

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2019 and 2018

Acumen Fund, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2019 and 2018

TABLE OF CONTENTS

Independent Auditors' Report	
Management's Discussion and Analysis	3 - 5

FINANCIAL STATEMENTS

Consolidated Statements of Financial Position	6
Consolidated Statements of Activities	7 - 8
Consolidated Statements of Functional Expenses	9 - 10
Consolidated Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12 - 34

SUPPLEMENTARY INFORMATION

Consolidating Schedule of Financial Position	35
Consolidating Schedule of Activities	36
Consolidated Schedule of Functional Expenses by Region	37

Independent Auditors' Report

Board of Directors Acumen Fund, Inc. and Subsidiaries

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, 2019 and 2018, 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 total consolidated assets at December 31, 2019 and 2018, and total revenues constituting 0% of total consolidated revenues for 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 of December 31, 2019 and 2018 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.

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 35-37 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 them.

PKF O'Connor Davies, LLP

June 26, 2020

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

2019 was a landmark year for Acumen; we saw our work come together in new ways, creating the springboard we need to unleash unprecedented impact in the years ahead.

Our philanthropically-backed portfolio has deployed \$128 million of patient capital since inception, representing investments in 128 companies that have transformed the lives of 308 million low-income people.

Having recently shifted from global to regionally-driven investment strategies, in 2019, Acumen honed in on the areas where patient capital could create the most impact for the poor within the context of each region, including: clean energy, agriculture, education, healthcare, workforce development and financial inclusion.

In addition to our philanthropic investing work, this year Acumen achieved the final closing of its first returnable fund, KawiSafi Ventures, managed by its subsidiary Acumen Capital Partners. KawiSafi, a \$67 million fund, aims to scale companies providing clean, affordable energy to off-grid communities with the objective of reaching 10 million low income people in East Africa. With nearly two decades of investment experience, Acumen has a deep understanding of the kinds of capital needed to substantively drive change for the poor. KawiSafi builds on our philanthropic investing experience and is one of several initiatives to deploy a range of capital to address big issues such as climate change mitigation and adaptation, gender inequality, and the United Nations Sustainable Development Goals.

Lean DataSM, Acumen’s approach to social impact measurement, was created in 2014 to measure impact in a way that met its needs as an investor and created value for its investees. In March 2019, recognizing the potential to make a positive contribution to the wider sector by scaling this new approach to measuring impact, Acumen carved out Lean DataSM to create a new company, 60 Decibels. Founded by the team that built Lean DataSM at Acumen, 60 Decibels offers the sector tested social impact survey tools, aligned to industry standards. Lean Data Q1 2019 activities represented \$2.5M of our 2019 total Operating Expenses.

Acumen

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

In 2020, we will launch Acumen Academy, the world's school for social change. This university reimagined brings our Acumen Fellows together with our nearly 500,000 +Acumen course-takers to unleash a new generation of social innovators. In preparation, this past year Acumen built a new digital platform to host Acumen Academy, making all online courses, Fellowship content and innovation challenges accessible through one platform. 2019 was also the year that Acumen made major steps in expanding its leadership work through launching new Fellowship Programs with Regional Partners. Starting with partnerships in Bangladesh, Malaysia and Spain, Acumen plans to grow its Regional Partner model to 15 programs over the next three years.

Operating Results

In 2019, Acumen raised \$26.7 million in philanthropic capital, a decrease of 27.2% from 2018. Of the \$26.7 million, \$3.7 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 \$2.8 million, mostly in the form of donated legal services, primarily to support our investing work.

We received \$0.4 million in interest income from portfolio loans and recorded a provision of \$4.0 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 expenses related to a) the running of Acumen programs as well as our management, general, and fundraising costs, b) Technical Assistance grants awarded to our portfolio companies, and c) sub-awards to third-party collaborators in service of certain grant-funded work. They do not reflect any of our investments in our portfolio companies. Total operating expenses for 2019 were \$28.8 million, a 21.4% increase compared to the prior year. Donated services expenses (a direct offset to In-kind contributions) comprise \$2.8 million. Our increases reflect growth in a number of our program areas including our Portfolio team, our Leadership programs, and our Acumen Academy course offerings. Total Technical Assistance grants for 2019 were \$0.7 million of the total, and sub-awards for 2019 represent \$2.4 million of total operating expenses.

Acumen

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

Program work constitutes 79% of our total expenses. Portfolio expenses were \$11.1 million, representing the cost of sourcing, due diligence, planning and the execution of new and follow-on investment disbursements (which totaled \$15.4 million), as well as managing our active portfolio of 93 companies. Outreach, Impact and Communications expenses were \$5.6 million, representing our work in measuring and reporting our investment performance (both financial and non-financial), and in the research and sharing of our insights gleaned from our programmatic work. Our Leadership program costs increased by 280% in 2019 with expenses of \$6.1 million. This increase is primarily driven by a categorization change: We shifted +Acumen from “Outreach, Impact, and Communications” to “Leadership” in preparation of launching Acumen Academy. Fundraising costs and Management and General expenses accounted for \$6.0 million, which included expenditure to improve organization efficiency and effectiveness.

Statement of Financial Position

Acumen’s total assets were \$151.9 million as of December 31, 2019. Acumen's assets are split primarily between Operating Assets (\$78.2 million) and Portfolio Assets (\$73.6 million). The largest component of our Operating Assets is our cash balance of \$50.8 million, where \$27.9 million (54.1%) of the total balance was restricted and designated for specific programmatic uses or for use as investment capital.

Total liabilities at the end of 2019 totaled \$8.6 million, the majority consisting of notes payable by Acumen Capital Markets I, LP (“ACM”), our first returnable fund, to ACM investors and deferred revenue related to advance payments for conditional grants. Net assets at the end of the year were \$143.2 million compared to \$137.8 million at the end of 2018, a 4% increase.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31,	
	2019	2018
ASSETS		
Operating Assets		
Cash and cash equivalents	\$ 50,777,971	\$ 51,123,840
Contributions and pledges receivable, net	24,288,449	28,758,865
Interest receivable	8,537	13,285
Accounts and other receivables	1,293,078	175,243
Prepaid expenses and other assets	547,326	542,066
Interest in charitable remainder trust	652,567	405,602
Property and equipment, net	356,884	354,675
Security deposits	295,958	365,132
Total Operating Assets	78,220,770	81,738,708
Portfolio Assets		
Cash and cash equivalents	-	17,914
Interest and dividend receivable, net	1,190,904	1,694,520
Taxes receivable	-	1,734
Program related equity investments, net	58,694,345	55,073,214
Program related loans receivable, net	13,747,993	7,309,670
Total Portfolio Assets	73,633,242	64,097,052
	\$ 151,854,012	\$ 145,835,760
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,261,056	\$ 1,247,729
Accrued salaries and related expenses	1,326,168	1,368,513
Taxes payable on foreign loan interest income	1,280	1,280
Deferred income	2,603,004	1,362,846
Returnable grant capital	1,388,133	-
Notes payable	2,029,760	4,036,620
Total Liabilities	8,609,401	8,016,988
Net Assets		
Without Donor Restrictions		
Operating	16,357,463	16,460,267
Portfolio funds	73,633,242	64,097,052
Noncontrolling limited partners' interests	3,583,804	4,741,697
Total Without Donor Restrictions	93,574,509	85,299,016
With donor restrictions	49,670,102	52,519,756
Total Net Assets	143,244,611	137,818,772
	\$ 151,854,012	\$ 145,835,760

