as managing our active portfolio of 83 companies. Outreach, Impact and Communications expenses were \$7.4 million, representing our work in measuring and reporting our investment performance (both financial and non-financial), and in the research and sharing of our insights gleaned from our programmatic work. Our Leadership Fellows program expenses were \$2.1 million, a decrease of 7.7% from 2017. Fundraising costs and Management and General expense accounted for \$6.3 million, which included investments in improving organization efficiency and effectiveness.

Statement of Financial Position

Acumen's total assets were \$145.8 million as of December 31, 2018. Acumen's assets are split primarily between Operating Assets (\$81.7 million) and Portfolio Assets (\$64.1 million). The largest component of our Operating Asset is our cash balance of \$51.1 million, where \$22.7 million of the total balance represents cash that is restricted and designated for specific programmatic uses or for use as investment capital.

Total liabilities at the end of 2018 totaled \$8.0 million, the majority of which were notes payable by Acumen Capital Markets I, LP ("ACM") to ACM investors. Net assets at the end of the year were \$137.8 million compared to \$124.6 million at the end of 2017, a 10.7% increase.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

| | December 31, | |
|---|----------------|----------------|
| | 2018 | 2017 |
| ASSETS | | |
| Operating Assets | | |
| Cash and cash equivalents | \$ 51,123,840 | \$ 39,775,822 |
| Contributions and pledges receivable, net | 28,758,865 | 21,417,847 |
| Interest receivable | 13,285 | 13,417 |
| Accounts and other receivables | 175,243 | 88,471 |
| Prepaid expenses and other assets | 542,066 | 538,212 |
| Interest in charitable remainder trust | 405,602 | 444,805 |
| Property and equipment, net | 354,675 | 500,167 |
| Security deposits | 365,132 | 370,134 |
| Total Operating Assets | 81,738,708 | 63,148,875 |
| Portfolio Assets | | |
| Cash and cash equivalents | 17,914 | - |
| Interest and dividend receivable, net | 1,694,520 | 917,618 |
| Taxes receivable | 1,734 | - |
| Program related equity investments, net | 55,073,214 | 60,533,248 |
| Program related loans receivable, net | 7,309,670 | 7,629,435 |
| Total Portfolio Assets | 64,097,052 | 69,080,301 |
| | \$ 145,835,760 | \$ 132,229,176 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 1,247,729 | \$ 1,250,248 |
| Accrued salaries and related expenses | 1,368,513 | 1,041,339 |
| Taxes payable on foreign loan interest income | 1,280 | 1,280 |
| Deferred income | 1,362,846 | 1,153,355 |
| Notes payable | 4,036,620 | 4,232,577 |
| Total Liabilities | 8,016,988 | 7,678,799 |
| Net Assets | | |
| Without Donor Restrictions | | |
| Operating | 17,588,864 | 13,490,884 |
| Portfolio funds | 64,097,052 | 69,080,301 |
| Noncontrolling limited partners' interests | 4,741,697 | 4,032,322 |
| Total Without Donor Restrictions | 86,427,613 | 86,603,507 |
| With donor restrictions | 51,391,159 | 37,946,870 |
| Total Net Assets | 137,818,772 | 124,550,377 |
| | \$ 145,835,760 | \$ 132,229,176 |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-----------------------|
| SUPPORT AND REVENUE | | | |
| Operating Support and Revenue | | | |
| Contributions | \$ 6,204,563 | \$ 30,514,432 | \$ 36,718,995 |
| Provision for uncollectible pledges | (23,839) | (619,247) | (643,086) |
| In-kind contributions | 1,741,808 | - | 1,741,808 |
| Program fees | 4,097,270 | - | 4,097,270 |
| Investment income | 575,199 | - | 575,199 |
| Change in value of charitable remainder trust | - | (39,203) | (39,203) |
| Loss on disposal of property and equipment | (1,323) | - | (1,323) |
| Other income | 80,540 | - | 80,540 |
| Net assets released from restrictions | <u>10,651,794</u> | <u>(10,651,794)</u> | <u>-</u> |
| Total Operating Support and Revenue | <u>23,326,012</u> | <u>19,204,188</u> | <u>42,530,200</u> |
| Portfolio Revenue (Losses) | | | |
| Interest and dividend income, program related investments | 546,914 | - | 546,914 |
| Realized (loss) gain on equity investments | (2,948,137) | - | (2,948,137) |
| Realized debt portfolio (losses) gains | (920,373) | - | (920,373) |
| Provision for losses | (2,539,887) | - | (2,539,887) |
| Other portfolio investment income | 15,000 | - | 15,000 |
| Net assets released from restrictions | <u>5,719,213</u> | <u>(5,719,213)</u> | <u>-</u> |
| Total Portfolio Revenue (Losses) | <u>(127,270)</u> | <u>(5,719,213)</u> | <u>(5,846,483)</u> |
| Total Support and Revenue | <u>23,198,742</u> | <u>13,484,975</u> | <u>36,683,717</u> |
| EXPENSES | | | |
| Program Expenses | | | |
| Portfolio management | 7,909,802 | - | 7,909,802 |
| Outreach, impact and communications | 7,408,789 | - | 7,408,789 |
| Leadership | <u>2,143,440</u> | <u>-</u> | <u>2,143,440</u> |
| Total Program Expenses | <u>17,462,031</u> | <u>-</u> | <u>17,462,031</u> |
| Supporting Expenses | | | |
| Management and general | 3,470,039 | - | 3,470,039 |
| Fundraising | <u>2,796,952</u> | <u>-</u> | <u>2,796,952</u> |
| Total Supporting Expenses | <u>6,266,991</u> | <u>-</u> | <u>6,266,991</u> |
| Total Expenses | <u>23,729,022</u> | <u>-</u> | <u>23,729,022</u> |
| Change in Net Assets Before Foreign | | | |
| Currency Translation Gain (Loss) | (530,280) | 13,484,975 | 12,954,695 |
| Foreign currency translation gain (loss) | <u>354,386</u> | <u>(40,686)</u> | <u>313,700</u> |
| Change in Net Assets | (175,894) | 13,444,289 | 13,268,395 |
| NET ASSETS | | | |
| Beginning of the year | <u>86,603,507</u> | <u>37,946,870</u> | <u>124,550,377</u> |
| End of the year | <u>\$ 86,427,613</u> | <u>\$ 51,391,159</u> | <u>\$ 137,818,772</u> |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2017

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-----------------------|
| SUPPORT AND REVENUE | | | |
| Operating Support and Revenue | | | |
| Contributions | \$ 7,949,638 | \$ 22,034,626 | \$ 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>6,969,207</u> | <u>(6,969,207)</u> | <u>-</u> |
| Total Operating Support and Revenue | <u>18,866,633</u> | <u>12,071,973</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>22,745,239</u> | <u>6,030,793</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) | 1,373,827 | 6,030,793 | 7,404,620 |
| Foreign currency translation gain (loss) | <u>(88,831)</u> | <u>(34,949)</u> | <u>(123,780)</u> |
| Change in Net Assets | 1,284,996 | 5,995,844 | 7,280,840 |
| | | | |
| NET ASSETS | | | |
| Beginning of the year | <u>85,318,511</u> | <u>31,951,026</u> | <u>117,269,537</u> |
| End of the year | <u>\$ 86,603,507</u> | <u>\$ 37,946,870</u> | <u>\$ 124,550,377</u> |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expense For the Year Ended December 31, 2018

| | Program Services | | | | Management and General | Fundraising | Total |
|---------------------------------------|-------------------------|---|--------------|---------------|---------------------------|--------------|---------------|
| | Portfolio Management | Outreach, Impact and Communications | Leadership | Total | | | |
| Salaries | \$ 3,937,803 | \$ 3,634,496 | \$ 1,196,270 | \$ 8,768,569 | \$ 1,217,620 | \$ 1,692,264 | \$ 11,678,453 |
| Payroll taxes and employee benefits | 680,061 | 645,384 | 187,274 | 1,512,719 | 166,634 | 298,573 | 1,977,926 |
| Professional fees | 148,706 | 72,935 | 36,114 | 257,755 | 319,274 | 31,849 | 608,878 |
| Consulting fees | 410,650 | 703,636 | 80,204 | 1,194,490 | 601,769 | 136,752 | 1,933,011 |
| Program grants | 493,704 | 869,875 | 15,708 | 1,379,287 | - | - | 1,379,287 |
| Donated professional services | 863,068 | - | - | 863,068 | 812,658 | - | 1,675,726 |
| Donated space | - | - | - | - | - | 24,000 | 24,000 |
| Donated goods | - | - | - | - | - | 42,082 | 42,082 |
| Travel | 364,729 | 304,543 | 199,120 | 868,392 | 76,274 | 96,396 | 1,041,062 |
| Meetings | 26,354 | 153,009 | 148,000 | 327,363 | 12,613 | 97,361 | 437,337 |
| Marketing material | 34,450 | 215,840 | 2,468 | 252,758 | - | 3,353 | 256,111 |
| Technology expenses | 167,343 | 166,865 | 39,044 | 373,252 | 61,492 | 67,826 | 502,570 |
| Telephone | 27,318 | 35,758 | 10,221 | 73,297 | 5,892 | 13,665 | 92,854 |
| Office supplies, printing and postage | 37,711 | 31,152 | 23,533 | 92,396 | 8,780 | 12,510 | 113,686 |
| Occupancy | 323,748 | 355,806 | 133,010 | 812,564 | 75,674 | 155,041 | 1,043,279 |
| Insurance | 31,931 | 36,008 | 8,709 | 76,648 | 7,082 | 17,585 | 101,315 |
| Investment fees and bank charges | 273,044 | 49,880 | 26,376 | 349,300 | 15,450 | 46,372 | 411,122 |
| Foreign corporate tax expense | 943 | 26,067 | 5,667 | 32,677 | 9,910 | 12,846 | 55,433 |
| Miscellaneous | 16,914 | 2,869 | 2,799 | 22,582 | 62,872 | 1,018 | 86,472 |
| Total Expenses before Depreciation | 7,838,477 | 7,304,123 | 2,114,517 | 17,257,117 | 3,453,994 | 2,749,493 | 23,460,604 |
| Depreciation | 71,325 | 104,666 | 28,923 | 204,914 | 16,045 | 47,459 | 268,418 |
| Total Expenses | \$ 7,909,802 | \$ 7,408,789 | \$ 2,143,440 | \$ 17,462,031 | \$ 3,470,039 | \$ 2,796,952 | \$ 23,729,022 |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expense For the Year Ended December 31, 2017