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 7,584,210	\$ 19,140,048	\$ 26,724,258
(Provision) recovery for uncollectible pledges	(87,525)	27,669	(59,856)
In-kind contributions	2,759,396	-	2,759,396
Program fees	3,590,301	-	3,590,301
Investment income	337,979	-	337,979
Change in value of charitable remainder trust	-	246,965	246,965
Loss on disposal of assets	(5,283)	-	(5,283)
Other income	1,350,478	-	1,350,478
Net assets released from restrictions	12,100,275	(12,100,275)	-
Total Operating Support and Revenue	27,629,831	7,314,407	34,944,238
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	350,167	-	350,167
Realized gain on equity investments	2,044,951	-	2,044,951
Provision for losses	(3,965,162)	-	(3,965,162)
Other portfolio investment income	50,000	-	50,000
Net assets released from restrictions	10,155,673	(10,155,673)	-
Total Portfolio Revenue (Losses)	8,635,629	(10,155,673)	(1,520,044)
Total Support and Revenue	36,265,460	(2,841,266)	33,424,194
EXPENSES			
Program Expenses			
Portfolio management	11,084,157	-	11,084,157
Outreach, impact and communications	5,563,173	-	5,563,173
Leadership	6,104,011	-	6,104,011
Total Program Expenses	22,751,341	-	22,751,341
Supporting Expenses			
Management and general	2,660,482	-	2,660,482
Fundraising	3,383,480	-	3,383,480
Total Supporting Expenses	6,043,962	-	6,043,962
Total Expenses	28,795,303	-	28,795,303
Change in Net Assets Before Foreign			
Currency Translation Gain (Loss)	7,470,157	(2,841,266)	4,628,891
Foreign currency translation gain (loss)	805,336	(8,388)	796,948
Change in Net Assets	8,275,493	(2,849,654)	5,425,839
NET ASSETS			
Beginning of the year	85,299,016	52,519,756	137,818,772
End of the year	\$ 93,574,509	\$ 49,670,102	\$ 143,244,611

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 assets	(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 on equity investments	(2,948,137)	-	(2,948,137)
Realized debt portfolio losses	(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	<u>(175,894)</u>	<u>13,444,289</u>	<u>13,268,395</u>
NET ASSETS			
Beginning of the year	<u>85,474,910</u>	<u>39,075,467</u>	<u>124,550,377</u>
End of the year	<u>\$ 85,299,016</u>	<u>\$ 52,519,756</u>	<u>\$ 137,818,772</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expense For the Year Ended December 31, 2019

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 4,139,057	\$ 3,254,187	\$ 2,756,059	\$ 10,149,303	\$ 1,266,427	\$ 2,786,460	\$ 14,202,190
Professional and consultant fees	1,678,495	333,226	963,096	2,974,817	308,031	30,284	3,313,132
Program grants	914,297	1,102,892	1,184,547	3,201,736	-	-	3,201,736
Donated professional services	2,171,435	-	-	2,171,435	587,961	-	2,759,396
Travel	281,103	157,656	328,137	766,896	71,130	81,452	919,478
Meetings	19,047	70,690	192,979	282,716	24,004	22,144	328,864
Marketing material	2,466	122,715	51,244	176,425	21,900	588	198,913
Technology expenses	170,844	142,999	181,818	495,661	107,869	98,731	702,261
Telephone	33,521	20,605	16,931	71,057	7,645	15,460	94,162
Office supplies, printing and postage	31,735	22,197	27,197	81,129	25,269	14,643	121,041
Occupancy	327,294	193,921	247,858	769,073	107,631	196,062	1,072,766
Insurance	28,178	18,937	17,329	64,444	9,494	18,916	92,854
Investment fees and bank charges	148,613	36,449	56,443	241,505	62,581	58,649	362,735
VAT and real estate taxes	261,919	30,010	18,441	310,370	60,663	20,907	391,940
Interest	779,961	-	-	779,961	-	-	779,961
Miscellaneous	47,080	5,635	8,336	61,051	(18,806)	1,901	44,146
Total Expenses before Depreciation	11,035,045	5,512,119	6,050,415	22,597,579	2,641,799	3,346,197	28,585,575
Depreciation	49,112	51,054	53,596	153,762	18,683	37,283	209,728
 Total Expenses	 <u>\$ 11,084,157</u>	 <u>\$ 5,563,173</u>	 <u>\$ 6,104,011</u>	 <u>\$ 22,751,341</u>	 <u>\$ 2,660,482</u>	 <u>\$ 3,383,480</u>	 <u>\$ 28,795,303</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			
Compensation	\$ 4,617,864	\$ 4,279,880	\$ 1,383,544	\$ 10,281,288	\$ 1,384,254	\$ 1,990,837	\$ 13,656,379
Professional and consulting fees	559,356	776,571	116,318	1,452,245	921,043	168,601	2,541,889
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	 <u>\$ 7,909,802</u>	 <u>\$ 7,408,789</u>	 <u>\$ 2,143,440</u>	 <u>\$ 17,462,031</u>	 <u>\$ 3,470,039</u>	 <u>\$ 2,796,952</u>	 <u>\$ 23,729,022</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,425,839	\$ 13,268,395
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	209,728	268,418
Provision for uncollectible pledges and write-offs	59,856	643,086
Change in interest in charitable remainder trust	(246,965)	39,203
Foreign currency translation gain	(796,955)	(313,700)
Loss on disposal of property and equipment	5,283	1,323
Realized (gain) loss on equity investments	(2,044,951)	2,948,137
Realized debt portfolio losses	-	920,373
Provision for portfolio losses	3,965,162	2,539,887
Change in operating assets and liabilities		
Contributions and pledges receivable	4,410,560	(7,984,104)
Interest and dividend receivable	508,364	(776,770)
Accounts and other receivables	(1,116,101)	(88,506)
Prepaid expenses and other assets	(5,260)	(3,854)
Accounts payable and accrued expenses	(29,018)	324,655
Returnable grant capital	1,388,133	-
Deferred income	1,240,158	209,491
Net Cash from Operating Activities	12,973,833	11,996,034
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(217,220)	(124,249)
Reinvested interest	-	(20,652)
Proceeds from sale of program related equity investments	1,605,453	4,529,356
Program related loans made	(8,755,886)	(1,628,594)
Program related equity investments made	(6,667,324)	(4,129,384)
Repayment of program related loans	2,635,047	934,376
Security deposits	69,174	5,002
Net Cash from Investing Activities	(11,330,756)	(434,145)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(2,006,860)	(195,957)
Net Change in Cash and Cash Equivalents	(363,783)	11,365,932
CASH AND CASH EQUIVALENTS		
Beginning of year	51,141,754	39,775,822
End of year	\$ 50,777,971	\$ 51,141,754
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for taxes	\$ 41,373	\$ 32,956
Cash paid for interest	156,115	122,154

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

1. Organization and Tax Status

Acumen Fund, Inc., a not for profit organization, aims to mitigate the social and economic challenges in the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services or create access to markets for low-income communities. Acumen adheres to a disciplined process in selecting and managing its philanthropic investments as well as in measuring the impact and financial end result. Acumen Fund, Inc. manages an investment 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 programs to identify, network and support social change leaders. In 2019, Acumen licensed its brand and curriculum to mission-aligned third parties to run regional fellows programs where Acumen does not have a geographic footprint. Acumen runs the +Acumen program which provides a platform of courses offering a broad set of skills training to social entrepreneurs. In 2019, Acumen began to more closely align its leadership program with its +Acumen program as a first step towards merging the two into a new combined program called Acumen Academy. 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 (“Acumen Pakistan”) as subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. holds 99.9% ownership. In addition, Acumen India Trust, an Indian not-for-profit public charitable trust, was formed to accept local donations to support certain programs. Its board and officers comprise Acumen Fund, Inc. staff. Acumen Pakistan is a company limited by guarantee incorporated in Pakistan under section 42 of the Companies Ordinance, 1984, which is the equivalent to a 501(c)(3) public charity in the United States. Acumen Fund, Inc. has the right to appoint a majority of the Board of Directors of Acumen Pakistan which comprise two directors appointed by Acumen Fund, Inc. under the Amended Affiliation and Funding Agreement dated May 2014, and three directors elected by its members. In 2013, Acumen Fund, Inc. formed Acumen Canada, a registered charitable organization in Canada in which Acumen Fund, Inc. is the sole executive and voting member. The Board of Directors is appointed by Acumen Fund, Inc. as executive member and includes Acumen Fund, Inc. employees and outside individuals. Acumen also has branch offices in Kenya, Ghana, Colombia, and the United Kingdom.