| | Program Services | | | | Management and General | Fundraising | 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 |
| Payroll taxes and employee benefits | 615,487 | 428,694 | 100,144 | 1,144,325 | 227,300 | 284,534 | 1,656,159 |
| Professional fees | 164,670 | 32,766 | 63,716 | 261,152 | 211,255 | 20,615 | 493,022 |
| Consulting fees | 623,367 | 438,696 | 221,970 | 1,284,033 | 27,418 | 131,488 | 1,442,939 |
| Program grants | 334,467 | 563,146 | 10,000 | 907,613 | - | - | 907,613 |
| Donated professional services | 1,126,196 | 160,000 | 196,114 | 1,482,310 | 1,052,050 | - | 2,534,360 |
| 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 |
| Meetings | 79,244 | 228,097 | 452,694 | 760,035 | 14,443 | 71,723 | 846,201 |
| Marketing material | 2,692 | 185,460 | 27,642 | 215,794 | 406 | 8,603 | 224,803 |
| Technology expenses | 141,989 | 74,733 | 20,474 | 237,196 | 74,848 | 45,968 | 358,012 |
| Telephone | 34,354 | 29,649 | 3,892 | 67,895 | 11,724 | 13,238 | 92,857 |
| Office supplies, printing and postage | 43,470 | 21,143 | 14,540 | 79,153 | 12,424 | 17,302 | 108,879 |
| Occupancy | 374,977 | 234,880 | 59,872 | 669,729 | 137,311 | 154,506 | 961,546 |
| Insurance | 22,087 | 17,583 | 2,284 | 41,954 | 8,356 | 11,433 | 61,743 |
| Investment fees and bank charges | 159,856 | 39,612 | 7,382 | 206,850 | 36,919 | 49,839 | 293,608 |
| Foreign corporate tax expense | 27,903 | 8,205 | 753 | 36,861 | 5,417 | 4,611 | 46,889 |
| Miscellaneous | 143,381 | 14,682 | 867 | 158,930 | 1,698 | 3,214 | 163,842 |
| 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 |
| Depreciation | 97,665 | 97,893 | 12,446 | 208,004 | 55,069 | 60,419 | 323,492 |
| 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> |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

| | Year Ended December 31, | |
|--|----------------------------|---------------|
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 13,268,395 | \$ 7,280,840 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 268,418 | 323,492 |
| Provision for uncollectible pledges and write-offs | 643,086 | 3,775,535 |
| Change in interest in charitable remainder trust | 39,203 | (37,524) |
| Foreign currency exchange (gain) loss | (313,700) | 123,780 |
| Loss on disposal of property and equipment | 1,323 | - |
| Realized loss (gain) on equity investments | 2,948,137 | (77,110) |
| Realized debt portfolio losses (gains) | 920,373 | (178,001) |
| Provision for portfolio losses | 2,539,887 | 3,025,938 |
| Change in operating assets and liabilities | | |
| Contributions and pledges receivable | (7,984,104) | (7,666,710) |
| Interest and dividend receivable | (776,770) | (5,643) |
| Accounts and other receivables | (88,506) | (10,446) |
| Prepaid expenses and other assets | (3,854) | 145,779 |
| Accounts payable and accrued expenses | 324,655 | 633,659 |
| Taxes payable on foreign loan interest income | - | (1,998) |
| Deferred income | 209,491 | 69,844 |
| Net Cash from Operating Activities | 11,996,034 | 7,401,435 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (124,249) | (157,185) |
| Reinvested interest | (20,652) | - |
| Proceeds from maturity of certificates of deposit | - | 294,070 |
| Proceeds from sale of program related equity investments | 4,529,356 | 550,728 |
| Program related loans made | (1,628,594) | (1,721,153) |
| Program related equity investments made | (4,129,384) | (8,214,458) |
| Repayment of program related loans | 934,376 | 2,075,923 |
| Security deposits | 5,002 | (56,245) |
| Net Cash from Investing Activities | (434,145) | (7,228,320) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments on notes payable | (195,957) | (58,131) |
| Net Change in Cash and Cash Equivalents | 11,365,932 | 114,984 |
| CASH AND CASH EQUIVALENTS | | |
| Beginning of year | 39,775,822 | 39,660,838 |
| End of year | \$ 51,141,754 | \$ 39,775,822 |
| SUPPLEMENTAL CASH FLOWS INFORMATION | | |
| Cash paid for taxes | \$ 32,956 | \$ 60,000 |
| Cash paid for interest | 122,154 | 140,751 |

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

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. Acumen adheres to a disciplined process 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, Water and Sanitation, Energy, Agriculture, Education, Workforce Development, and Financial Inclusion. In addition, Acumen Fund, Inc. runs a leadership program that consists of five regional fellows program to identify, network and support social change leaders. Acumen runs the +Acumen program which provides a platform of courses that offers a broad set of skills training to social entrepreneurs. Acumen Fund, Inc. also focuses on the dissemination of ideas, particularly those related to insights from the 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 comprises 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. Acumen also has branch offices in East Africa, West Africa and Latin America.

In December 2008, Acumen Fund, Inc. expanded the scope of its investment work and formed a Delaware limited partnership, Acumen Capital Markets I, LP (“ACM” or “the Partnership”), in which it serves as general partner and manager with an ownership stake of 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 energy-focused growth fund, KawiSafi Ventures. ACP owns 100% of ACMI, which was established 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, 2018 and 2017

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 held its final closing on October 15, 2018 with \$67.4 million of committed capital.

In February 2017, Acumen Fund, Inc. formed a Delaware limited liability corporation, Acumen Capital Holding, LLC (“ACH”), in which it holds a 100% ownership stake. ACH was created to make portfolio investments consistent with and as an extension of Acumen Fund, Inc.’s charitable activities. ACH elected to be taxed as a corporation for income tax purposes.

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.

Change in Accounting Principle

On January 1, 2018, Acumen adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires Acumen to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions, and without donor restrictions. In addition, the new guidance requires Acumen to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for temporarily restricted net assets were reclassified as net assets with donor restrictions and unrestricted net assets were reclassified as net assets without donor restrictions.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

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

Change in Accounting Principle (continued)

The changes have the following effect on net assets at December 31, 2017:

| Net Asset Classifications | ASU 2016-14 Classifications | | Total Net Assets |
|--|-----------------------------|-------------------------|------------------|
| | Without Donor Restrictions | With Donor Restrictions | |
| As Previously Presented: | | | |
| Unrestricted net assets | | | |
| Operating | \$ 13,490,884 | \$ - | \$ 13,490,884 |
| Portfolio funds | 69,080,301 | - | 69,080,301 |
| Noncontrolling limited partners' interests | 4,032,322 | - | 4,032,322 |
| Temporarily restricted net assets | - | 37,946,870 | 37,946,870 |
| Total Net Assets | \$ 86,603,507 | \$ 37,946,870 | \$124,550,377 |

Net Asset Presentation

Acumen maintains its net assets under the following two classes:

Without Donor Restrictions – represents resources that are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating expenses.

With Donor Restrictions – represents assets that are subject to donor-imposed stipulations that will be met by actions of Acumen or the passage of time. Acumen reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use or time of the donated assets. When a donor restriction expires -- that is when a stipulated time restriction ends, or purpose restriction is accomplished -- the net assets are reclassified as net assets without donor restriction and reported on the statements of activities as net assets released from restrictions. Some net assets include stipulations to be maintained in perpetuity (perpetual in nature) while permitting Acumen to expend the income generated by the assets in accordance with the provisions of the donor imposed stipulations. Acumen had no assets that are perpetual in nature at December 31, 2018 and 2017.

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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

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.