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”), in which it serves as general partner and manager with an ownership stake of approximately 16%. ACM made portfolio investments consistent with and as an extension of Acumen Fund, Inc.’s charitable activities. This fund is in the process of winding down. For income tax purposes, partners report their respective portions of ACM income and expense in their income tax returns.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

1. Organization and Tax Status (*continued*)

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. controls 100% of ACP, which was organized to be the fund manager for an early-stage energy-focused growth fund, KawiSafi Ventures Limited ("KawiSafi"). ACP owns 100% of ACMI, which was established to hold shares in KawiSafi through which KawiSafi will distribute a portion of any profit, known as "carry". ACP and ACMI began financial activities in 2016.

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 is the entity formed to be the aforementioned early-stage growth fund. ACP owns 100% of KawiSafi management shares. KawiSafi has elected to be treated as a partnership for US income tax purposes. KawiSafi held its final closing on October 15, 2019 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.

ACP formed a Kenyan subsidiary for the KawiSafi management team in May 2017 called Acumen Capital Partners EA Limited ("ACP EA"). This entity is not yet operational, but activity is expected to begin in 2020. ACP does not currently hold any shares in this company, but effectively controls all activity.

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

In June 2018, ACP formed a Delaware limited liability corporation, Acumen Resilient Agriculture Capital Investments, LLC ("ARACI"), as the carry vehicle for a new fund, Acumen Resilient Agriculture Fund, LP ("ARAF"). ARACI is the general partner for ARAF and it has elected to be treated as a disregarded entity for US income tax purposes. ARAF, a Canadian limited partnership, held its first closing in September 2019 with \$25 million of committed capital. ACP also formed a Kenyan limited liability private company, Acumen Capital Partners (ARAF) Ltd ("ACP ARAF EA"), in August 2019 to act as the Kenyan subsidiary for the ARAF fund management team. ACP ARAF EA has elected to be taxed as a foreign disregarded entity for US income tax purposes. ACP ARAF EA had no activity in 2019.

Acumen Fund, Inc. also formed Acumen Fund West Africa LTD/GTE, a Nigerian company limited by guarantee, in August 2019. Acumen Fund, Inc. owns 100% of this entity's shares and it will serve as Acumen Fund, Inc.'s Nigerian operating subsidiary in 2020. There was no activity in 2019.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

1. Organization and Tax Status (*continued*)

In the 2018 financial statements, the suspension of operating activities in Pakistan was reported as a subsequent event. As of June 2020, the decision was rescinded and the process of re-opening the entity is subject to certain regulatory clearances.

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, EA Advisory, EA Institute, Acumen Fund West Africa Ltd/Gte, ACH, ACP EA, ACMI, ARACI, ACP ARAF EA, 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.

Adoption of New Accounting Policies

Recognition of Contributions

Effective January 1, 2019, Acumen adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way Acumen recognizes contributions, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis.

Revenue from Contracts with Customers

Effective January 1, 2019, Acumen adopted ASU 2014-09, *Revenue from Contracts with Customers*, as amended. The guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance. The core principle of the new guidance is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

Adoption of New Accounting Policies (continued)

Revenue from Contracts with Customers (continued)

The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires new or expanded disclosures related to judgments made by entities when following this framework.

Analysis of various provisions of this standard resulted in no changes in the way Acumen recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. When revenue is earned over a period that spans the year end, it is recognized in the applicable period in which it is earned.

Restricted Cash

Effective January 1, 2019, Acumen adopted accounting standard update ("ASU") 2016-18 "Statement of Cash Flows (Topic 230): Restricted Cash" for all periods presented. ASU 2016-18 requires inclusion of restricted cash with cash when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. Previously, changes in restricted cash were reported on the statement of cash flows as operating, investing or financing activities based on the nature of the underlying activity. Included in cash and cash equivalents is \$27,940,669 and \$23,898,930 of restricted cash as of December 31, 2019 and 2018.

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 consolidated statements of activities as net assets released from restrictions. Some net assets may include stipulations to be maintained in perpetuity (perpetual in nature) while permitting Acumen to expend the income generated by the assets in accordance with the provisions of the donor imposed stipulations. Acumen had no assets that are perpetual in nature as of December 31, 2019 and 2018.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Fair Value of Financial Instruments

Acumen follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support when received and are classified as without donor restricted 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

In-Kind Contributions (continued)

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

Beneficial Interest in a Charitable Remainder Trust

Acumen has a beneficial interest in a Charitable Remainder Trust. Under the terms of the Trust, distributions are made from the Trust to designated beneficiaries for the remainder of their lives. The remainder of the assets in the Trust will be transferred to Acumen. The Trust is held and managed by an independent trustee. As of 2019 and 2018, the value of Acumen's estimated interest in the Trust was approximated using a 5.8% and 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 flows 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 1.42% to 12.5%). 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

At times, Acumen receives monies from donors and grantors in advance of applicable conditions being met. These contributions are held in a separate deferred income liability account until such conditions are met and recognized as revenue over time. Contributions received by 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

Grant Expense

Grant expense is recognized at the time a grant is authorized. Grants which are conditional on the recipient fulfilling certain obligations prior to receiving funds are recognized at the time those conditions are satisfied. Funds received before obligations are met are deferred and recognized when the obligations are satisfied. Grants payable later than one year from the end of a fiscal year are discounted to present value.

Foreign Currency Translation

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

Functional Allocation of Expenses

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

Reclassifications

Certain amounts from the 2018 consolidated financial statements were reclassified to conform to the 2019 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, 2016.

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 26, 2020.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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 due to the large number of organizations and individuals composing Acumen's donor database.

Program related portfolio loans receivable and equity investments are associated with 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	\$ 50,777,971
Contributions and pledges receivables, net	24,288,449
Interest receivable	8,537
Accounts and other receivables	<u>1,293,078</u>
Total Financial Assets	76,368,035
Less amounts not available to be used within one year:	
Restricted by donor with time or purpose restrictions	(49,670,102)
Add net assets with purpose or time restrictions to be met in less than one year	<u>10,755,000</u>
Financial assets available to meet general expenditures over the net twelve months	<u>\$ 37,452,933</u>

Acumen ended 2019 in a strong liquidity position, with available financial assets to meet consolidated operating expenses for the next 12 months of \$36.9 million. Acumen ended the year with \$27.9 million of restricted cash and \$49.7 million of total restricted funds (comprising cash and receivables).

Acumen's 2019 cash needs, excluding ACM and ACP activities, amounted to \$22.2 million for operating expenses and \$15.4 million for Portfolio disbursements. 52.9% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 47.0% of its operating cash needs was covered by restricted funds in 2019.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

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 2019, Acumen's non-restricted cash was 61.3% of budgeted 2020 non-restricted operating expenses. In addition to the \$19.7 million of non-restricted cash balance available for general expenditures, an additional \$2.9 million of non-restricted cash is informally earmarked for strategic investments.

Total Cash and Cash Equivalents Available Year-End 2019	\$ 50,777,971
Of which:	
Non-restricted Cash available for general expenditures (A)	19,937,302
Restricted Cash available for grant-related general expenditures (B)	10,755,000
Total Cash available for general expenditures (A) + (B)	<u>\$ 30,692,302</u>
 Total budgeted 2020 general expenditures (C)	 \$ 28,125,000
Board Designated minimum unrestricted cash threshold: (C - B) * 75% = (D)	13,027,500
Surplus/(Deficit) to threshold (A) - (D)	6,909,802

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 2019 revenue sources were composed of the following: Households 18.7%, Foundations 10.2%, Corporations 7.3%, Government 37.0%, Family Foundations 4.7%, Other 3.2%. 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 2020 are expected to be lower than historical trends due economic uncertainty stemming from the COVID-19 pandemic.