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support when received and are classified as without donor restriction or with donor 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 operating support and revenue 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 two to three years for leasehold improvements and three to five years for furniture, computer equipment and website development.

In-Kind Contributions

Donated services are stated in the consolidated financial statements at a discount to fair value. Donated services that 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 are recorded at their fair value when the services are provided.

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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

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

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 2018 and 2017, 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 issued at the market interest rate applicable to the borrower. If the contractual interest rate is lower than the market rate, the difference between the cash transferred to the borrower and the present value of the contractual payments for the loan at the effective interest rate is recognized as contribution expense.

Each loan is analyzed for significant risk factors and appropriate interest rates are charged (currently ranging 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.

Deferred Income

Contributions received by Acumen India Trust (the "Trust") must adhere to regulations set forth in the Indian Income Tax Act which states that 85% of donor contributions must be utilized for Trust activities in the financial year they are received. For periods where donor contributions exceed expected utilization for the fiscal period, the Trust maintains donor contributions in a separate deferred income account for use in future periods.

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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

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.

Functional Allocation of Expenses

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

Reclassifications

Certain amounts from the 2017 consolidated financial statements were reclassified to conform to the 2018 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 applicable taxing jurisdictions for periods prior to December 31, 2015.

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 June 14, 2019.

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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

3. Concentration of Credit Risk *(continued)*

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

4. Liquidity and Availability of Financial Assets and Resources

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

| | |
|--|----------------------|
| Financial Assets | |
| Cash and cash equivalents | \$ 51,123,840 |
| Contributions and pledges receivables, net | 28,758,865 |
| Interest receivable | 13,285 |
| Accounts and other receivables | <u>175,243</u> |
| Total Financial Assets | 80,071,233 |
| Less amounts not available to be used within one year: | |
| Restricted by donor with time or purpose restrictions | (51,391,159) |
| Add net assets with purpose or time restrictions to be met in less than one year | <u>9,247,121</u> |
| Financial assets available to meet general expenditures over the net twelve months | <u>\$ 37,927,195</u> |

Acumen ended 2018 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$37.9 million. Acumen ended the year with \$22.8 million of restricted cash and \$51.4 million of total restricted funds (comprising cash and receivables).

Acumen's cash needs for 2018 amounted to \$19.4 million for operating expenses and \$5.8 million for Portfolio disbursements. 57% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 54% of its operating cash needs was covered by restricted funds in 2018.

Acumen has a board-designated minimum cash threshold where its year end non-restricted cash balance must equal or exceed 75% of its forward-looking non-restricted operating expenses. For year ended 2018, Acumen's non-restricted cash was 239% of budgeted 2019 non-restricted operating expenses. In addition to the \$22.4 million of non-restricted cash balance available for general expenditures, an additional \$2.7 million of non-restricted cash is informally earmarked for strategic investments.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

4. Liquidity and Availability of Financial Assets and Resources *(continued)*

| | |
|---|----------------------|
| Total Cash and Cash Equivalents Available Year-End 2018 | \$ 51,123,840 |
| Of which: | |
| Non-restricted Cash available for general expenditures (A) | 22,405,962 |
| Restricted Cash available for grant-related general expenditures (B) | <u>9,247,121</u> |
| Total Cash available for general expenditures (A) + (B) | <u>\$ 31,653,083</u> |
| | |
| Total budgeted 2019 general expenditures (C) | \$ 21,740,000 |
| Board Designated minimum unrestricted cash threshold: (C - B) * 75% = (D) | 9,369,659 |
| Surplus/(Deficit) to threshold (A) - (D) | 13,036,303 |

Should Acumen's non-restricted cash fall below the board-designated threshold, senior leadership of Acumen will convene immediately following the breach to consider any or all of the following steps to reduce cash needs: a) pausing future non-critical projects, b) limiting or eliminating international travel and/or capital expenditures, c) pausing new investment commitments, d) pausing or deferring new hires and, e) as a last resort, considering potential staff lay-offs.

Acumen's 2018 revenue sources were composed of the following: Household 50%, Foundation 25%, Corporations 22%, Government 1%, Non-Profit 1%, Other 1%. Acumen's cash flow has cyclical variations with more than 50% of cash typically received in the last quarter of the year. Cash flows for 2019 are expected to be in line with historical trends.

Acumen's investment portfolio currently has \$62.4 million of assets under management. To date, Acumen's portfolio companies have impacted 263 million lives. These assets are long term investments and illiquid in nature and are not considered when assessing Acumen's liquidity. In 2018, Acumen successfully exited 3 investments, representing \$3.3 million of proceeds.

5. Contributions and Pledges Receivable

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

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Due within: | | |
| Up to one year | \$18,322,249 | \$20,714,018 |
| One to five years | <u>12,986,448</u> | <u>1,631,498</u> |
| | 31,308,697 | 22,345,516 |
| Present value discount | (2,282,819) | (833,464) |
| Allowance for doubtful accounts | <u>(267,013)</u> | <u>(94,205)</u> |
| Contributions and pledges receivable, net | <u>\$28,758,865</u> | <u>\$21,417,847</u> |

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

5. Contributions and Pledges Receivable *(continued)*

Pledges receivable are shown net of a discount to present value using rates ranging from 2.9% to 4.5% 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 2018 and 2017, Acumen received a total of £50,626 or \$65,378 and £90,779 or \$122,556 of charitable donations (net of fees) into an account maintained with CAF. Throughout 2018 and 2017, CAF transferred £66,460 or \$89,886 and £261,016 or \$331,487 into Acumen’s operating bank account. As of December 31, 2018 and 2017, £124 or \$161 and £16,213 or \$21,899 remained in the Acumen CAF account.

During 2018, Acumen established a new relationship with Prism the Gift Fund (“Prism”), a not-for-profit organization that helps Acumen manage charitable donations and related tax issues in the United Kingdom. During 2018, Acumen received a total of £57,780 or \$74,617 of charitable donations (net of fees) into an account maintained with Prism. During 2018, no payments have been transferred by Prism into Acumen’s operating bank account.

6. 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:

| | 2018 | 2017 |
|---|------------|------------|
| Beginning balance | \$ 444,805 | \$ 407,281 |
| Change in present value of beneficial interest in remainder trust | (39,203) | 37,524 |
| Ending balance | \$ 405,602 | \$ 444,805 |

7. Property and Equipment

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

| | 2018 | 2017 |
|---|--------------|--------------|
| Computer equipment, systems integration and website development | \$ 1,302,286 | \$ 1,167,964 |
| Leasehold improvements and equipment | 500,517 | 507,556 |
| Furniture | 373,105 | 376,139 |
| | 2,175,908 | 2,051,659 |
| Accumulated depreciation | (1,821,233) | (1,551,492) |
| | \$ 354,675 | \$ 500,167 |

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

8. 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 \$11.3 million and \$12.5 million less an allowance for uncollectible amounts of \$3.7 million and \$4.6 million and a foreign currency translation adjustment of \$244,210 and \$229,302 at December 31, 2018 and 2017.

Contractual interest rates on program related loans at December 31, 2018 and 2017 were equal to the market rates and therefore no contribution expense was recorded.

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

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

| | 2018 | | |
|---|---------------------|---------------------|---------------------|
| | Performing | Monitoring | Total |
| Agriculture | \$ 3,256,102 | \$ 1,841,811 | \$ 5,097,913 |
| Education | 212,758 | 800,000 | 1,012,758 |
| Energy | 1,115,829 | 138,780 | 1,254,609 |
| Financial Inclusion | 15,600 | - | 15,600 |
| Health | 1,697,894 | 1,322,049 | 3,019,943 |
| Housing | 900,990 | - | 900,990 |
| | <u>\$ 7,199,173</u> | <u>\$ 4,102,640</u> | 11,301,813 |
| Valuation allowance | | | (3,747,933) |
| Foreign currency translation adjustment | | | <u>(244,210)</u> |
| | | | <u>\$ 7,309,670</u> |
| | | | |
| | 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 | 138,780 | 706,280 |
| 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>\$ 4,512,017</u> | 12,479,475 |
| Valuation allowance | | | (4,620,738) |
| Foreign currency translation adjustment | | | <u>(229,302)</u> |
| | | | <u>\$ 7,629,435</u> |

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

8. Program Related Loans Receivable *(continued)*

The following reflects the activity in the valuation allowance account for 2018 and 2017 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

| | 2018 | | | | |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
| | Health | Agriculture | Education | Energy | Total |
| Allowance for credit losses | | | | | |
| Beginning balance | \$ 1,477,611 | \$ 1,777,847 | \$ 1,226,500 | \$ 138,780 | \$ 4,620,738 |
| Write-off | (700,000) | (128,974) | (563,830) | - | (1,392,804) |
| Provision | 42,986 | 377,013 | 100,000 | - | 519,999 |
| Ending balance | <u>\$ 820,597</u> | <u>\$ 2,025,886</u> | <u>\$ 762,670</u> | <u>\$ 138,780</u> | <u>\$ 3,747,933</u> |
| Ending balance, individually evaluated for impairment | <u>\$ 820,597</u> | <u>\$ 2,025,886</u> | <u>\$ 762,670</u> | <u>\$ 138,780</u> | <u>\$ 3,747,933</u> |
| Financing receivables | | | | | |
| Ending balance | <u>\$ 1,322,049</u> | <u>\$ 1,841,811</u> | <u>\$ 800,000</u> | <u>\$ 138,780</u> | <u>\$ 4,102,640</u> |
| Ending balance, individually evaluated for impairment | <u>\$ 1,322,049</u> | <u>\$ 1,841,811</u> | <u>\$ 800,000</u> | <u>\$ 138,780</u> | <u>\$ 4,102,640</u> |
| | | | | | |
| | 2017 | | | | |
| | Health | Agriculture | Education | Energy | Total |
| Allowance for credit losses | | | | | |
| Beginning balance | \$ 2,391,749 | \$ 1,777,847 | \$ - | \$ 111,024 | \$ 4,280,620 |
| Write-off | (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>\$ 1,807,120</u> | <u>\$ 1,566,117</u> | <u>\$ 1,000,000</u> | <u>\$ 138,780</u> | <u>\$ 4,512,017</u> |
| Ending balance, individually evaluated for impairment | <u>\$ 1,807,120</u> | <u>\$ 1,566,117</u> | <u>\$ 1,000,000</u> | <u>\$ 138,780</u> | <u>\$ 4,512,017</u> |

All impaired loans at December 31, 2018 and 2017 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

8. Program Related Loans Receivable *(continued)*

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

| | 2018 | | | | | |
|-----------------------|------------------|------------------|---------------------|---------------------|---------------------|----------------------|
| | 30-59 | 60-89 | Greater | Total | Current | Total |
| | Days Past Due | Days Past Due | Than 90 days | Past Due | | |
| Agriculture | \$ - | \$ - | \$ 4,142,392 | \$ 4,142,392 | \$ 955,521 | \$ 5,097,913 |
| Education | - | - | 700,000 | 700,000 | 312,758 | 1,012,758 |
| Energy | - | - | 406,279 | 406,279 | 848,330 | 1,254,609 |
| Financial institution | - | - | - | - | 15,600 | 15,600 |
| Health | - | - | 866,667 | 866,667 | 2,153,276 | 3,019,943 |
| Housing | - | - | - | - | 900,990 | 900,990 |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,115,338</u> | <u>\$ 6,115,338</u> | <u>\$ 5,186,475</u> | <u>\$ 11,301,813</u> |

| | 2017 | | | | | |
|-----------------------|------------------|------------------|---------------------|---------------------|---------------------|----------------------|
| | 30-59 | 60-89 | Greater | Total | Current | Total |
| | Days Past Due | Days Past Due | Than 90 days | Past Due | | |
| Agriculture | \$ - | \$ - | \$ 2,022,814 | \$ 2,022,814 | \$ 3,311,762 | \$ 5,334,576 |
| Education | - | - | 1,000,000 | 1,000,000 | 598,791 | 1,598,791 |
| Energy | - | - | 138,780 | 138,780 | 567,500 | 706,280 |
| Financial institution | - | - | - | - | 150,000 | 150,000 |
| Health | - | - | 1,566,667 | 1,566,667 | 1,758,497 | 3,325,164 |
| Housing | - | - | - | - | 1,364,664 | 1,364,664 |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,728,261</u> | <u>\$ 4,728,261</u> | <u>\$ 7,751,214</u> | <u>\$ 12,479,475</u> |

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

| | |
|---|---------------------|
| 2019 | \$ 8,668,090 |
| 2020 | 690,675 |
| 2021 | 199,368 |
| 2022 | 755,756 |
| 2023 | 109,038 |
| 2024 and thereafter | <u>878,886</u> |
| | 11,301,813 |
| Valuation allowance | (3,747,933) |
| Foreign currency translation adjustment | <u>(244,210)</u> |
| | <u>\$ 7,309,670</u> |

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

9. 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 \$72.8 million and \$75.4 million less a valuation allowance of \$17.8 million and \$14.9 million as of December 31, 2018 and 2017.

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

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

| | 2018 | | |
|----------------------|----------------------|----------------------|----------------------|
| | Performing | Monitoring | Total |
| Agriculture | \$ 7,523,166 | \$ 9,557,206 | \$ 17,080,372 |
| Education | 4,097,940 | - | 4,097,940 |
| Energy | 21,002,020 | 2,931,657 | 23,933,677 |
| Financial Inclusion | 3,351,579 | - | 3,351,579 |
| Health | 10,379,160 | 6,865,499 | 17,244,659 |
| Housing | 293,653 | 2,349,181 | 2,642,834 |
| Water and Sanitation | 779,998 | 3,697,641 | 4,477,639 |
| | <u>\$ 47,427,516</u> | <u>\$ 25,401,184</u> | 72,828,700 |
| Valuation allowance | | | (17,755,486) |
| | | | <u>\$ 55,073,214</u> |
| | | | |
| | 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 | 3,131,441 | - | 3,131,441 |
| Health | 11,541,846 | 7,408,225 | 18,950,071 |
| Housing | 1,814,966 | 1,595,516 | 3,410,482 |
| Water and Sanitation | 779,998 | 3,697,641 | 4,477,639 |
| | <u>\$ 53,510,789</u> | <u>\$ 21,903,217</u> | 75,414,006 |
| Valuation allowance | | | (14,880,758) |
| | | | <u>\$ 60,533,248</u> |

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

10. Changes in Noncontrolling Limited Partners' Interests

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

| | <u>Noncontrolling Interest</u> |
|-------------------------------------|------------------------------------|
| Balance January 1, 2017 | \$ 4,266,471 |
| Capital contributions | 330,000 |
| Deficiency of revenue over expenses | <u>(564,149)</u> |
| Balance December 31, 2017 | 4,032,322 |
| Capital contributions | 314,000 |
| Deficiency of revenue over expenses | <u>395,375</u> |
| Balance December 31, 2018 | <u>\$ 4,741,697</u> |

11. Notes Payable

ACM has a promissory note 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 matured on December 31, 2018.

At December 31, 2018 and 2017, ACM had drawn \$5.3 million representing 100% of the commitment, and paid down \$1.2 million and \$0.9 million of the Notes. \$78,270 and \$82,070 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2018 and 2017.

The term of the Partnership expired on December 23, 2018 and was not extended. The Investment Manager is in the process of liquidating the Partnership investments and winding up the partnership. The Investment Manager is taking all reasonable measures to liquidate the assets as soon as practicable, and it is expected that the winding up process could take approximately eighteen months or more, depending on the structure of payments for sold investments, regulatory processes related to the sales, cooperation of investees, and availability and cooperation of purchasers, among other matters.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions

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

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|
| Acumen America - General | \$ 1,034,991 | \$ 4,960,772 |
| Barclays | 891,663 | 331,663 |
| Metlife | 3,655,645 | 1,855,556 |
| Pfizer | 225,000 | - |
| Robert Wood Johnson Foundation | <u>3,203,984</u> | <u>1,129,917</u> |
| ACUMEN AMERICA | <u>9,011,283</u> | <u>8,277,908</u> |
| Participant Media Video Project | <u>21,171</u> | - |
| COMMUNICATIONS | <u>21,171</u> | - |
| KawiSafi Committed Capital | <u>6,450,261</u> | <u>8,324,429</u> |
| FUND INVESTMENTS | <u>6,450,261</u> | <u>8,324,429</u> |
| East Africa | 57,569 | 57,569 |
| Latin America | 56,565 | 169,231 |
| Pakistan | 451,403 | 498,066 |
| West Africa | <u>67,998</u> | <u>67,998</u> |
| GEOGRAPHY RESTRICTED | <u>633,535</u> | <u>792,864</u> |
| Bill & Melinda Gates Foundation - Ethiochicken | 461,549 | 876,227 |
| Bill & Melinda Gates Foundation - APMI | 3,197,511 | 4,505,481 |
| UK Department for International Development | 242,173 | 312,650 |
| Rockefeller Foundation | 24,096 | - |
| Unilever - Gender Research | <u>94,772</u> | - |
| IMPACT | <u>4,020,101</u> | <u>5,694,358</u> |
| +Acumen Online Courses | - | 571,089 |
| Acumen Angels Platform | 50,000 | - |
| Acumen Angels | 100,000 | - |
| Leadership - General | 11,418,171 | 610,531 |
| MAVA | 227,006 | - |
| Regional Fellows | 49,739 | 471,344 |
| Rockefeller Foundation | 2,915,357 | - |
| Unilever - Innovation Incubator | <u>250,000</u> | - |
| LEADERSHIP | <u>15,010,273</u> | <u>1,652,964</u> |
| UK Department for International Development | - | 18,281 |
| IKEA Foundation | 7,746,065 | 1,241,687 |
| Energy | <u>3,650,107</u> | <u>5,842,368</u> |
| PIONEER ENERGY INVESTMENT INITIATIVE | <u>11,396,172</u> | <u>7,102,336</u> |
| Technical Assistance | 211,895 | 97,086 |
| Gender Lens Support | <u>16,004</u> | <u>322,752</u> |
| POST INVESTMENT SUPPORT | <u>227,899</u> | <u>419,838</u> |
| Agriculture | 100,000 | 100,000 |
| Education | 1,720,509 | 918,947 |
| Health | 125,000 | 247,738 |
| Water & Sanitation | <u>19,999</u> | <u>19,999</u> |
| SECTOR RESTRICTED | <u>1,965,508</u> | <u>1,286,684</u> |
| Cocoa Interrupted Campaign | 50,000 | - |
| Collaboration Summit | 56,459 | 201,587 |
| Skoll Forum Ecosystem Event | 38,778 | 32,757 |
| Unilever - Enhancing Livelihoods Investment Initiative* | - | 541,440 |
| STRATEGIC PARTNERSHIPS | <u>145,237</u> | <u>775,784</u> |
| CRUT | <u>405,602</u> | <u>444,805</u> |
| TIME RESTRICTED | <u>2,104,117</u> | <u>3,174,900</u> |
| TOTAL | <u>\$ 51,391,159</u> | <u>\$ 37,946,870</u> |