Acumen's investment portfolio currently has \$73.6 million of assets under management (net). These assets are long term investments and illiquid in nature and are not considered when assessing Acumen's liquidity. In 2019, Acumen successfully exited four investments, representing \$2.6 million of proceeds.

5. Contributions and Pledges Receivable

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

	2019	2018
Due within:		
Up to one year	\$16,721,749	\$18,322,249
One to five years	<u>10,400,125</u>	<u>12,986,448</u>
	27,121,874	31,308,697
Present value discount	(2,737,009)	(2,282,819)
Allowance for doubtful accounts	<u>(96,416)</u>	<u>(267,013)</u>
Contributions and pledges receivable, net	<u>\$24,288,449</u>	<u>\$28,758,865</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

5. Contributions and Pledges Receivable *(continued)*

Pledges receivable are shown net of a discount to present value using rates ranging from 2.9% to 4.7% 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 2019, Acumen terminated the relationship with CAF. During 2019 and 2018, Acumen received a total of £0 or \$0 and £50,626 or \$65,378 of charitable donations (net of fees) into an account maintained with CAF. Throughout 2019 and 2018, CAF transferred \$0 and £66,460 or \$89,886 into Acumen’s operating bank account. As of December 31, 2019 and 2018, £0 or \$0 and £124 or \$161 remained in the Acumen CAF account.

During 2018, Acumen established a 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 2019 and 2018, Acumen received a total of £102,831 or \$135,311 and £57,780 or \$74,617 of charitable donations (net of fees) into an account maintained with Prism. The initial transfer of funds from Prism to Acumen occurred in 2019. Prism transferred £123,188 or \$154,157 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:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 405,602	\$ 444,805
Change in present value of beneficial interest in remainder trust	<u>246,965</u>	<u>(39,203)</u>
Ending balance	<u>\$ 652,567</u>	<u>\$ 405,602</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

7. Property and Equipment

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

	<u>2019</u>	<u>2018</u>
Computer equipment, systems integration and website development	\$ 1,398,816	\$ 1,302,286
Leasehold improvements and equipment	546,696	500,517
Furniture	<u>442,337</u>	<u>373,105</u>
	2,387,849	2,175,908
Accumulated depreciation	<u>(2,030,965)</u>	<u>(1,821,233)</u>
	<u>\$ 356,884</u>	<u>\$ 354,675</u>

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 \$17.3 million and \$11.3 million less an allowance for uncollectible amounts of \$3.3 million and \$3.7 million and a foreign currency translation adjustment of \$252,782 and \$244,210 at December 31, 2019 and 2018.

Contractual interest rates on program related loans at December 31, 2019 and 2018 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.

On March 31, 2019, Acumen carved out Lean DataSM into a new company, 60 Decibels. As part of the carve-out, Acumen executed an agreement to transfer certain assets to 60 Decibels in exchange for Convertible Notes valued at \$2.75 million. Further, Acumen entered into an agreement with 60 Decibels to execute a cash purchase of additional Convertible Notes valued at \$662,500. The sum of the value of these Convertible Notes equals \$3.4 million and is recorded in the table below as a Performing asset in the "Other" category.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

8. Program Related Loans Receivable *(continued)*

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

	2019		
	Performing	Monitoring	Total
Agriculture	\$ 4,794,557	\$ 1,841,811	\$ 6,636,368
Education	609,387	100,000	709,387
Energy	3,348,329	138,779	3,487,108
Financial Inclusion	515,600	-	515,600
Health	1,385,563	1,081,596	2,467,159
Housing	107,733	-	107,733
Other	3,412,500	-	3,412,500
	<u>\$ 14,173,669</u>	<u>\$ 3,162,186</u>	17,335,855
Valuation allowance			(3,335,080)
Foreign currency translation adjustment			(252,782)
			<u>\$ 13,747,993</u>
	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			(244,210)
			<u>\$ 7,309,670</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

8. Program Related Loans Receivable *(continued)*

The following reflects the activity in the valuation allowance account for 2019 and 2018 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2019				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses					
Beginning balance	\$ 820,597	\$ 2,025,886	\$ 762,670	\$ 138,780	\$ 3,747,933
Write-off	-	-	(700,000)	-	(700,000)
Provision	128,957	158,190	-	-	287,147
Ending balance	<u>\$ 949,554</u>	<u>\$ 2,184,076</u>	<u>\$ 62,670</u>	<u>\$ 138,780</u>	<u>\$ 3,335,080</u>
Ending balance, individually evaluated for impairment	<u>\$ 949,554</u>	<u>\$ 2,184,076</u>	<u>\$ 62,670</u>	<u>\$ 138,780</u>	<u>\$ 3,335,080</u>
Financing receivables					
Ending balance	<u>\$ 1,081,596</u>	<u>\$ 1,841,811</u>	<u>\$ 100,000</u>	<u>\$ 138,779</u>	<u>\$ 3,162,186</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,081,596</u>	<u>\$ 1,841,811</u>	<u>\$ 100,000</u>	<u>\$ 138,779</u>	<u>\$ 3,162,186</u>
	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>

All impaired loans at December 31, 2019 and 2018 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

8. Program Related Loans Receivable *(continued)*

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

	2019					
	30-59	60-89	Greater	Total	Current	Total Financing Receivable
	Days Past Due	Days Past Due	Than 90 days	Past Due		
Agriculture	\$ -	\$ -	\$ 4,113,615	\$ 4,113,615	\$ 2,522,753	\$ 6,636,368
Education	-	-	-	-	709,387	709,387
Energy	-	-	406,279	406,279	3,080,829	3,487,108
Financial Inclusion	-	-	-	-	515,600	515,600
Health	-	-	923,982	923,982	1,543,177	2,467,159
Housing	-	-	107,733	107,733	-	107,733
Other	-	-	-	-	3,412,500	3,412,500
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,551,609</u>	<u>\$ 5,551,609</u>	<u>\$ 11,784,246</u>	<u>\$ 17,335,855</u>
	2018					
	30-59	60-89	Greater	Total	Current	Total Financing Receivable
	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 Inclusion	-	-	-	-	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>

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

2020	\$ 7,841,324
2021	4,053,714
2022	2,793,792
2024	529,103
2025	1,467,922
2026 and thereafter	<u>650,000</u>
	17,335,855
Valuation allowance	(3,335,080)
Foreign currency translation adjustment	<u>(252,782)</u>
	<u>\$ 13,747,993</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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 \$80.6 million and \$72.8 million less a valuation allowance of \$21.9 million and \$17.8 million as of December 31, 2019 and 2018.

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:

	2019		
	Performing	Monitoring	Total
Agriculture	\$ 8,446,951	\$ 10,057,206	\$ 18,504,157
Education	4,575,540	-	4,575,540
Energy	22,121,902	5,005,770	27,127,672
Financial Inclusion	4,508,952	-	4,508,952
Health	11,951,111	6,865,499	18,816,610
Housing	293,653	2,349,181	2,642,834
Water and Sanitation	779,998	3,697,641	4,477,639
	<u>\$ 52,678,107</u>	<u>\$ 27,975,297</u>	80,653,404
Valuation allowance			(21,959,059)
			<u>\$ 58,694,345</u>
	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>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

10. Changes in Noncontrolling Limited Partners' Interests

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

	<u>Noncontrolling Interest</u>
Balance January 1, 2018	\$ 4,032,322
Capital contributions	314,000
Excess of revenue over expenses	<u>395,375</u>
Balance December 31, 2018	4,741,697
Deficiency of revenue over expenses	<u>(1,157,893)</u>
Balance December 31, 2019	<u><u>\$ 3,583,804</u></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. Although the Notes matured on December 31, 2018, there are still amounts outstanding that will be paid upon liquidation of assets.

At December 31, 2019 and 2018, ACM had drawn \$5.3 million representing 100% of the commitment, and paid down \$3.2 million and \$1.2 million of the Notes. \$38,328 and \$78,270 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2019 and 2018.