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions *(continued)*

The following is a reconciliation of beginning and ending cash balances of Acumen's net assets with donor restrictions for the years ended December 31:

| Purpose/Restriction | 2018 | | | |
|---|----------------------|----------------------|------------------------|----------------------|
| | Beginning of Year | Cash Receipts | Cash Releases | End of Year |
| Acumen America - General | \$ 70,000 | \$ 1,033,330 | \$ (1,041,770) | \$ 61,560 |
| Barclays | 331,663 | 666,666 | (106,666) | 891,663 |
| Metlife | 1,855,556 | 2,250,000 | (931,838) | 3,173,718 |
| Pfizer | - | 500,000 | (275,000) | 225,000 |
| Robert Wood Johnson Foundation | 41,365 | 2,605,277 | (1,066,188) | 1,580,454 |
| ACUMEN AMERICA | <u>2,298,584</u> | <u>7,055,273</u> | <u>(3,421,462)</u> | <u>5,932,395</u> |
| Participant Media Video Project | - | 25,000 | (3,829) | 21,171 |
| COMMUNICATIONS | <u>-</u> | <u>25,000</u> | <u>(3,829)</u> | <u>21,171</u> |
| KawiSafi Committed Capital | 8,324,429 | - | (1,874,168) | 6,450,261 |
| FUND INVESTMENTS | <u>8,324,429</u> | <u>-</u> | <u>(1,874,168)</u> | <u>6,450,261</u> |
| East Africa | 57,569 | 66,339 | (66,339) | 57,569 |
| Latin America | 169,231 | 160,000 | (272,667) | 56,564 |
| Pakistan | 389,827 | 42,675 | (193,819) | 238,683 |
| West Africa | 67,998 | 47,559 | (47,559) | 67,998 |
| GEOGRAPHY RESTRICTED | <u>684,625</u> | <u>316,573</u> | <u>(580,384)</u> | <u>420,814</u> |
| Bill & Melinda Gates Foundation - Ethiochicken | 876,227 | - | (414,678) | 461,549 |
| Bill & Melinda Gates Foundation - APMI | 1,685,231 | - | (944,103) | 741,128 |
| UK Department for International Development | 312,650 | 245,920 | (558,570) | - |
| Rockefeller Foundation | - | 225,000 | (225,000) | - |
| SolarAid | - | 545 | (545) | - |
| Surdna Foundation | - | 120,000 | (120,000) | - |
| Unilever - Gender Research | - | 200,000 | (105,228) | 94,772 |
| IMPACT | <u>2,874,108</u> | <u>791,465</u> | <u>(2,368,124)</u> | <u>1,297,449</u> |
| +Acumen Online Courses | - | 468,072 | (468,072) | - |
| Acumen Angels Platform | - | 50,000 | - | 50,000 |
| Acumen Angels | - | 200,000 | (100,000) | 100,000 |
| Leadership - General | 292,167 | 2,225,200 | (1,038,546) | 1,478,821 |
| MAVA | - | 322,000 | (265,380) | 56,620 |
| Regional Fellows | 308,011 | 191,666 | (449,938) | 49,739 |
| Rockefeller Foundation | - | 2,000,000 | - | 2,000,000 |
| Unilever - Innovation Incubator | - | 250,000 | - | 250,000 |
| LEADERSHIP | <u>600,178</u> | <u>5,706,938</u> | <u>(2,321,936)</u> | <u>3,985,180</u> |
| UK Department for International Development | 18,281 | 695,511 | (713,792) | - |
| IKEA Foundation | 1,241,687 | 1,739,959 | (2,827,437) | 154,209 |
| Energy | 1,178,724 | 2,187,415 | - | 3,366,139 |
| PIONEER ENERGY INVESTMENT INITIATIVE | <u>2,438,692</u> | <u>4,622,885</u> | <u>(3,541,229)</u> | <u>3,520,348</u> |
| Technical Assistance | 97,086 | 300,000 | (185,191) | 211,895 |
| Gender Lens Support | 85,000 | - | (68,996) | 16,004 |
| POST INVESTMENT SUPPORT | <u>182,086</u> | <u>300,000</u> | <u>(254,187)</u> | <u>227,899</u> |
| Agriculture | 100,000 | - | - | 100,000 |
| Education | 509,107 | 228,309 | (35,942) | 701,474 |
| Health | - | 125,000 | - | 125,000 |
| Water & Sanitation | 19,999 | - | - | 19,999 |
| SECTOR RESTRICTED | <u>629,106</u> | <u>353,309</u> | <u>(35,942)</u> | <u>946,473</u> |
| Cocoa Interrupted Campaign | - | 50,000 | - | 50,000 |
| Collaboration Summit | 201,587 | - | (145,129) | 56,458 |
| Skoll Forum Ecosystem Event | 32,757 | 50,500 | (44,479) | 38,778 |
| Unilever - Enhancing Livelihoods Investment Initiative* | 541,440 | (527,550) | (13,890) | - |
| STRATEGIC PARTNERSHIPS | <u>775,784</u> | <u>(427,050)</u> | <u>(203,498)</u> | <u>145,236</u> |
| TIME RESTRICTED | <u>-</u> | <u>1,766,248</u> | <u>(1,766,248)</u> | <u>-</u> |
| INTERFUND ACCOUNT | <u>(123,253)</u> | <u>(146,201)</u> | <u>-</u> | <u>(269,454)</u> |
| TOTAL | <u>\$ 18,684,339</u> | <u>\$ 20,364,440</u> | <u>\$ (16,371,007)</u> | <u>\$ 22,677,772</u> |

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions *(continued)*

| Purpose/Restriction | 2017 | | | |
|---|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| | Beginning of Year | Cash Receipts | Cash Releases | End of Year |
| Acumen America - General | \$ 659,341 | \$ 163,333 | \$ (752,674) | \$ 70,000 |
| Barclays | 191,467 | 666,667 | (526,470) | 331,664 |
| Metlife | - | 2,250,000 | (394,444) | 1,855,556 |
| Robert Wood Johnson Foundation | 840,665 | 379,662 | (1,178,962) | 41,365 |
| ACUMEN AMERICA | <u>1,691,473</u> | <u>3,459,662</u> | <u>(2,852,550)</u> | <u>2,298,585</u> |
| KawiSafi Committed Capital | 7,253,043 | 3,250,000 | (2,178,614) | 8,324,429 |
| FUND INVESTMENTS | <u>7,253,043</u> | <u>3,250,000</u> | <u>(2,178,614)</u> | <u>8,324,429</u> |
| East Africa | - | 62,569 | (5,000) | 57,569 |
| Latin America | 360,000 | 362,300 | (553,069) | 169,231 |
| Pakistan | 95,192 | 522,963 | (228,328) | 389,827 |
| West Africa | - | 72,998 | (5,000) | 67,998 |
| GEOGRAPHY RESTRICTED | <u>455,192</u> | <u>1,020,830</u> | <u>(791,397)</u> | <u>684,625</u> |
| Bill & Melinda Gates Foundation - Ethiochicken | 872,961 | 600,390 | (597,124) | 876,227 |
| Bill & Melinda Gates Foundation - APMI | - | 1,694,281 | (9,050) | 1,685,231 |
| UK Department for International Development | 63,641 | 347,887 | (98,878) | 312,650 |
| SolarAid | - | 13,765 | (13,765) | - |
| Impact | - | 169,319 | (169,319) | - |
| IMPACT | <u>936,602</u> | <u>2,825,642</u> | <u>(888,136)</u> | <u>2,874,108</u> |
| +Acumen Online Courses | - | 303,196 | (303,196) | - |
| Leadership - General | - | 612,000 | (319,834) | 292,166 |
| Regional Fellows | 176,892 | 389,277 | (258,159) | 308,010 |
| 2017 Leadership Forum | 127,260 | 710,492 | (837,752) | - |
| Global Fellows | 65,973 | - | (65,973) | - |
| LEADERSHIP | <u>370,125</u> | <u>2,014,965</u> | <u>(1,784,914)</u> | <u>600,176</u> |
| UK Department for International Development | - | 648,639 | (630,358) | 18,281 |
| IKEA Foundation | 2,337,488 | - | (1,095,801) | 1,241,687 |
| Energy | - | 1,572,883 | (394,159) | 1,178,724 |
| PIONEER ENERGY INVESTMENT INITIATIVE | <u>2,337,488</u> | <u>2,221,522</u> | <u>(2,120,318)</u> | <u>2,438,692</u> |
| Technical Assistance | 162,668 | 15,288 | (80,869) | 97,087 |
| Ramsey Foundation | 7,292 | - | (7,292) | - |
| Gender Lens Support | 25,000 | 75,000 | (15,000) | 85,000 |
| POST INVESTMENT SUPPORT | <u>194,960</u> | <u>90,288</u> | <u>(103,161)</u> | <u>182,087</u> |
| Agriculture | - | 150,000 | (50,000) | 100,000 |
| Education | 583,209 | 311,300 | (385,403) | 509,106 |
| Health | 125,000 | 125,000 | (250,000) | - |
| Water & Sanitation | 740,657 | (675,780) | (44,878) | 19,999 |
| SECTOR RESTRICTED | <u>1,448,866</u> | <u>(89,480)</u> | <u>(730,281)</u> | <u>629,105</u> |
| Collaboration Summit | 23,383 | 180,213 | (2,008) | 201,588 |
| Skoll Forum Ecosystem Event | - | 50,684 | (17,927) | 32,757 |
| Unilever - Enhancing Livelihoods Investment Initiative* | 502,550 | 275,000 | (236,110) | 541,440 |
| STRATEGIC PARTNERSHIPS | <u>525,933</u> | <u>505,897</u> | <u>(256,045)</u> | <u>775,785</u> |
| TIME RESTRICTED | <u>-</u> | <u>1,176,691</u> | <u>(1,176,691)</u> | <u>-</u> |
| INTERFUND ACCOUNT | <u>-</u> | <u>(123,253)</u> | <u>-</u> | <u>(123,253)</u> |
| OTHER | <u>-</u> | <u>128,280</u> | <u>(128,280)</u> | <u>-</u> |
| TOTAL | <u>\$ 15,213,682</u> | <u>\$ 16,481,044</u> | <u>\$(13,010,387)</u> | <u>\$ 18,684,339</u> |

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

13. In-Kind Contributions

In-kind contributions (booked at a discount to fair value) for the years ended December 31 are as follows:

| | <u>2018</u> | <u>2017</u> |
|-----------------------|---------------------|---------------------|
| Professional services | \$ 1,675,726 | \$ 2,534,360 |
| Goods | 42,082 | 26,770 |
| Space | <u>24,000</u> | <u>24,000</u> |
| | <u>\$ 1,741,808</u> | <u>\$ 2,585,130</u> |

14. Retirement Plan

Acumen maintains a 401(k) defined contribution retirement plan covering eligible employees. Acumen contributes 3% of the employees' compensation, inclusive of bonuses. Acumen plan expenses were \$166,972 and \$152,304 for 2018 and 2017. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension was £22,997 or \$29,286.

15. 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 U.S. GAAP. Straight-lining of rent gives rise to a timing difference that is reflected in accounts payable and accrued expenses rent in the accompanying consolidated statements of financial position.

Acumen also occupies office space in connection with its global operations under operating leases usually payable on a quarterly to annual basis. Future minimum annual rental payments for all leases are as follows:

| | |
|---------------------|---------------------|
| 2019 | \$ 707,262 |
| 2020 | 717,685 |
| 2021 | 531,445 |
| 2022 | 544,731 |
| 2023 | 558,349 |
| 2024 and thereafter | <u>1,256,693</u> |
| | <u>\$ 4,316,165</u> |

Rent expense (including donated occupancy) totaled \$1,067,279 and \$985,546 for 2018 and 2017.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

15. Commitments and Contingencies (*continued*)

Program Grants, Loans and Investments

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

| | <u>2018</u> | <u>2017</u> |
|--------------------|---------------------|---------------------|
| Loans | \$ 1,628,594 | \$ 1,721,153 |
| Equity investments | <u>4,129,384</u> | <u>8,214,458</u> |
| | <u>\$ 5,757,978</u> | <u>\$ 9,935,611</u> |

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 \$6.2 million), Acumen's cumulative investments under management total over \$123.2 million.

At December 31, 2018 and 2017, approximately \$1.1 million and \$425,000 in program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$4.1 million and \$1.3 million of additional program disbursements were committed in 2018 and 2017. 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

During the course of 2017 and 2018, ACM limited partners had a commitment to make program loans or investments of \$10.6 million and Acumen Fund, Inc. had a commitment to make program loans or investments of \$1 million. As mentioned in Note 11, the term of the Partnership expired on December 23, 2018 and was not extended. The investment manager is in the process of liquidating the Partnership investments and winding up the Partnership.

At December 31, 2018, KawaSafi Ventures Limited ("KawiSafi") has received shareholder commitments equal to \$67.4 million to operate an investment fund focused on clean off-grid energy solutions in East Africa. Of that amount, Acumen Fund, Inc. committed \$19.3 million as a program related investment. Acumen Capital Partners LLC, as the manager of KawiSafi, may direct the draw-down of these commitments for uses outlined in its shareholders agreement, including to enable KawiSafi to make investments, to pay fees and expenses and/or provide reserves. At December 31, 2018, Acumen Fund, Inc. had funded \$6.2 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 32%. At December 31 2018, KawiSafi's total funded commitments amount to \$16.9 million. The ratio of total contributed capital to total committed capital for KawiSafi is 25%. Acumen Fund, Inc.'s higher ratio is due to its contributions to KawiSafi prior to subsequent closings on commitments; subsequent investors are making catch up contributions to achieve pro rata participation.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

16. Subsequent Events

Lean Data

Acumen implemented a transfer of its Lean DataSM operations to a new Delaware corporation called 60 Decibels, Inc. subsequent to December 31, 2018. In recent years, as Acumen shared the results of its impact measurement methodology, Acumen experienced increasing demand for Lean DataSM assessment from third parties. The Lean DataSM methodology is a customer-centric approach to measuring impact. Acumen made the decision to move Lean DataSM into a separate operating entity to serve the sector more effectively. The transaction closed on March 29, 2019 and comprised an asset transfer and a cash purchase as consideration for Convertible Promissory Notes issued by 60 Decibels, Inc. worth \$3.4 million.

Acumen Pakistan

Acumen began to close down its operations in Pakistan subsequent to December 31, 2018. As a result of increasing regulatory complexity in the region, it became challenging to sustain consistent operating efficacy in its investing and leadership work. Acumen suspended operating activities on May 30, 2019, and anticipates completing the closure of the entity before December 31, 2019.

* * * * *

**Acumen Fund, Inc.
and Subsidiaries**

Supplementary Financial Information

December 31, 2018 and 2017

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position December 31, 2018 (with summarized totals at December 31, 2017)