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 extend into 2021, 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, 2019 and 2018

12. Net Assets With Donor Restrictions

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

	2019	2018
Acumen America - General	\$ 1,153,333	\$ 1,034,991
Barclays	981,667	891,663
MetLife	2,140,386	3,655,645
Pfizer	225,000	225,000
QBE Foundation	50,000	-
Robert Wood Johnson Foundation	1,691,571	3,203,984
ACUMEN AMERICA	<u>6,241,957</u>	<u>9,011,283</u>
Participant Media Video Project	-	21,171
COMMUNICATIONS	<u>-</u>	<u>21,171</u>
Acumen Resilient Agriculture Fund (ARAF)	2,806,039	-
KawiSafi Committed Capital	8,766,078	6,450,261
FUND INVESTMENTS	<u>11,572,117</u>	<u>6,450,261</u>
East Africa	-	57,569
Latin America	784,901	56,564
Pakistan	32,288	451,403
West Africa	397,905	67,998
GEOGRAPHY RESTRICTED	<u>1,215,094</u>	<u>633,534</u>
Bill & Melinda Gates Foundation - APMI	664,316	3,197,511
Bill & Melinda Gates Foundation - Ethiochicken	-	461,549
UK Department for International Development	-	242,173
Rockefeller Foundation	-	24,096
Unilever - Gender Research	6,664	94,772
IMPACT	<u>670,980</u>	<u>4,020,101</u>
Regional Fellows	(37,992)	743,271
INDIA	<u>(37,992)</u>	<u>743,271</u>
Acumen Angels	199,666	100,000
Acumen Angels Platform	5,250	50,000
Capital One - Future of Work Accelerator	200,000	-
IKEA - East Africa Social Enterprise Accelerator	292,035	-
Leadership - General	11,873,318	11,418,171
MAVA	31,520	227,006
PwC - Civic Accelerator	59,471	-
Regional Fellows	561,418	49,739
Rockefeller Foundation	498,718	2,915,357
Rebecca Eastmond - UK Leadership Expansion	78,773	-
Unilever - Innovation Incubator	25,000	250,000
LEADERSHIP	<u>13,825,169</u>	<u>15,010,273</u>
Leadership	-	30,002
Portfolio	-	355,333
PAKISTAN	<u>-</u>	<u>385,335</u>
Energy	3,440,476	3,650,107
FMO	2,658,117	-
IKEA Foundation	2,748,820	7,746,065
UK Department for International Development	578,058	-
PIONEER ENERGY INVESTMENT INITIATIVE	<u>9,425,471</u>	<u>11,396,172</u>
Technical Assistance	213,472	211,895
Gender Lens Support	4,283	16,004
POST INVESTMENT SUPPORT	<u>217,755</u>	<u>227,899</u>
Agriculture	16,672	100,000
Education	2,933,294	1,720,509
Health	125,000	125,000
Water & Sanitation	-	19,999
SECTOR RESTRICTED	<u>3,074,966</u>	<u>1,965,508</u>
Cocoa Interrupted Campaign	16,923	50,000
Collaboration Summit	67,655	56,459
Skoll Forum Ecosystem Event	9,700	38,778
STRATEGIC PARTNERSHIPS	<u>94,278</u>	<u>145,237</u>
CRUT	<u>652,567</u>	<u>405,602</u>
TIME RESTRICTED	<u>2,717,740</u>	<u>2,104,109</u>
TOTAL	<u>\$ 49,670,102</u>	<u>\$ 52,519,756</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2019 and 2018

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	2019			
	Beginning of Year	Cash Receipts	Cash Releases	End of Year
Acumen America - General	\$ 61,560	\$ 1,210,015	\$ (163,899)	\$ 1,107,676
Barclays	891,663	1,000,000	(909,996)	981,667
Metlife	3,173,718	500,000	(1,533,332)	2,140,386
Pfizer	225,000	-	-	225,000
QBE Foundation	-	50,000	-	50,000
Robert Wood Johnson Foundation	1,580,454	-	(1,580,454)	-
ACUMEN AMERICA	<u>5,932,395</u>	<u>2,760,015</u>	<u>(4,187,681)</u>	<u>4,504,729</u>
Participant Media Video Project	21,171	-	(21,171)	-
COMMUNICATIONS	<u>21,171</u>	<u>-</u>	<u>(21,171)</u>	<u>-</u>
Acumen Resilient Agriculture Fund (ARAF)	-	1,999,975	(44,000)	1,955,975
KawiSafi Committed Capital	6,450,261	3,000,000	(684,183)	8,766,078
FUND INVESTMENTS	<u>6,450,261</u>	<u>4,999,975</u>	<u>(728,183)</u>	<u>10,722,053</u>
East Africa	57,569	63,155	(120,724)	-
Latin America	56,564	185,295	(225,128)	16,731
Pakistan	238,683	66,387	(305,070)	-
West Africa	67,998	318,155	(136,153)	250,000
GEOGRAPHY RESTRICTED	<u>420,814</u>	<u>632,992</u>	<u>(787,075)</u>	<u>266,731</u>
Impact	-	153,430	(153,430)	-
Bill & Melinda Gates Foundation - APMI	741,128	891,416	(968,228)	664,316
Bill & Melinda Gates Foundation - Ethiochicken	461,549	-	(461,549)	-
UK Department for International Development	-	161,095	(161,095)	-
Rockefeller Foundation	-	25,000	(25,000)	-
Unilever - Gender Research	94,772	-	(88,108)	6,664
IMPACT	<u>1,297,449</u>	<u>1,230,941</u>	<u>(1,857,410)</u>	<u>670,980</u>
Regional Fellows	1,105,439	-	(743,271)	362,168
INDIA	<u>1,105,439</u>	<u>-</u>	<u>(743,271)</u>	<u>362,168</u>
Acumen Angels	100,000	250,000	(150,334)	199,666
Acumen Angels Platform	50,000	-	(44,750)	5,250
Capital One - Future of Work Accelerator	-	200,000	-	200,000
IKEA - East Africa Social Enterprise Accelerator	-	470,500	(178,465)	292,035
Leadership - General	1,478,821	2,763,266	(1,329,587)	2,912,500
MAVA	56,620	203,312	(228,412)	31,520
PwC - Civic Accelerator	-	512,500	(453,029)	59,471
Regional Fellows	49,739	158,020	(175,501)	32,258
Rockefeller Foundation	2,000,000	-	(1,501,282)	498,718
Rebecca Eastmond - UK Leadership Expansion	-	160,908	(82,135)	78,773
Unilever - Innovation Incubator	250,000	15,000	(240,000)	25,000
LEADERSHIP	<u>3,985,180</u>	<u>4,733,506</u>	<u>(4,383,495)</u>	<u>4,335,191</u>
Leadership Portfolio	30,002	80,018	(110,020)	-
PAKISTAN	<u>85,717</u>	<u>68,872</u>	<u>(6,214)</u>	<u>148,375</u>
PAKISTAN	<u>115,719</u>	<u>148,890</u>	<u>(116,234)</u>	<u>148,375</u>
Energy	3,366,139	706,333	(847,325)	3,225,147
IKEA Foundation	154,209	4,922,499	(5,076,708)	-
UK Department for International Development	-	540,088	(540,088)	-
PIONEER ENERGY INVESTMENT INITIATIVE	<u>3,520,348</u>	<u>6,168,920</u>	<u>(6,464,121)</u>	<u>3,225,147</u>
Technical Assistance	211,895	188,803	(187,226)	213,472
Gender Lens Support	16,004	-	(11,721)	4,283
POST INVESTMENT SUPPORT	<u>227,899</u>	<u>188,803</u>	<u>(198,947)</u>	<u>217,755</u>
Agriculture	100,000	834,191	(934,191)	-
Education	701,474	3,209,530	(793,993)	3,117,011
Health	125,000	-	-	125,000
Water & Sanitation	19,999	-	(19,999)	-
SECTOR RESTRICTED	<u>946,473</u>	<u>4,043,721</u>	<u>(1,748,183)</u>	<u>3,242,011</u>
Cocoa Interrupted Campaign	50,000	-	(33,077)	16,923
Collaboration Summit	56,458	11,197	-	67,655
Skoll Forum Ecosystem Event	38,778	7,500	(36,578)	9,700
STRATEGIC PARTNERSHIPS	<u>145,236</u>	<u>18,697</u>	<u>(69,655)</u>	<u>94,278</u>
TIME RESTRICTED	<u>-</u>	<u>950,522</u>	<u>(950,522)</u>	<u>-</u>
INTERFUND ACCOUNT	<u>(269,454)</u>	<u>420,705</u>	<u>-</u>	<u>151,251</u>
TOTAL	<u>\$ 23,898,930</u>	<u>\$ 26,297,687</u>	<u>\$ (22,255,948)</u>	<u>\$ 27,940,669</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2019 and 2018

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

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 - APMI	1,685,231	-	(944,103)	741,128
Bill & Melinda Gates Foundation - Ethiochicken	876,227	-	(414,678)	461,549
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>
Regional Fellows	-	1,105,439	-	1,105,439
INDIA	<u>-</u>	<u>1,105,439</u>	<u>-</u>	<u>1,105,439</u>
+Acumen Online Courses	-	468,072	(468,072)	-
Acumen Angels	-	200,000	(100,000)	100,000
Acumen Angels Platform	-	50,000	-	50,000
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>
Leadership	-	30,002	-	30,002
Portfolio	-	85,717	-	85,717
PAKISTAN	<u>-</u>	<u>115,719</u>	<u>-</u>	<u>115,719</u>
Energy	1,178,724	2,187,415	-	3,366,139
IKEA Foundation	1,241,687	1,739,959	(2,827,437)	154,209
UK Department for International Development	18,281	695,511	(713,792)	-
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>\$ 21,585,598</u>	<u>\$ (16,371,007)</u>	<u>\$ 23,898,930</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

13. In-Kind Contributions

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

	<u>2019</u>	<u>2018</u>
Professional services	\$ 2,759,396	\$ 1,675,726
Goods	-	42,082
Space	-	24,000
	<u>\$ 2,759,396</u>	<u>\$ 1,741,808</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 \$205,789 and \$166,972 for 2019 and 2018. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension were £57,449 or \$70,234 and £22,997 or \$29,286 for 2019 and 2018.

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:

2020	\$ 845,918
2021	614,266
2022	627,552
2023	641,170
2024	655,129
2025 and thereafter	<u>1,353,182</u>
	<u>\$ 4,737,217</u>

Occupancy expenses (including donated occupancy) totaled \$1,072,766 and \$1,067,279 for 2019 and 2018.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

15. Commitments and Contingencies *(continued)*

Program Grants, Loans and Investments

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

	<u>2019</u>	<u>2018</u>
Loans	\$ 8,755,886	\$ 1,628,594
Equity investments	<u>6,667,324</u>	<u>4,129,384</u>
	<u>\$ 15,423,210</u>	<u>\$ 5,757,978</u>

Since 2001, Acumen has made portfolio loan and equity disbursements of \$128 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$3.4 million), Acumen's cumulative investments under management total over \$131.4 million.

At December 31, 2019 and 2018, approximately \$546,000 and \$1.1 million in program disbursements have been committed, but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$2.9 million and \$4.1 million of additional program disbursements were committed in 2019 and 2018. 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 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.

As of December 31, 2019, KawiSafi has received shareholder commitments equal to \$67.5 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. As of December 31, 2019, Acumen Fund, Inc. had funded \$8.6 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 45%. At December 31 2019, KawiSafi's total funded commitments amount to \$23.2 million. The ratio of total contributed capital to total committed capital for KawiSafi is 34%. 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, 2019 and 2018

15. Commitments and Contingencies *(continued)*

Committed Capital (continued)

As of December 31, 2019, Acumen Latin America Early Growth Fund LP (“ALEG”) has received shareholder commitments equal to \$21.9 million to operate an investment fund focused on fast-growing, profitable agribusiness, education, and energy companies that are improving the quality of life of low income communities in Colombia, Peru and Central America. Of that amount, Acumen Fund, Inc. committed \$1 million as a program related investment. Acumen Capital Markets Latin America Early Growth LLC, as the GP of ALEG, may direct the draw-down of these commitments for uses outlined in its shareholders’ agreement, including to enable ALEG to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2019, Acumen Fund, Inc. had funded \$456,392 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 45.6%. As of December 31, 2019, ALEG’s total funded commitments amount is \$9.9 million. The ratio of total contributed capital to total committed capital for ALEG is 45.6%.

As of December 31, 2019, Acumen Resilient Agriculture Fund (“ARAF”) has received shareholder commitments equal to \$25 million to operate an investment fund focused on climate-aware agriculture solutions in East and West Africa. Of that amount, Acumen Fund, Inc. committed \$2 million as a program related investment. Acumen Capital Partners LLC, as the manager of ARAF, may direct the draw-down of these commitments for uses outlined in its shareholders’ agreement, including to enable ARAF to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2019, Acumen Fund, Inc. had funded \$44,000 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 2.2%. As of December 31, 2019, ARAF’s total funded commitments amount is \$550,000. The ratio of total contributed capital to total committed capital for ARAF is 2.2%.

16. Related Party Transactions

During 2019, Acumen entered into an agreement to transfer assets with 60 Decibels, for which Acumen received convertible notes which are recorded in program related loans receivable on the consolidated statements of financial position. Acumen’s CEO holds one of five 60 Decibels board seats. Total fees paid by Acumen to 60 Decibels for services rendered in 2019 were \$1.1 million.

Acumen Fund, Inc. received a reimbursement of \$250,000 from ARAF for organizational expenses incurred during the fund’s development. Acumen Fund, Inc. is a limited partner in ARAF and the reimbursement amount was paid in accordance with the partnership agreement. Acumen Resilient Agriculture Capital Investments LLC, the General Partner for ARAF and a single member LLC owned by Acumen Capital Partners, also received \$250,000 in management fees from ARAF in 2019.

Acumen Fund, Inc. received payment from KawiSafi for professional services in the amount of \$34,350 in 2019. Acumen Fund, Inc. is a limited partner in KawiSafi and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and KawiSafi. Acumen Capital Partners LLC (“ACP”) received \$843,250 in management fees from KawiSafi in 2019 and there were \$843,250 in management fees payable to ACP as of December 31, 2019.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2019 and 2018

17. Subsequent Events

COVID-19 Pandemic

Subsequent to year end, the COVID-19 pandemic has resulted in substantial volatility in the global financial markets. As a result, Acumen Fund Inc.'s investment portfolio may have incurred a decline in its value since December 31, 2019. Because the value of Acumen Fund Inc.'s individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

The coronavirus outbreak may and will have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows including donor contributions, or financial condition.

Paycheck Protection Program

On May 1, 2020, Acumen Fund, Inc. was granted a loan from JPMorgan Chase Bank, N.A. in the amount of \$1,171,555, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan matures after two years and bears interest at a rate of 1% per annum, payable monthly after six months. Funds from the loan may only be used for payroll costs, health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred after February 15, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Acumen Fund, Inc. intends to use the entire loan amount for qualifying expenses.