| | Acumen Fund, Inc. | | | Acumen India | Acumen India Trust | Acumen Pakistan | | | Acumen Capital Markets I, LP | Acumen Canada | Acumen Capital Partners LLC | Eliminating Entries | 2018 Total | 2017 Total |
|---|-------------------------------|----------------------------|-----------------------|---------------------|-----------------------|-------------------------------|----------------------------|---------------------|------------------------------------|-------------------|-----------------------------------|------------------------|-----------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | | | Without Donor Restrictions | With Donor Restrictions | Total | | | | | | |
| ASSETS | | | | | | | | | | | | | | |
| Operating Assets | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 22,567,417 | \$ 22,677,772 | \$ 45,245,189 | \$ 1,295,547 | \$ 583,976 | \$ 212,208 | \$ 115,719 | \$ 327,927 | \$ 1,892,253 | \$ 446,814 | \$ 1,332,134 | \$ - | \$ 51,123,840 | \$ 39,775,822 |
| Contributions and pledges receivable, net | 566,799 | 28,192,066 | 28,758,865 | - | - | - | - | - | - | - | - | - | 28,758,865 | 21,417,847 |
| Interest receivable | - | - | - | 13,278 | - | 7 | - | 7 | - | - | - | - | 13,285 | 13,417 |
| Investment in subsidiaries | 500,959 | - | 500,959 | - | - | - | - | - | - | - | - | (500,959) | - | - |
| Loans to subsidiaries | 750,000 | - | 750,000 | - | - | - | - | - | - | - | - | (750,000) | - | - |
| Accounts and other receivables | 1,046,935 | - | 1,046,935 | 444,854 | - | 133,813 | - | 133,813 | 68,621 | 184,039 | 85,825 | (1,788,844) | 175,243 | 88,471 |
| Prepaid expenses and other assets | 306,053 | - | 306,053 | 203,511 | 4,259 | 15,988 | - | 15,988 | - | - | 12,255 | - | 542,066 | 538,212 |
| Interest in charitable remainder trust | - | 405,602 | 405,602 | - | - | - | - | - | - | - | - | - | 405,602 | 444,805 |
| Property and equipment, net | 294,664 | - | 294,664 | 20,461 | 6,626 | 21,103 | - | 21,103 | - | - | 11,821 | - | 354,675 | 500,167 |
| Security deposits | 308,120 | - | 308,120 | 48,200 | 8,597 | 215 | - | 215 | - | - | - | - | 365,132 | 370,134 |
| Total Operating Assets | 26,340,947 | 51,275,440 | 77,616,387 | 2,025,851 | 603,458 | 383,334 | 115,719 | 499,053 | 1,960,874 | 630,853 | 1,442,035 | (3,039,803) | 81,738,708 | 63,148,875 |
| Portfolio Assets | | | | | | | | | | | | | | |
| Cash and cash equivalents | (6,924) | - | (6,924) | - | - | 24,838 | - | 24,838 | - | - | - | - | 17,914 | - |
| Interest and dividend receivable, net | 750,436 | - | 750,436 | - | - | 4,080 | - | 4,080 | 940,004 | - | - | - | 1,694,520 | 917,618 |
| Taxes receivable | - | - | - | - | - | 1,734 | - | 1,734 | - | - | - | - | 1,734 | - |
| Program related equity investments, net | 51,645,818 | - | 51,645,818 | - | - | 96,566 | - | 96,566 | 4,330,830 | - | - | (1,000,000) | 55,073,214 | 60,533,248 |
| Program related loans receivable, net | 4,793,816 | - | 4,793,816 | - | - | 411,004 | - | 411,004 | 2,086,289 | 96,831 | - | (78,270) | 7,309,670 | 7,629,435 |
| Total Portfolio Assets | 57,183,146 | - | 57,183,146 | - | - | 538,222 | - | 538,222 | 7,357,123 | 96,831 | - | (1,078,270) | 64,097,052 | 69,080,301 |
| | \$ 83,524,093 | \$ 51,275,440 | \$ 134,799,533 | \$ 2,025,851 | \$ 603,458 | \$ 921,556 | \$ 115,719 | \$ 1,037,275 | \$ 9,317,997 | \$ 727,684 | \$ 1,442,035 | \$ (4,118,073) | \$ 145,835,760 | \$ 132,229,176 |
| LIABILITIES AND NET ASSETS | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 1,819,618 | \$ - | \$ 1,819,618 | \$ 59,822 | \$ 2,482 | \$ 213,771 | \$ - | \$ 213,771 | \$ 564,610 | \$ - | \$ 250,555 | \$ (1,663,129) | \$ 1,247,729 | \$ 1,250,248 |
| Accrued salaries and related expenses | 1,296,848 | - | 1,296,848 | 34,651 | - | 37,014 | - | 37,014 | - | - | - | - | 1,368,513 | 1,041,339 |
| Taxes payable on foreign loan interest income | 1,280 | - | 1,280 | - | - | - | - | - | - | - | - | - | 1,280 | 1,280 |
| Deferred income | - | - | - | - | 1,362,846 | - | - | - | - | - | - | - | 1,362,846 | 1,153,355 |
| Intercompany loan | - | - | - | - | - | 750,000 | - | 750,000 | - | - | - | (750,000) | - | - |
| Notes payable | - | - | - | - | - | - | - | - | 4,114,890 | - | - | (78,270) | 4,036,620 | 4,232,577 |
| Total Liabilities | 3,117,746 | - | 3,117,746 | 94,473 | 1,365,328 | 1,000,785 | - | 1,000,785 | 4,679,500 | - | 250,555 | (2,491,399) | 8,016,988 | 7,678,799 |
| Net Assets (Deficit) | | | | | | | | | | | | | | |
| Without Donor Restrictions | | | | | | | | | | | | | | |
| Operating | 23,223,201 | - | 23,223,201 | 543,950 | (819,627) | (1,397,991) | - | (1,397,991) | - | 630,853 | 1,191,480 | (5,783,002) | 17,588,864 | 13,490,884 |
| Portfolio funds | 57,183,146 | - | 57,183,146 | - | - | 538,222 | - | 538,222 | - | 96,831 | - | 6,278,853 | 64,097,052 | 69,080,301 |
| Noncontrolling limited partners' interests | - | - | - | - | - | - | - | - | - | - | - | 4,741,697 | 4,741,697 | 4,032,322 |
| Total Without donor restrictions | 80,406,347 | - | 80,406,347 | 543,950 | (819,627) | (859,769) | - | (859,769) | - | 727,684 | 1,191,480 | 5,237,548 | 86,427,613 | 86,603,507 |
| With Donor Restrictions | | | | | | | | | | | | | | |
| Contributed capital | - | 51,275,440 | 51,275,440 | - | - | - | 115,719 | 115,719 | - | - | - | - | 51,391,159 | 37,946,870 |
| Stockholders' equity | - | - | - | 353,134 | 66,318 | - | - | - | - | - | - | (419,452) | - | - |
| Partners' capital | - | - | - | 1,034,294 | (8,561) | 780,540 | - | 780,540 | - | - | - | (1,806,273) | - | - |
| Total Net Assets (Deficit) | 80,406,347 | 51,275,440 | 131,681,787 | 1,931,378 | (761,870) | (79,229) | 115,719 | 36,490 | 4,638,497 | 727,684 | 1,191,480 | (1,626,674) | 137,818,772 | 124,550,377 |
| | \$ 83,524,093 | \$ 51,275,440 | \$ 134,799,533 | \$ 2,025,851 | \$ 603,458 | \$ 921,556 | \$ 115,719 | \$ 1,037,275 | \$ 9,317,997 | \$ 727,684 | \$ 1,442,035 | \$ (4,118,073) | \$ 145,835,760 | \$ 132,229,176 |

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities Year Ended December 31, 2018 (with summarized totals for the year ended December 31, 2017)