* * * * *

**Acumen Fund, Inc.
and Subsidiaries**

Supplementary Financial Information

December 31, 2019

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position December 31, 2019 (with summarized totals at December 31, 2018)

	Acumen Fund, Inc.			Acumen India Trust			Acumen Pakistan			Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners LLC	Eliminating Entries	2019 Total	2018 Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Acumen India	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total						
ASSETS																
Operating Assets																
Cash and cash equivalents	\$ 18,243,682	\$27,009,421	\$ 45,253,103	\$ 1,379,425	\$ (37,991)	\$ 400,160	\$ 362,169	\$ (260,179)	\$ 531,094	\$ 270,915	\$ 453,850	\$ 664,947	\$ 2,393,562	\$ -	\$ 50,777,971	\$ 51,123,840
Contributions and pledges receivable, net	504,303	23,784,146	24,288,449	-	-	-	-	-	-	-	-	-	-	-	24,288,449	28,758,865
Interest receivable	-	-	-	8,537	-	-	-	-	-	-	-	-	-	-	8,537	13,285
Investment in subsidiaries	500,959	-	500,959	-	-	-	-	-	-	-	-	-	-	(500,959)	-	-
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	-	-	-	-	-	(750,000)	-	-
Accounts and other receivables	911,736	-	911,736	210,506	-	-	-	86,777	-	86,777	68,261	(7,762)	847,180	(823,620)	1,293,078	175,243
Prepaid expenses and other assets	377,129	-	377,129	137,892	3,736	3,736	3,736	28,569	-	28,569	-	-	-	-	547,326	542,066
Interest in charitable remainder trust	-	652,567	652,567	-	-	-	-	-	-	-	-	-	-	-	652,567	405,602
Property and equipment, net	305,181	-	305,181	15,296	2,099	2,099	2,099	15,257	-	15,257	-	-	19,051	-	356,884	354,675
Security deposits	231,693	-	231,693	25,299	15,147	15,147	15,147	194	-	194	-	-	23,625	-	295,958	365,132
Total Operating Assets	21,824,683	51,446,134	73,270,817	1,776,955	(17,009)	400,160	383,151	(129,382)	531,094	401,712	522,111	657,185	3,283,418	(2,074,579)	78,220,770	81,738,708
Portfolio Assets																
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,914
Interest and dividend receivable, net	929,964	-	929,964	-	-	-	-	2,365	-	2,365	258,575	-	-	-	1,190,904	1,694,520
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,734
Program related equity investments, net	55,126,092	-	55,126,092	-	-	-	-	87,264	-	87,264	3,932,239	307,063	-	(758,313)	58,694,345	55,073,214
Program related loans receivable, net	11,592,298	-	11,592,298	-	-	-	-	107,733	-	107,733	2,086,289	-	-	(38,327)	13,747,993	7,309,670
Total Portfolio Assets	67,648,354	-	67,648,354	-	-	-	-	197,362	-	197,362	6,277,103	307,063	-	(796,640)	73,633,242	64,097,052
	<u>\$ 89,473,037</u>	<u>\$ 51,446,134</u>	<u>\$ 140,919,171</u>	<u>\$ 1,776,955</u>	<u>\$ (17,009)</u>	<u>\$ 400,160</u>	<u>\$ 383,151</u>	<u>\$ 67,980</u>	<u>\$ 531,094</u>	<u>\$ 599,074</u>	<u>\$ 6,799,214</u>	<u>\$ 964,248</u>	<u>\$ 3,283,418</u>	<u>\$(2,871,219)</u>	<u>\$ 151,854,012</u>	<u>\$ 145,835,760</u>
LIABILITIES AND NET ASSETS																
Liabilities																
Accounts payable and accrued expenses	\$ 1,569,188	\$ -	\$ 1,569,188	\$ 46,567	\$ 2,160	\$ -	\$ 2,160	\$ 23,499	\$ -	\$ 23,499	\$ 96,184	\$ -	\$ 491,833	\$ (968,375)	\$ 1,261,056	\$ 1,247,729
Accrued salaries and related expenses	1,276,741	-	1,276,741	49,427	-	-	-	-	-	-	-	-	-	-	1,326,168	1,368,513
Taxes payable on foreign loan interest income	1,280	-	1,280	-	-	-	-	-	-	-	-	-	-	-	1,280	1,280
Deferred income	33,851	770,619	804,470	-	-	400,160	400,160	-	148,374	148,374	-	1,250,000	-	2,603,004	1,362,846	
Intercompany loan	-	-	-	-	-	-	-	753,137	-	753,137	-	-	-	(753,137)	-	-
Returnable grant capital	-	1,388,133	1,388,133	-	-	-	-	-	-	-	-	-	-	-	1,388,133	-
Notes payable	-	-	-	-	-	-	-	-	-	-	2,068,087	-	-	(38,327)	2,029,760	4,036,620
Total Liabilities	2,881,060	2,158,752	5,039,812	95,994	2,160	400,160	402,320	776,636	148,374	925,010	2,164,271	-	1,741,833	(1,759,839)	8,609,401	8,016,988
Net Assets (Deficit)																
Without Donor Restrictions																
Operating	18,943,623	-	18,943,623	-	(76,926)	-	(76,926)	(1,686,558)	-	(1,686,558)	-	657,185	1,541,585	(3,021,446)	16,357,463	16,460,267
Portfolio funds	67,648,354	-	67,648,354	-	-	-	-	197,362	-	197,362	-	307,063	-	5,480,463	73,633,242	64,097,052
Noncontrolling limited partners' interests	-	-	-	-	-	-	-	-	-	-	-	-	-	3,583,804	3,583,804	4,741,697
Total Without donor restrictions	86,591,977	-	86,591,977	-	(76,926)	-	(76,926)	(1,489,196)	-	(1,489,196)	-	964,248	1,541,585	6,042,821	93,574,509	85,299,016
With Donor Restrictions																
Contributed capital	-	49,287,382	49,287,382	-	-	-	-	-	382,720	382,720	-	-	-	-	49,670,102	52,519,756
Stockholders' equity	-	-	-	353,134	66,318	-	66,318	-	-	-	-	-	-	(419,452)	-	-
Partners' capital	-	-	-	1,327,827	(8,561)	-	(8,561)	780,540	-	780,540	-	-	-	(2,099,806)	-	-
Total Net Assets (Deficit)	86,591,977	49,287,382	135,879,359	1,680,961	(19,169)	-	(19,169)	(708,656)	382,720	(325,936)	4,634,943	964,248	1,541,585	(1,111,380)	143,244,611	137,818,772
	<u>\$ 89,473,037</u>	<u>\$ 51,446,134</u>	<u>\$ 140,919,171</u>	<u>\$ 1,776,955</u>	<u>\$ (17,009)</u>	<u>\$ 400,160</u>	<u>\$ 383,151</u>	<u>\$ 67,980</u>	<u>\$ 531,094</u>	<u>\$ 599,074</u>	<u>\$ 6,799,214</u>	<u>\$ 964,248</u>	<u>\$ 3,283,418</u>	<u>\$(2,871,219)</u>	<u>\$ 151,854,012</u>	<u>\$ 145,835,760</u>

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities Year Ended December 31, 2019 (with summarized totals for the year ended December 31, 2018)

	Acumen Fund, Inc.			Acumen India	Acumen India Trust			Acumen Pakistan			Acumen	Acumen	Acumen	Eliminating	2019	2018
	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Capital Markets I, LP	Canada	Capital Partners LLC			
SUPPORT AND REVENUE																
Operating Support and Revenue																
Contributions	\$ 6,320,287	\$ 19,142,139	\$ 25,462,426	\$ 567,116	\$ 945,202	\$ -	\$ 945,202	\$ 119,809	\$ (2,091)	\$ 117,718	\$ -	\$ 198,912	\$ -	\$ (567,116)	\$ 26,724,258	\$ 36,718,995
(Provision) recovery for uncollectible pledges	(87,525)	27,669	(59,856)	-	-	-	-	-	-	-	-	-	-	-	(59,856)	(643,086)
In-kind contributions	2,759,396	-	2,759,396	-	-	-	-	-	-	-	-	-	-	-	2,759,396	1,741,808
Program fees	1,432,198	-	1,432,198	7,411	-	-	-	-	-	-	-	1,937,700	212,992	3,590,301	4,097,270	
Investment income	284,685	-	284,685	20,598	23,181	-	23,181	10,951	-	10,951	262	-	(1,698)	337,979	575,199	
Change in value of charitable remainder trust	-	246,965	246,965	-	-	-	-	-	-	-	-	-	-	246,965	(39,203)	
Loss on disposal of property and equipment	(5,138)	-	(5,138)	-	-	-	-	(145)	-	(145)	-	-	-	(5,283)	(1,323)	
Other income	1,347,973	-	1,347,973	1,843	119	-	119	543	-	543	-	-	-	1,350,478	80,540	
Net assets released from restrictions	11,240,770	(11,240,770)	-	-	743,271	(743,271)	-	116,234	(116,234)	-	-	-	-	-	-	-
Total Operating Support and Revenue	23,292,646	8,176,003	31,468,649	596,968	1,711,773	(743,271)	968,502	247,392	(118,325)	129,067	262	198,912	1,937,700	(355,822)	34,944,238	42,530,200
Portfolio Revenue (Losses)																
Interest and dividend income, program related investments	316,034	-	316,034	-	-	-	-	28,233	-	28,233	-	5,900	-	-	350,167	546,914
Realized gain (loss) on equity investments	1,803,264	-	1,803,264	-	-	-	-	-	-	-	-	-	241,687	2,044,951	(2,948,137)	
Realized debt portfolio losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(920,373)	
Provision for losses	(3,965,162)	-	(3,965,162)	-	-	-	-	-	-	-	-	-	-	(3,965,162)	(2,539,887)	
Other portfolio investment income	50,000	-	50,000	-	-	-	-	-	-	-	-	-	-	50,000	15,000	
Net assets released from restrictions	10,155,673	(10,155,673)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Portfolio Revenue (Losses)	8,359,809	(10,155,673)	(1,795,864)	-	-	-	-	28,233	-	28,233	-	5,900	-	241,687	(1,520,044)	(5,846,483)
Total Support and Revenue	31,652,455	(1,979,670)	29,672,785	596,968	1,711,773	(743,271)	968,502	275,625	(118,325)	157,300	262	204,812	1,937,700	(114,135)	33,424,194	36,683,717
EXPENSES																
Program Expenses																
Portfolio management	8,824,316	-	8,824,316	413,518	-	-	-	161,689	-	161,689	890,062	-	1,424,467	(629,895)	11,084,157	7,909,802
Outreach, impact and communications	5,410,605	-	5,410,605	118,874	-	-	-	33,694	-	33,694	-	-	-	-	5,563,173	7,408,789
Leadership	5,653,586	-	5,653,586	-	244,555	-	244,555	205,870	-	205,870	-	-	-	-	6,104,011	2,143,440
Total Program Expenses	19,888,507	-	19,888,507	532,392	244,555	-	244,555	401,253	-	401,253	890,062	-	1,424,467	(629,895)	22,751,341	17,462,031
Supporting Expenses																
Management and general	2,164,364	-	2,164,364	255,599	-	-	-	76,811	-	76,811	-	1,247	162,461	-	2,660,482	3,470,039
Fundraising	3,316,680	-	3,316,680	42,303	-	-	-	24,497	-	24,497	-	-	-	-	3,383,480	2,796,952
Total Supporting Expenses	5,481,044	-	5,481,044	297,902	-	-	-	101,308	-	101,308	-	1,247	162,461	-	6,043,962	6,266,991
Total Expenses	25,369,551	-	25,369,551	830,294	244,555	-	244,555	502,561	-	502,561	890,062	1,247	1,586,928	(629,895)	28,795,303	23,729,022
Change in Net Assets Before Foreign Currency																
Translation Gain (Loss)	6,282,904	(1,979,670)	4,303,234	(233,326)	1,467,218	(743,271)	723,947	(226,936)	(118,325)	(345,261)	(889,800)	203,565	350,772	515,760	4,628,891	12,954,695
Foreign currency translation gain (loss)	(97,274)	(8,388)	(105,662)	(17,091)	18,754	-	18,754	(17,165)	-	(17,165)	886,246	32,999	(667)	(466)	796,948	313,700
Change in Net Assets	6,185,630	(1,988,058)	4,197,572	(250,417)	1,485,972	(743,271)	742,701	(244,101)	(118,325)	(362,426)	(3,554)	236,564	350,105	515,294	5,425,839	13,268,395
NET ASSETS (DEFICIT)																
Beginning of the year	80,406,347	51,275,440	131,681,787	1,931,378	(1,505,141)	743,271	(761,870)	(464,555)	501,045	36,490	4,638,497	727,684	1,191,480	(1,626,674)	137,818,772	124,550,377
End of the year	\$ 86,591,977	\$ 49,287,382	\$ 135,879,359	\$ 1,680,961	\$ (19,169)	\$ -	\$ (19,169)	\$ (708,656)	\$ 382,720	\$ (325,936)	\$ 4,634,943	\$ 964,248	\$ 1,541,585	\$ (1,111,380)	\$ 143,244,611	\$ 137,818,772

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses by Region For the Year Ended December 31, 2019 (with summarized totals for the year ended December 31, 2018)

	Philanthropy									Fund Management			2019 Total	2018 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	\$ 853,028	\$ 9,297,777	\$ -	\$ 1,352,861	\$ 724,717	\$ 685,886	\$ 295,559	\$ 495,177	\$ -	\$ 13,705,005	\$ -	\$ 497,187	497,187	\$ 14,202,192	\$ 13,656,379
Professional and consultant fees	20,115	2,080,017	1,156	260,291	148,811	37,956	23,066	41,608	-	2,613,020	18,270	681,841	700,111	3,313,131	2,541,889
Program grants	-	6,824,702	-	419	12,977	14,055	67,795	-	(3,718,212)	3,201,736	-	-	-	3,201,736	1,379,287
Donated professional services	-	2,759,396	-	-	-	-	-	-	-	2,759,396	-	-	-	2,759,396	1,675,726
Donated space	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,000
Donated goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,082
Travel	20,802	411,674	-	108,321	99,879	74,124	22,378	149,547	-	886,725	-	32,754	32,754	919,479	1,041,062
Meetings	784	159,496	-	64,795	4,045	28,236	36,106	30,515	-	323,977	-	4,887	4,887	328,864	437,337
Marketing material	-	197,990	-	-	541	-	103	279	-	198,913	-	-	-	198,913	256,111
Technology expenses	18,327	599,625	-	42,713	3,540	4,492	2,774	6,758	-	678,229	-	24,032	24,032	702,261	502,570
Telephone	4,601	51,864	-	13,504	4,656	1,834	1,450	15,860	-	93,769	-	393	393	94,162	92,854
Office supplies, printing and postage	3,321	59,428	-	19,032	8,066	6,297	1,856	18,997	-	116,997	-	4,042	4,042	121,039	113,686
Occupancy	56,197	641,426	-	75,918	61,187	101,658	38,430	41,637	-	1,016,453	-	56,313	56,313	1,072,766	1,043,279
Insurance	5,646	69,976	-	2,155	-	1,294	533	-	-	79,604	13,250	-	13,250	92,854	101,315
Investment fees and bank charges	9,046	158,437	91	3,156	9,193	66,224	8,655	30,507	-	285,309	72,422	5,004	77,426	362,735	411,122
VAT and real estate taxes	6,012	62,355	-	27,085	-	26,767	-	139	-	122,358	-	269,580	269,580	391,938	55,433
Interest	-	-	-	-	-	-	-	-	(1,698)	(1,698)	781,659	-	781,659	779,961	-
Miscellaneous	317	7,439	-	1,745	2,609	17,335	(820)	4,792	-	33,417	4,461	6,265	10,726	44,143	86,472
Total Expenses before Depreciation	998,196	23,381,602	1,247	1,971,995	1,080,221	1,066,158	497,885	835,816	(3,719,910)	26,113,210	890,062	1,582,298	2,472,360	28,585,570	23,460,604
Depreciation	10,663	154,149	-	12,415	8,363	8,691	4,676	6,141	-	205,098	-	4,630	4,630	209,728	268,418
Total Expenses	\$ 1,008,859	\$ 23,535,751	\$ 1,247	\$ 1,984,410	\$ 1,088,584	\$ 1,074,849	\$ 502,561	\$ 841,957	\$ (3,719,910)	\$ 26,318,308	\$ 890,062	\$ 1,586,928	\$ 2,476,990	\$ 28,795,298	\$ 23,729,022

(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

See independent auditors' report