| | Acumen Fund, Inc. | | | Acumen India | Acumen India Trust | Acumen Pakistan | | | Acumen Capital Markets I, LP | Acumen Canada | Acumen Capital Partners LLC | Eliminating Entries | 2018 Total | 2017 Total |
|---|-------------------------------|----------------------------|----------------|-----------------|-----------------------|-------------------------------|----------------------------|------------|------------------------------------|------------------|-----------------------------------|------------------------|----------------|----------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | | | Without Donor Restrictions | With Donor Restrictions | Total | | | | | | |
| SUPPORT AND REVENUE | | | | | | | | | | | | | | |
| Operating Support and Revenue | | | | | | | | | | | | | | |
| Contributions | \$ 6,022,980 | \$ 30,397,497 | \$ 36,420,477 | \$ 1,103,151 | \$ - | \$ 404,195 | \$ 116,935 | \$ 521,130 | \$ - | \$ 102,749 | \$ - | \$ (1,428,512) | \$ 36,718,995 | \$ 29,984,264 |
| Provision for uncollectible pledges | (23,839) | (619,247) | (643,086) | - | - | - | - | - | - | - | - | - | (643,086) | (3,775,535) |
| In-kind contributions | 1,741,808 | - | 1,741,808 | - | - | - | - | - | - | - | - | - | 1,741,808 | 2,585,130 |
| Program fees | 1,872,728 | - | 1,872,728 | - | - | - | - | - | - | - | - | - | 4,097,270 | 1,938,099 |
| Investment income | 351,901 | - | 351,901 | 23,594 | 33,528 | 16,266 | - | 16,266 | 149,910 | - | 2,453,479 | (228,937) | 575,199 | 109,152 |
| Change in value of charitable remainder trust | - | (39,203) | (39,203) | - | - | - | - | - | - | - | - | - | (39,203) | 37,524 |
| Loss on disposal of property and equipment | - | - | - | (1,323) | - | - | - | - | - | - | - | - | (1,323) | - |
| Other income | 67,540 | - | 67,540 | - | - | 169 | - | 169 | - | - | 12,831 | - | 80,540 | 59,972 |
| Net assets released from restrictions | 10,496,137 | (10,496,137) | - | - | - | 155,657 | (155,657) | - | - | - | - | - | - | - |
| Total Operating Support and Revenue | 20,529,255 | 19,242,910 | 39,772,165 | 1,125,422 | 33,528 | 576,287 | (38,722) | 537,565 | 149,910 | 102,749 | 2,466,310 | (1,657,449) | 42,530,200 | 30,938,606 |
| Portfolio Revenue (Losses) | | | | | | | | | | | | | | |
| Interest and dividend income, program related investments | 475,499 | - | 475,499 | - | - | 71,415 | - | 71,415 | - | - | - | - | 546,914 | 608,253 |
| Realized (loss) gain on equity investments | (2,948,137) | - | (2,948,137) | - | - | - | - | - | - | - | - | - | (2,948,137) | 77,110 |
| Realized debt portfolio (losses) gains | (920,373) | - | (920,373) | - | - | - | - | - | - | - | - | - | (920,373) | 178,001 |
| Provision for (losses) gains | (2,772,481) | - | (2,772,481) | - | - | 232,594 | - | 232,594 | - | - | - | - | (2,539,887) | (3,025,938) |
| Other portfolio investment income | 15,000 | - | 15,000 | - | - | - | - | - | - | - | - | - | 15,000 | - |
| Net assets released from restrictions | 5,719,213 | (5,719,213) | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Portfolio Revenue (Losses) | (431,279) | (5,719,213) | (6,150,492) | - | - | 304,009 | - | 304,009 | - | - | - | - | (5,846,483) | (2,162,574) |
| Total Support and Revenue | 20,097,976 | 13,523,697 | 33,621,673 | 1,125,422 | 33,528 | 880,296 | (38,722) | 841,574 | 149,910 | 102,749 | 2,466,310 | (1,657,449) | 36,683,717 | 28,776,032 |
| EXPENSES | | | | | | | | | | | | | | |
| Program Expenses | | | | | | | | | | | | | | |
| Portfolio management | 7,983,367 | - | 7,983,367 | 406,432 | - | 283,924 | - | 283,924 | 447,984 | - | 446,441 | (1,658,346) | 7,909,802 | 8,117,791 |
| Outreach, Impact and Communications | 7,246,096 | - | 7,246,096 | 130,967 | - | 10,376 | - | 10,376 | - | - | 21,350 | - | 7,408,789 | 5,157,465 |
| Leadership | 1,722,292 | - | 1,722,292 | - | 239,659 | 181,489 | - | 181,489 | - | - | - | - | 2,143,440 | 2,322,941 |
| Total Program Expenses | 16,951,755 | - | 16,951,755 | 537,399 | 239,659 | 475,789 | - | 475,789 | 447,984 | - | 467,791 | (1,658,346) | 17,462,031 | 15,598,197 |
| Supporting Expenses | | | | | | | | | | | | | | |
| Management and general | 2,184,753 | - | 2,184,753 | 156,060 | - | 160,822 | - | 160,822 | - | 11,674 | 956,730 | - | 3,470,039 | 3,244,246 |
| Fundraising | 2,577,078 | - | 2,577,078 | 48,929 | - | 43,734 | - | 43,734 | - | 11 | 127,200 | - | 2,796,952 | 2,528,969 |
| Total Supporting Expenses | 4,761,831 | - | 4,761,831 | 204,989 | - | 204,556 | - | 204,556 | - | 11,685 | 1,083,930 | - | 6,266,991 | 5,773,215 |
| Total Expenses | 21,713,586 | - | 21,713,586 | 742,388 | 239,659 | 680,345 | - | 680,345 | 447,984 | 11,685 | 1,551,721 | (1,658,346) | 23,729,022 | 21,371,412 |
| Change in Net Assets Before Foreign Currency | | | | | | | | | | | | | | |
| Translation Gain (Loss) | (1,615,610) | 13,523,697 | 11,908,087 | 383,034 | (206,131) | 199,951 | (38,722) | 161,229 | (298,074) | 91,064 | 914,589 | 897 | 12,954,695 | 7,404,620 |
| Foreign currency translation gain (loss) | (62,899) | - | (62,899) | (144,890) | 61,368 | (124,717) | (40,686) | (165,403) | 308,463 | (51,881) | - | 368,942 | 313,700 | (123,780) |
| Change in Net Assets | (1,678,509) | 13,523,697 | 11,845,188 | 238,144 | (144,763) | 75,234 | (79,408) | (4,174) | 10,389 | 39,183 | 914,589 | 369,839 | 13,268,395 | 7,280,840 |
| NET ASSETS (DEFICIT) | | | | | | | | | | | | | | |
| Beginning of the year | 82,084,856 | 37,751,743 | 119,836,599 | 1,693,234 | (617,107) | (154,463) | 195,127 | 40,664 | 4,628,108 | 688,501 | 276,891 | (1,996,513) | 124,550,377 | 117,269,537 |
| End of the year | \$ 80,406,347 | \$ 51,275,440 | \$ 131,681,787 | \$ 1,931,378 | \$ (761,870) | \$ (79,229) | \$ 115,719 | \$ 36,490 | \$ 4,638,497 | \$ 727,684 | \$ 1,191,480 | \$ (1,626,674) | \$ 137,818,772 | \$ 124,550,377 |

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses by Region For the Year Ended December 31, 2018 (with summarized totals for the year ended December 31, 2017)

| | Philanthropy | | | | | | | | Fund Management | | | 2018 Total | 2017 Total | | |
|------------------------------------|---------------------|----------------------|------------------|---------------------|----------------------|-------------------|-------------------|--------------------|-----------------------|----------------------|-------------------|---------------------|---------------------|----------------------|----------------------|
| | Regions | | | | | | | | Total Philanthropy | ACM | ACP | | | Total Funds | |
| | America (2) | Acumen HQ (1) (2) | Canada | East Africa (2) | Latin America (2) | India | Pakistan | West Africa (2) | | | | | | | Elimination |
| Compensation | \$ 997,425 | \$ 8,636,169 | \$ - | \$ 1,308,972 | \$ 546,821 | \$ 643,825 | \$ 449,298 | \$ 446,704 | \$ - | \$ 13,029,214 | \$ - | \$ 627,165 | \$ 627,165 | \$ 13,656,379 | \$ 11,225,687 |
| Professional and Consultant fees | 50,995 | 1,331,328 | 11,418 | 154,930 | 65,819 | 35,444 | 38,960 | 21,701 | (228,937) | 1,481,658 | 228,937 | 831,294 | 1,060,231 | 2,541,889 | 1,935,961 |
| Program grants | 86,005 | 6,753,712 | - | 1,511 | - | 15,708 | - | - | (5,477,649) | 1,379,287 | - | - | - | 1,379,287 | 907,613 |
| Donated professional services | - | 1,741,808 | - | - | - | - | - | - | - | 1,741,808 | - | - | - | 1,741,808 | 2,585,130 |
| Travel | 22,085 | 542,967 | - | 177,461 | 62,314 | 64,677 | 52,884 | 73,547 | - | 995,935 | - | 45,127 | 45,127 | 1,041,062 | 1,235,149 |
| Meetings | 1,075 | 262,304 | - | 79,338 | 1,119 | 28,995 | 54,321 | 4,915 | - | 432,067 | - | 5,270 | 5,270 | 437,337 | 846,201 |
| Marketing material | 6,145 | 246,815 | - | (972) | 2,213 | 148 | 1,367 | - | - | 255,716 | - | 395 | 395 | 256,111 | 224,803 |
| Technology expenses | 4,384 | 399,559 | - | 61,086 | 1,260 | 5,538 | 7,888 | 11,837 | - | 491,552 | - | 11,018 | 11,018 | 502,570 | 358,012 |
| Telephone | 2,482 | 61,173 | - | 14,342 | 5,224 | 2,515 | 3,572 | 2,614 | - | 91,922 | - | 932 | 932 | 92,854 | 92,857 |
| Office supplies | 1,090 | 51,279 | - | 23,140 | 16,803 | 7,863 | 7,147 | 4,663 | - | 111,985 | - | 1,701 | 1,701 | 113,686 | 108,879 |
| Occupancy | 9,161 | 714,383 | - | 53,725 | 36,767 | 123,977 | 45,722 | 38,048 | - | 1,021,783 | - | 21,496 | 21,496 | 1,043,279 | 961,546 |
| Insurance | 1,715 | 83,178 | - | 1,534 | - | 1,091 | 547 | - | - | 88,065 | 13,250 | - | 13,250 | 101,315 | 61,743 |
| Investment fees and bank charges | 2,218 | 114,775 | 268 | 4,158 | 10,975 | 34,423 | 12,003 | 24,693 | - | 203,513 | 204,169 | 3,440 | 207,609 | 411,122 | 293,608 |
| Foreign corporate tax expense | 1,053 | 47,834 | - | - | - | 5,405 | - | - | - | 54,292 | - | 1,141 | 1,141 | 55,433 | 46,889 |
| Miscellaneous | 100 | 77,607 | - | 3,684 | 2,667 | 276 | 154 | 118 | - | 84,606 | 1,628 | 238 | 1,866 | 86,472 | 163,842 |
| Total Expenses before Depreciation | 1,185,933 | 21,064,891 | 11,686 | 1,882,909 | 751,982 | 969,885 | 673,863 | 628,840 | (5,706,586) | 21,463,403 | 447,984 | 1,549,217 | 1,997,201 | 23,460,604 | 21,047,920 |
| Depreciation | 7,186 | 222,306 | - | 13,936 | 2,746 | 12,849 | 6,480 | 410 | - | 265,913 | - | 2,505 | 2,505 | 268,418 | 323,492 |
| Total Expenses | <u>\$ 1,193,119</u> | <u>\$ 21,287,197</u> | <u>\$ 11,686</u> | <u>\$ 1,896,845</u> | <u>\$ 754,728</u> | <u>\$ 982,734</u> | <u>\$ 680,343</u> | <u>\$ 629,250</u> | <u>\$ (5,706,586)</u> | <u>\$ 21,729,316</u> | <u>\$ 447,984</u> | <u>\$ 1,551,722</u> | <u>\$ 1,999,706</u> | <u>\$ 23,729,022</u> | <u>\$ 21,371,412</u> |

(1) - Acumen HQ includes New York HQ offices, and San Francisco and London branch offices

(2) - America / Acumen HQ / East Africa / Latin America / West Africa regions roll-up to comprise Acumen Fund, Inc. in the Consolidated Statements of Financial Position and Consolidated Statements of Activities

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